ORDINANCE 1544

AN ORDINANCE OF THE BOROUGH OF GREENVILLE, MERCER COUNTY, PENNSYLVANIA ADOPTING THE RECOVERY PLAN AMENDMENT FOR THE BOROUGH OF GREENVILLE AS PREPARED BY THE DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT AND THE COMMONWEALTH OF PENNSYLVANIA'S DULY APPOINTED COORDINATOR, MARY JANE KUFFNER HIRT, PH.D., SAID REVISED PLAN AS AUTHORIZED BY THE FINANCIALLY DISTRESSED MUNICIPALITIES ACT, ACT 47 OF 1987, AND TO DO ALL THINGS AND TO TAKE ALL NECESSARY ACTION IN CONNECTION THEREWITH.

WHEREAS, upon Petition duly filed with the COMMONWEALTH OF PENNSYLVANIA, DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT (hereinafter "Department") pursuant to the Financially Distressed Municipalities Act, Act 47 of 1987 (hereinafter "Act"), the Borough of Greenville on May 8, 2002, was declared a financially distressed municipality; and

WHEREAS, Act 47 of 1987, the Financially Distressed Municipality Act, provided that a Plan Coordinator be appointed for distressed municipalities and that a Recovery Plan be prepared by the Coordinator; and

WHEREAS, Resource Development and Management, Inc. was appointed as the Plan Coordinator (hereinafter "Coordinator"); and

WHEREAS, the Coordinator prepared in accordance with Act 47 the Recovery Plan, and on December 27, 2002, submitted same to the Borough of Greenville for its adoption; and

WHEREAS, the Borough of Greenville adopted the Act 47 Recovery Plan on January 9, 2003; and

WHEREAS, on August 1, 2006, Mary Jane Kuffner Hirt, Ph.D., was appointed as the new ACT 47 Plan Coordinator(hereinafter "New Coordinator"); and

WHEREAS, the Coordinator and the Department have requested revisions to the December 27, 2002 Plan; and

WHEREAS, the New Coordinator and the Borough made revisions to the plan and the Borough of Greenville adopted the "Revised Recovery Plan" on September 18, 2008; and

WHEREAS, the New Coordinator and the Borough made amendments to the plan and the Borough of Greenville adopted the "Recover Plan Amendment" on June 14, 2011; and

WHEREAS, the New Coordinator and the Borough made amendments to the plan and the Borough of Greenville adopted the "Recovery Plan Amendment" on September 28, 2011; and

WHEREAS, the New Coordinator and the Borough made amendments to the plan and the Borough of Greenville adopted the "Recovery Plan Amendment" on November 26, 2013; and

WHEREAS, the Borough of Greenville has determined that it is in its best interest to adopt Recovery Plan Amendments Parts 1-8 dated February 27, 2015 at this time.

NOW THEREFORE, BE IT ORDAINED AND ENACTED BY THE BOROUGH OF GREENVILLE, COUNTY OF MERCER, AND IT IS HEREBY ORDAINED AND ENACTED BY AUTHORITY OF THE SAME AS FOLLOWS:

SECTION 1. The Council of the Borough of Greenville hereby adopts and approves the implementation of the Recovery Plan Amendments of the Borough of Greenville as prepared and submitted by the New Coordinator, including subsequent amendments thereto, if any, pursuant to Section 245 of Act 47 of 1987, as amended. Attached as Appendix A.

SECTION 2. The Borough Manager and Borough Solicitor are hereby authorized to prepare for adoption any necessary related ordinances or resolutions and revisions to ordinances or resolutions to implement the Revised Municipal Recovery Plan.

SECTION 3. In the event that any provision, section, sentence, clause or part of this Ordinance shall be held invalid, such invalidity shall not affect or impair any remaining provision, section, sentence, clause or part of this Ordinance, and the remaining shall remain in full force and effect.

SECTION 4. All Ordinances or parts of Ordinances not in accord with this Ordinance are hereby repealed insofar as they conflict hereby.

ENACTED AND ORDAINED this 14th day of April 2015.

Attest:

Jasson W. Urey, Borough Manager

Brian W. Shipley, President of Council

Examined and approved by me this
14th day of April 2015.

Joshua D. Stephens, Mayor

Appendix A

GREENVILLE BOROUGH
Act 47 RECOVERY PLAN AMENDMENT
ACTION ITEMS PRESENTED ON MARCH 10, 2015
AND ADOPTED April 14, 2015

GENERAL GOVERNMENT

1. Beginning in January 2015 the borough shall undertake a self-study using zero base budgeting and service level analysis to identify the level(s) of basic services that are affordable within the borough's capacity to generate revenues. Alternative strategies to achieve budgetary, cash, long term and service level solvency and assure long term financial self-sustainability will be examined. This process will facilitate compliance with prevailing statutory requirements contained in PA Act 199 of 2014 when Greenville's current recovery plan expires at the end of 2016 and a determination must be made for the borough to exit distress, go into receivership or adopt a 3-year exit plan.

2. Changes in the organizational structure and personnel over the last 5 years have strengthened the borough's potential for making the changes necessary to exit distress. The changes in administrative structure and the increased capacity to perform shall be maintained across the organization.

3. The borough shall hold an annual public meeting prior to the adoption of the general operating budget to report on the borough's progress towards exiting distress and identify the borough's financial and operating goals and objectives for the next fiscal year. Public participation shall be encouraged by advertising the meeting in the local newspaper and on the borough's website.

4. The borough shall investigate the potential for functional consolidation and other cooperative efforts with surrounding municipalities for police, fire, public works and recreational services.

5. The borough shall develop an on-going dialogue with the business community to identify and participate in activities to enhance the borough's economic base.

6. The borough shall apply for funding to DCED to implement various action items identified throughout this recovery plan.

7. The borough shall consider public/private partnerships to provide for the health, safety and welfare of the community.

8. The Borough of Greenville has not updated its industrial appraisal since the mid-1990s. To assure that the borough has adequate insurance coverage and is in compliance with GASB requirements, the borough shall seek proposals to update its industrial appraisal.

9. Borough Council with the assistance of the Act 47 Coordinator shall consider the advantages and disadvantages of adopting a home rule or optional plan of government to replace the existing borough structure. Should council determine that a change would be appropriate, it shall take the steps stipulated in Act 62 to initiate the home rule or optional form of government consideration process.

10. The borough shall annually participate in the internship program administered by the Local Government Academy to assist with surveys or studies that support the borough's efforts to exit distress.

11. Greenville Borough Council shall develop a strategy to effectively and consistently communicate with borough residents through the use of the community's website, inserts in utility bills, community newsletter, etc., as well as schedule town hall meetings to foster public participation in the discussion of on-going community issues.

12. The Borough of Greenville shall provide leadership and managerial training opportunities to those who serve in supervisory roles in all departments in addition to training necessary to meet and maintain technical training and certification requirements.

13. Borough Council in conjunction with the Borough Manager on a continuing basis shall update and adopt all employee job descriptions for all full and part time employee positions. The job descriptions shall be used to set goals and objectives for the position and serve as a basis for the assessment of job performance on an annual basis.

FINANCIAL MANAGEMENT

14. Real Estate Tax Collection Rates - Collection rates for current year municipal real estate taxes are 5% to 8% lower than the norm for municipalities. The borough shall actively monitor annual real estate tax collections, identify factors that affect current and delinquent collection rates and implement practices to increase collection rates. Trends in collection rates shall be used to more accurately budget current and delinquent revenues.

15. Current Real Estate Tax Transfers - To improve the borough's cash management, the real estate tax collector shall remit tax deposits on a bi-weekly instead of monthly basis. During discount and face periods, deposits should be made weekly. Reporting related to collections and deposits need only continue on a monthly basis. Electronic transfer of funds on a daily basis and the use of a lock

box to receive payments should be considered for implementation prior to real estate tax collections for 2015.

16. Current Real Estate Tax Reminder Notices - Council shall implement a policy that would require the Borough's Real Estate Tax Collector to notify property owners who have not paid real estate taxes after the expiration of the tax at face payment to encourage payment before the end of the fiscal year. The notices shall conform to state rules and regulations.

17. Year End Real Estate Tax Collection/Remittance - The borough shall require the Borough's Real Estate Tax Collector to transfer real estate tax payments made in December to the Borough no later than 12:00 noon on the last business day in December.

18. Delinquent Real Estate Tax - (1) The borough shall maintain a listing of delinquent properties and undertake efforts associated with its rental inspection program to encourage payments that are overdue. (2) The borough shall determine which properties within the borough are most severely delinquent and initiate discussions with the school district and county to identify parcels for sheriffs or judicial sale. The county, borough and school district shall share the cost proportionate to the benefit derived from such sales. (3) The borough shall also investigate the options available through redevelopment authorities/economic development agencies to move severely delinquent parcels back onto the tax rolls.

19. PILOT PAYMENTS - Using the Real Estate Tax Exempt Study as a basis, the borough shall conduct an audit of tax exempt property and work to expand PILOT (payment in lieu of tax) payments. The President of Council and Borough Manager shall lead the effort to expand the in lieu of tax payment program. Advice on effective strategies for increasing participation as well as negotiating PILOT payments will be sought from municipalities where active and effective PILOT programs exist. In addition, the borough shall make requests for PILOT donations in early January and link the donation requests to support of specific services such as fire, police or public works services or planned capital projects, equipment and/or vehicle acquisitions.

20. The Borough Manager in conjunction with the Borough's Real Estate Tax Collector shall research the feasibility of accepting debit and/or credit cards for payment of current year real taxes through services such as Gov.pay.

21. Borough Council shall consider implementing an installment payment process for the payment of current real estate tax bills.

22. A master housing and business data base shall be developed to keep tax rolls up to date. Real estate tax and utility listings shall be audited annually to ensure accuracy and completeness. Information pertaining to commercial and residential construction and building improvements shall be provided to the county real estate tax assessor.

23. The borough shall actively monitor EIT collections, identify factors that affect current and delinquent collection rates and implement practices to increase collection rates.

24. The borough shall share all survey and tax information with the EIT collector. This shall include, but not be limited to, business surveys; occupation and per capita tax records; deed transfers; water and sewage billings; and any other relevant tax information that may be of assistance in expanding the data base. Individual privacy rights shall be observed in the implementation of this recommendation.

25. The Borough shall periodically review the state law concerning the interest and penalty that may be applied to delinquent tax and fee payments and authorize the charge of the maximum allowable interest and penalty values on overdue accounts. Borough Council shall also institute policies against the waiver of such charges by those who collect the revenues unless there is a formal grant of waiver by Council on a case-by-case basis.

26. The borough shall periodically check establishments to ensure that the total mechanical devices fees paid are consistent with the number of machines on site.

27. Annual Audit - Borough Council shall on a continuing basis issue an RFP for auditing services to obtain the most cost effective and cost efficient contract for the borough.

28. General Operating Budget - For each department's expenditure area of the budget, the department heads shall present a commentary to substantiate their expenditure requests. The substantiation shall conform to a prescribed format developed by the Borough Manager and shall include a statement of need, the volume and nature of work to be performed, supporting data for estimated costs, and a statement of benefits to be achieved.

29. Fund Balance - Borough Council shall adopt a formal fund balance policy at the end of each fiscal year to designate how the year end general-operating fund balance will be allocated to maintain an emergency or "rainy day" fund, support capital improvements and acquisitions and/or implement recovery plan amendment action items. (The absence of a formal fund balance policy was cited as a factor when the borough's credit rating was established by Standard and Poor's.)

30. The borough shall annually survey employees to ensure any dependents enrolled in the group health insurance plan are eligible for benefits. The borough shall annually survey employees to ensure any dependents enrolled in the group dental plan are eligible for benefits.

31. **Consistent with the provisions of PA Act 199 of 2014, the borough shall eliminate its reliance on the court authorized resident earned income by reducing the resident earned income tax rate from 1.25% in 2015 to 1.00%. The total estimated revenue associated with this reduction is approximately $199,975.**

32. **Consistent with the provisions of PA Act 199 of 2014, the borough shall eliminate its reliance on the court authorized non-resident earned income tax levy. The rate in 2015 is 1.092% and is expected to generate about $199,864.**

33. **To offset the elimination of the court authorized EIT levies on residents and non-residents estimated to be $396,839 in 2015, the borough shall reduce operating expenses, increase the efficiency of revenue collection processes, and/or authorize new revenue sources.**

34. **During 2015 the borough shall seek citizen approval through a voter referendum to levy a special real estate mill rate to fund the fire service.**

35. **Upon completion of the storm water utility study indicated under the Action Items for Capital Improvements/Infrastructure, the borough shall authorize a storm water utility fee.**

DEBT SERVICE

36. Annual debt service (principal and interest) shall not exceed 10% of the total general operating budget. Decisions with respect to long-term borrowing or other means of capital financing shall be made in accordance with the borough's capital improvements program with loan and bond maturity schedules designed so that they do not exceed the expected life of the projects financed by such bonds.

CAPITAL IMPROVEMENTS/INFRASTRUCTURE

37. Capital Improvements Plan – The borough shall annually develop, review and adopt a comprehensive 5-year capital improvements plan for all physical assets. This program should include an annual prioritization of facility, vehicle and equipment needs, along with the identification of funding alternatives. The annual capital budget shall be integrated into the annual operating budget.

38. As part of the capital improvements plan development, there shall be at least one public hearing to gather citizen input on capital needs and priorities.

39. Storm Water Utility Study – Mercer County's Storm Water Management Plan Phase II identified over 30 significant storm water management problems within the Borough of Greenville. The borough shall complete a storm water utility study

to address on-going storm water infrastructure maintenance, construction/reconstruction and financing needs within the term of this recovery plan amendment. The borough shall consider the reallocation of personnel costs to the storm water utility, as appropriate.

INSURANCE

40. The borough shall monitor all physical infrastructure to determine whether the property/liability insurance coverage is adequate, to avoid duplication of coverage and to identify items, as appropriate, for disposition.

41. The borough on a continuing basis shall actively pursue the most cost efficient and cost effective insurance contracts to contain or reduce its annual insurance related expenses.

42. The borough shall reinstitute a safety committee to review safety issues in the work place. The borough shall ensure that this committee continues to meet regularly to review potential safety concerns and implement recommendations to ensure a safe work environment.

PUBLIC SAFETY – POLICE

43. The police schedule shall not exceed 50 shifts per week.

44. The Public Safety Director in conjunction with the Borough Manager shall develop an optimal staffing plan for the Police Department. Constraints in the existing police collective bargaining agreement that restrict implementation of the plan shall be addressed during the next round of contract negotiations.

45. The Public Safety Director shall actively monitor all costs related to the police department and review any significant budget variances with the Borough Manager on a monthly basis.

46. The borough shall utilize part-time officers to fill regular work shifts. This shall require removing the constraints associated with the scheduling of part-time shifts during the next collective bargaining process.

47. The Police Department's capital plan and budget for vehicle and equipment replacement shall be updated annually. The department's vehicle and equipment comprehensive maintenance records shall be used as the basis for the Borough's replacement schedule for police vehicles and equipment.

48. The borough shall calculate all costs associated with the police services provided to West Salem Township. The overall costs of this service shall include a contingency amount and shall be the minimum charge to the township for future contracts.

49. The borough council and mayor shall investigate the potential for cooperative or regional police services.

PUBLIC SAFETY – FIRE

50. The Public Safety Director shall actively monitor all costs related to the Fire Department and review any significant budget variances with the Borough Manager on a monthly basis.

51. The Public Safety Director in conjunction with the Borough Manager shall develop an optimal staffing plan for the Fire Department. Constraints in the existing fire collective bargaining agreement that restrict implementation of the plan shall be addressed during the next round of contract negotiations.

52. The borough shall form a task force of elected officials and administrative staff to develop short and long term strategies to mediate the annual costs associated with a paid fire department.

53. The Fire Department's capital plan and budget for vehicle and equipment replacement shall be updated annually. The department's vehicle and equipment comprehensive maintenance records shall be used as the basis for the borough's replacement schedule for fire vehicles and equipment.

54. The borough shall increase its efforts to expand the volunteer fire fighting force by actively recruiting Thiel College students and local residents. Incentives for volunteer service shall be identified and pursued. The borough shall request DCED peer consultant assistance to assess the costs and benefits of a paid versus volunteer fire department.

55. At the conclusion of this recovery period and the current fire contract, the borough shall be staffed by a combination of paid and volunteer fire fighters.

56. The current paid fire personnel shall be utilized for borough fleet maintenance and additional support to the borough's code enforcement efforts.

57. Time billed for fire fighters response to false alarms shall include all direct payroll costs.

58. The borough shall enter into discussions with the Greenville Municipal Authority relative to waiving the hydrant fee and standby fee during the Act 47 recovery period.

59. The fire department, during the course of its fire inspections, should gather employment data of the entity and share this information with the borough revenue collection departments.

60. The borough should utilize the mechanic's maintenance pit at the fire department for routine vehicle maintenance and repair of all borough vehicles. This could be accomplished with existing fire department personnel on non-daylight shifts.

61. The borough shall initiate discussion with surrounding communities regarding a consolidated or regional fire department.
62. The borough shall continue to explore the feasibility of billing for emergency medical first responder services.
63. The borough shall implement an on-duty training program incorporating ISO and NFPA training requirements.
64. The borough shall initiate discussion with local ambulance service(s) to identify ways to better coordinate responses to medical emergencies, manage demands for service and more efficiently use fire department resources.
65. The borough shall undertake a community risk analysis to gauge potential, future demand for fire services. The borough shall seek the assistance of the fire study consultant in the implementation of the risk assessment.

PUBLIC WORKS

66. The Public Services Director shall actively monitor all costs related to the Street Department and review any significant budget variances with the Borough Manager on a monthly basis.

67. The Public Services Director in conjunction with the Borough Manager shall develop an optimal staffing plan for the Street Department. Constraints in the existing collective bargaining agreement that restrict implementation of the plan shall be addressed during the next round of contract negotiations.

68. The Street Department's capital plan and budget for vehicle and equipment replacement shall be updated annually. The department's vehicle and machinery/equipment comprehensive maintenance records shall be used as the basis for the Borough's replacement schedule for public works vehicles and machinery/equipment.

69. Following the adoption of the annual budget, the Public Services Director shall develop an implementation plan encompassing all public works operations including a system for monitoring goals and objectives.

70. The Public Services Director shall develop a multi-year pavement management program which focuses on the maintenance, restoration and reconstruction of municipal streets, roads, and alleyways.

71. The Borough shall comply with MS4 which requires that 25% of the municipality's storm sewer system be cleaned each year.

72. The Borough should comply with all applicable provisions of PA Act 101 to assure that recycling grant funds are available to the borough on a continuing basis. The Borough shall plan for the expenditure of Act 101 funds as part of the annual operating/capital budget process.

73. All streets shall be signed, atheistically pleasing, well maintained, and located for maximum visibility in addition to installed according to PADOT regulations and supported by municipal ordinances

74. The borough shall study the feasibility of contracting out or cooperatively providing with neighboring municipalities public works services and determine the minimum staffing necessary to provide services which are not contracted.

EMERGENCY MEDICAL SERVICES

75. The borough shall facilitate the adequate provision of emergency medical services through partnerships with non-profit and private sector organizations.

RECREATION AND LEISURE SERVICES

76. The borough shall seek and/or maintain partnerships with local organizations and agencies provide recreational and leisure services and programs.

77. The borough shall evaluate the current condition of the swimming pool and associated facilities and initiate actions to minimize any borough liability for financial, health and/or safety risks.

78. Since the borough does not have the financial capacity to support a swimming pool over the short or long term, should any community agency or organization be able to generate sufficient funding for on-going capital improvements and operations of a community pool, the borough shall consider the donation or sale of the property where the now closed pool and attendant facilities are currently situated.

PLANNING AND DEVELOPMENT

79. The borough shall work closely with Mercer County Regional Planning Commission, the Mercer County Housing Authority, the Mercer County Community Action Partnership and other agencies that provide housing assistance to coordinate the efforts of various long-term planning and economic and community development programs in the borough and the region.

80. The borough shall develop a home ownership marketing strategy to encourage existing renters to purchase their homes and to attract new residents to move into

Greenville and purchase their homes. The borough shall develop a marketing partnership with real estate firms to accomplish this.

81. The borough shall establish a revolving loan fund for an owner-occupied home financing program. The new program shall encourage home purchases, rehabilitation to meet code requirements, and improvements to increase home values. Such a program shall not be targeted on the basis of homeowner income levels. The borough shall consider the feasibility of capitalizing such a program through an allocation of its Community Development Block-Grant funds or PHFA funds, to provide a partial guarantee or credit enhancement for tax-exempt bank bond issue. The proceeds from such a bond issue may be used to provide low-interest loans to middle income individuals and families. The borough may consider submitting an application to the Pennsylvania Communities of Opportunity Program for funding to capitalize such a program. The borough should create a revolving loan fund with a principal amount of $1.5 million over the next 3 years to capitalize the program.

82. The borough shall establish a vacant property review committee or commission, to provide leadership and assistance toward the demolition of abandoned or derelict structures and the marketing and/or making available of land for development to interested parties. The borough shall consider the development of a regional land bank agency comprised of the borough and surrounding communities to acquire, maintain, and return problem properties to productive use either through direct sales, transfer or lease.

83. Tax abatements for home improvements or rehabilitation shall be considered over a five-year tax abatement period in conjunction with the school district and Mercer County on new real estate taxes resulting from home improvements or rehabilitation.

84. Economic Development/Trinity Industries - The borough shall aggressively pursue the creation of a Greenville Partnership, involving key economic development entities within the region and within the partnership identify an entity to provide administrative support for economic development activities. The economic development partnership shall spearhead positive movements with Trinity Industries toward the site redevelopment, marketing, public funding and appropriate reuse. The partnership shall work with Trinity Industries to develop an incentive-based agreement for marketing, recruitment and development of the Trinity Industries site. The borough shall apply to the state for enterprise zone designation for the Trinity Industries site and pursue new communities funding for its central business district. And, the borough shall pursue a tax-sharing agreement with Hempfield Township, whereby any taxes generated from any development on the Trinity Industries site in either jurisdiction will be shared on a pro rata land area formula. This agreement will eliminate municipal competition for new development and encourage mutual support.

85. The borough shall pursue the creation of a special fund to provide the local match to qualify for a variety of state and federal grant programs for economic development projects.

86. The borough shall maintain close and good relations with stable employers within the borough; encourage a partnership with the leadership of both Thiel College and UPMC Horizon in order to access their talents, energy and vision.

87. The Borough shall review all possible financial incentives permitted under state law to facilitate economic development.

88. Borough Council shall appoint an Economic Development Committee in cooperation with the Borough Planning Commission to actively follow the recommendations of the Implementation Strategy as outlined by the Comprehensive Plan of 2004.

89. The Greenville Borough Planning Commission shall make recommendations to borough Council as to the prioritization of the implementation of recommendations contained within the Greenville Borough and Hempfield Township Joint Comprehensive Plan. A short-term and long-term work plan or strategy for implementation of the recommendations should be developed. The Implementation Strategy Plan should be reviewed and updated annually.

90. The Borough Planning Commission shall review the Borough Zoning Ordinance relative to the recommendations made for revisions in the Comprehensive Plan and propose amendments where applicable.

91. The borough shall coordinate an update of its zoning ordinance with Hempfield Township to implement the joint comprehensive plan.

92. The borough shall utilize existing local, county, regional and state agencies and organizations to develop realistic economic development goals for the community.

AUTHORITIES

93. The borough shall consider the transfer of maintenance responsibility for its storm water system to the sanitary authority.

94. The borough shall enact a storm water fee to fund the maintenance and reconstruction of its storm water management system.

95. The borough shall discuss with the water authority the potential for combining collection efforts on delinquent accounts through water shut offs. In addition, the borough shall request the municipal authority to post payments proportionally to both water and sewage.

96. The borough shall enter discussions with Hempfield and West Salem townships relative to the 25% and 15% retentions for billing and maintenance, since more of the flat fee is for treatment as opposed to line maintenance. In addition, there may be some economy of scale if the borough would increase its staffing by one person for maintenance of all three municipalities and retain the maintenance costs from both Hempfield and West Salem.

97. The borough shall review electric consumption and those costs over the prescribed costs identified as the boroughs in the lease shall be billed to the lessee.

98. The borough shall investigate the potential for dissolving the sewer authority and transferring waste water treatment services to a borough department, to an intergovernmental organization or privatizing the service.

99. The Borough of Greenville shall initiate discussions about the regionalization of operations of wastewater and water treatment services. This would require meetings with surrounding communities including Hempfield and West Salem.

100. The Borough of Greenville shall meet with the Department of Environmental Protection to see what role Greenville's Wastewater Treatment Plant can play in a regional and/or county approach to service.

101. The Borough of Greenville shall seek an exemption from paying the annual hydrant fee of approximately $18,000 to the Greenville Water Authority.

PERSONNEL/COLLECTIVE BARGAINING

This Recovery Plan Amendment continues Personnel/Collective Bargaining Action Items from the initial Recovery Plan adopted in 2003, the revised recovery plan adopted in 2011, and amendments adopted in 2008, 2011, 2012 and 2013 and incorporates Action Items rooted in current circumstances. The Personnel/Collective Bargaining Action Items like others contained in this recovery plan amendment recognize the financial constraints the borough must work within to reduce its reliance on the resident and non-resident earned income tax levies authorized by the Mercer County Court of Common Pleas. The following Action Items include overarching as well as specific factors that focus on the reduction and/or containment of on-going operation costs that will move the borough towards financial self-sufficiency during the term of this recovery plan amendment.

102. The borough shall use professional legal assistance for labor negotiations. The borough shall retain an attorney with extensive experience in public employment labor relations for its collective bargaining activities with the fire, police and public service unions. The borough has previously retained Campbell, Durrant,

Beatty, Palombo & Miller, P.C. Whether the borough continues to retain current counsel or chooses another firm, it shall use qualified labor counsel for all contract negotiations. In addition to using the counsel for support in collective bargaining, the borough shall also retain such counsel to review past practices that unnecessarily increase the cost of operations and are permissive subjects for bargaining.

103. The borough shall limit new contract enhancements. Unless, and only to the extent that, applicable law requires a change in any of the wages, benefits, terms, provisions or conditions enumerated herein, all new labor agreements between the borough and the unions representing its employees (whether resulting from collective bargaining between the parties or interest arbitration pursuant to Act 111 as applicable or otherwise) covering calendar years beginning with 2016 and subsequent years (or any part thereof) must not contain, require or provide for any of the following:

a. any new overtime or premium pay benefits or requirements;
b. any increase in existing overtime or premium pay benefits or requirements, nor the continuation of existing overtime and premium pay benefits and requirements which are modified by this Recovery Plan Amendment;
c. any increase in pay or benefits associated with new duties, changes in duties or activities required by this Recovery Plan Amendment;
d. any new benefits or improvements in existing benefits, nor the continuation of existing benefits which are modified by this Recovery Plan Amendment;
e. any new paid or unpaid leave;
f. any improvements to existing paid or unpaid leaves, nor the continuation of existing paid and unpaid leaves which are modified by this Recovery Plan Amendment;
g. any additional pay for time not worked;
h. any improvements in existing pay for time not worked, nor the continuation of existing pay for time not worked which is modified by this Recovery Plan Amendment;
i. any new designations that time not worked counts as time worked for the purpose of computing overtime or premium pay or increases in existing designations of same, nor the continuation of designations that time not worked counts as time worked for the purpose of computing overtime or premium pay which are modified by this Recovery Plan Amendment;
j. any new benefits for retirees or other inactive employees (e.g., those in layoff or disability status);
k. any improvements in existing benefits for retirees or other inactive employees, nor the continuation of existing benefits that are modified by this Recovery Plan Amendment;

l. any term or provision which continues any existing restrictions or which adds any new or additional restrictions on the borough's management rights,

m. any provision which impairs or restricts the borough's ability to engage qualified contractors to perform services for the borough, including services currently provided by bargaining unit personnel;

n. any provision which impairs or restricts the borough's ability to transfer service provision to another entity, including services currently provided by bargaining unit personnel;

o. any provision which restricts or impairs the borough's ability to effect lay off or other reduction in its workforce, including those that require part-time employees be laid off before any reductions in full time personnel can be made;

p. any provision which expands any arbitrator's authority to grant relief in any arbitration proceeding;

q. any provision which obligates the borough to promote or assign or to permit bumping of any employee on the basis of seniority, rather than on the basis of qualifications and performance, except to the extent that preference is accorded the most senior of those employees having relatively equal qualifications and performance histories;

r. any provision which restricts the borough's ability to require an employee to work a "light duty" position within that employee's medical restrictions, and in any department or bargaining unit within the borough;

s. any provision obligating the borough to provide "light duty" to any employee who is unable to perform the essential functions of his or her job, with or without reasonable accommodation and without posing a direct threat to the health or safety of the employee or others;

t. any provision which expands the bargaining unit employees' rights to present grievances to the borough or to appeal grievances to arbitration;

u. any provisions which provide any pay or other compensation to any employee for: 1) any exercise by the borough of any of the above rights; or 2) the inclusion of any of the above provisions in any collective bargaining agreement; or 3) the implementation of any of the above provisions; or 4) the implementation of any of the initiatives in this Recovery Plan Amendment;

v. any requirement for the borough to provide wages, benefits, or other terms of employment to any bargaining unit based on the provision of such wages, benefits, or other terms of employment to another bargaining unit.

104. The borough shall ensure that future collective bargaining agreements remain compliant with the Revised Recovery Plan and its Amendment(s).

No person or entity, including (without limitation) the borough, any union representing borough employees and any arbitrator pursuant to Act 111 or otherwise, shall continue in effect past the stated expiration date of any current labor agreement the wages, benefits or other terms and conditions of the existing labor agreement if such wages and benefits or other terms or conditions are inconsistent with the action items made herein.

All collective bargaining agreements, interest arbitration awards, settlements, memoranda and agreements of any kind issued or entered into after the adoption of the Recovery Plan Amendment must be effective as of the current expiration date of the current agreements and interest arbitration awards. This shall apply even if the agreement is entered into or the arbitration award is executed subsequent to the effective dates, thus requiring that the agreements or awards retroactive. No collective bargaining agreements, interest arbitration awards, settlements, memoranda and agreements of any kind issued or entered into after the adoption of the Recovery Plan Amendment may extend the current expiration dates of the existing agreements and awards. Specifically, these dates are as follows:

Union Agreement	Current Expiration Date	Effective Date of Subsequent Agreement
Greenville/West Salem Police Department	December 31, 2015	January 1, 2016
American Federation of State, County and Municipal Employees, AFL-CIO, District Council 85, Local 2778	December 31, 2015	January 1, 2016
Greenville Borough Firefighters, IAFF Local 1976	December 31, 2015	January 1, 2016

The borough shall take all steps to promptly bargain new collective bargaining agreements and shall follow all time limits for interest arbitration so that any interest award shall be issued prior to the expiration of the collective bargaining agreement. Until the initiatives in this section of the Recovery Plan Amendment are revised, any labor agreement between the borough and any union representing borough employees (whether resulting from collective bargaining, interest arbitration pursuant to Act 111 or otherwise) covering such subsequent period shall comply with the initiatives made herein without regard to the period of agreement specified in any initiative.

105. Benefits and compensation – No new benefits or expansion of benefits shall be granted union or non-union employees.

106. Position Vacancies - Positions vacated through the retirement, voluntary or involuntary separation of full-time personnel in any borough department shall not be filled without the approval of the Act 47 Coordinator.

107. Elimination of Past Practices - Any provision or clause in any collective bargaining agreement which protects past practices, or any rights which are not specifically set forth in the collective bargaining agreements, shall be eliminated. The Unions shall be given the opportunity to identify and negotiate any specific practices or rights which they would like to preserve and have included in future collective bargaining agreements.

108. Management Rights - The borough shall have the right to determine the organizational structure and operation of each Department including, but not limited to, the right to determine and change job duties for each position, the right to determine and change schedules for each employee, and the right to assign work to any employee. Any provision in any collective bargaining agreement which is inconsistent with, or which interferes with, the rights of the Borough as set forth above, shall be eliminated to the extent of such inconsistency or interference, and the Borough's management rights, as set forth above, shall not be the subject of any grievance procedure or arbitration clause in any collective bargaining agreement between the Borough and any of its unions.

109. Expansion of service areas – Any provision requiring that the expansion of a service area be negotiated shall be eliminated.

110. Regular Part-Time Employees - The Borough shall have the right to hire regular part-time employees. Regular part-time employees shall be used or scheduled in such a fashion so as to virtually eliminate the need for non-emergency overtime within the borough. Regular part-time employees shall be part of the applicable bargaining unit, and regular part-time police and firefighters will be hired through Civil Service procedures. Regular part-time employees may be scheduled at any time. Regular part-time employees may be used to replace a full-time employee who is absent from work for any reason. In this regard, the borough shall have the right to change the schedules of regular part-time employees, for any reason, or to use regular part-time employees as "on call" replacements for full-time employees. Regular part-time employees shall receive the same percentage increase to their hourly wage, if any, as full-time employees within the same bargaining unit. Qualified part-time employees shall be considered for full-time positions which the borough decides to fill through the job posting procedure. In cases of layoffs, all regular part-time employees within a job classification shall be laid off first, according to their reverse seniority, before full-time employees are laid off within the same job classification. Regular part-time employees shall not be eligible for any form of employee benefits or paid leave.

111. Elimination of Subcontracting Clauses - There shall be no provision in any collective bargaining agreement which prohibits or limits the right of the borough to subcontract any service, function, or activity.

112. Duplication of Benefits Except as otherwise specifically required by law, any duplication of payment for sick leave, disability leave, workers' compensation, heart and lung benefits, paid leave, pension benefits, or regular pay shall be eliminated. All pension plans shall be amended to include a provision to offset pension benefits by the amount of social security disability benefits. Employees will be required to make an election concerning available benefits in order to avoid any duplication of benefits. There shall be no duplication of pension benefits and workers' compensation benefits. In accordance with Pennsylvania law, Act 57 of 1996, 77 P. S. §71, as amended, the amount of workers' compensation benefits paid to any employee shall be offset by the amount of pension benefits payable to the same employee. This provision shall apply to both bargaining unit and non-bargaining unit personnel.

113. Elimination of Minimum Manning -Any provision of any collective bargaining agreement between the borough and any of its unions concerning minimum manning requirements for any particular bargaining unit, shift, platoon, job classification, specialization, or position shall be eliminated. The borough shall have the sole right to determine the number of personnel employed and utilized by the borough. Further, the borough shall have the right to lay off any employees for economic or any other reasons, without limitation.

114. Hours of Work/Scheduling – The borough shall have the right to determine schedules that are the most cost efficient and effective for all personnel. Employee prerogatives associated with the approval of schedules shall be eliminated.

115. Paid Leave Scheduling/Oversight - The scheduling of vacation, holidays, and personal days shall be balanced and evenly distributed throughout the year, in such a manner as to preclude the need for overtime. The borough shall adopt and strictly enforce an aggressive management/supervisory oversight policy covering all types of leave (sick, family, bereavement, etc.). This provision applies to all borough personnel.

116. Sick Leave/Doctors Evaluation -Any employee who is off work as a result of any illness or injury for more than three consecutive work days, or who exhibits a pattern of possible sick leave abuse shall be required to furnish, at the employee's expense, a doctor's certification concerning the nature of the illness or injury. In addition, the borough may, at its discretion, order an evaluation of the employee's condition by medical personnel of the borough's choosing at the borough's expense. This provision shall apply to all borough personnel.

117. Light Duty - All future contracts shall have a provision for light duty in the event that an employee is injured on the job.

118. Work Schedules – Fire and Police schedules will be in conformance with FLSA's section 207(k) partial exemption from overtime provision. The borough retains the right to determine the basis of the "work period" for scheduling purposes for all personnel.

119. Cross-training - The borough shall Institute a cross training program for personnel hired full or part time after 1/1/2015 to provide for flexibility in the utilization and scheduling of the borough's workforce.

120. Part – time Personnel – The borough shall use part time employees where possible to reduce the cost of services. Effective 1/1/2016 contractual limitations on the use of part-time employees to schedule, staff and supervise the fire and police department shall be eliminated.

121. Part-time Public Safety Personnel – The borough will recruit, train, and maintain a sufficient corps of part time personnel to minimize and/or eliminate the use of non-emergency overtime in the police and fire departments on an annual basis.

122. New Hires – Compensation and benefit limits for employees hired after 1/1/2012 have been defined as follows: (1) compensation will be based on a tiered wage/salary scale for all new part time and full time employees and (2) post-retirement health care or in lieu payments for any and all new hires were eliminated. These limits will remain through the duration of this recovery plan amendment.

123. Health Insurance - Redesign active employee health care coverage by increasing the deductible to $1500 for single coverage and $3000 for family coverage, raising the employee contributions to the cost of the all health insurance premiums from 15% to 25% according to the following schedule 15% in 2015, 20% in 2016, 20% in 2017, 25% in 2018 and 25% in 2019 and establishing employer funded Health Savings Accounts (HRAs).

124. Longevity - Longevity pay and eligibility for longevity payments were limited effective 1/1/2012. Longevity payment schedules were frozen for all full time employees at the years of service and rates stipulated in the collective bargaining agreements for years 2009 – 2011. Those hired after 1/1/2012 shall not be entitled to a longevity payment for the duration of their employment. This limitation shall continue through the duration of this recovery plan amendment.

125. Holidays – All full time employees shall have no more than 8 paid holidays per year. The holiday schedule shall be New Year's Day, Good Friday or the day after Thanksgiving, Memorial Day, July 4th, Labor Day, Thanksgiving, Christmas Eve and Christmas Day.

126. Holiday Pay – To receive holiday pay, full time employees must actually work the majority of their shift on the holiday. For employees who are not scheduled to work on the holiday, holiday pay shall be at the employees' base hourly rate of pay. Employees who work the holiday will receive holiday pay per a regular shift and pay at time and one-half for hours worked. For example: If an employee works a normally scheduled 8 hour shift and does not work on the holiday, s/he will receive 8 hours of holiday pay at a straight time rate. If the employee works a majority of their shift on a holiday, the employee will receive 8 hours of holiday pay at straight time rate and also receive pay at a rate of time and one-half for all hours worked on the holiday. The holiday pay provision shall not accord additional time off, it only defines compensation for holidays.

All employees who work a regularly scheduled shift on holidays, the holiday pay shall be no greater than time and one-half the normal rates of compensation for their respective positions. Employees who are scheduled to work a regular shift on a holiday shall not accrue additional compensatory time.

127. Shift Differential - Effective 1/1/2016 borough personnel will no longer be paid a shift differential.

128. Overtime - Overtime pay thresholds for all personnel to be adjusted to reflect hours actually worked. The stipulated time off between shifts in the police department shall be reduced to 8 hours. Vacation, personal, and sick time do not count toward hours worked. Eliminate any requirement that "overtime will be given to those employees who normally perform the duties in their area of responsibility."

129. Premium pay - Senior officer pay in the police department and premium pay working foreman/senior operator in the sewage treatment plant shall be eliminated.

130. Call back time - Employees shall be required to work for 2 hours when called back or paid only for the time worked.

131. Vacation - Vacation leave for full-time employees hired prior to 1/1/2012 shall be reduced to 4 weeks for police, AFSCME and non-union employees and 12 shifts for firefighters. Policies for the scheduling of vacation leave shall be consistent across all bargaining units. Procedures to schedule vacations shall be developed and implemented within all of the departments by the department directors in conjunction with the borough manager. Effective 1/1/2016 vacation days shall not be taken in less than 8 hour blocks. Effective 1/1/2016 borough personnel will be limited to taking the equivalent of one week of vacation in one day increments with the department supervisor's permission. The number of employees scheduled for vacation during the same week from a department shall

be limited. Vacation carryovers at the end of the year must be approved by the borough manager. Vacation must be earned prior to using it.

132. Sick Leave – The borough shall redefine sick leave, short term disability, and sick-leave incentive programs to provide reasonable coverage for non-work related short-term illness or disability and shared responsibility for the cost. This will require establishing consistency across the employee groups for the accumulation of sick days on an annual basis and incrementally increasing waiting periods to 360 hours/45 days before short term disability insurance applies and the transfer of the cost of the premium for short term disability insurance to the employee. Buy backs of unused sick days each year, upon voluntary separation, resignation or retirement shall be for a limited number of days.

133. Union Meetings - Effective 1/1/2016 there shall be no compensation paid for employees to attend union meetings.

134. Payment for unused training hours – Eliminate the existing provision in the fire agreement that defines compensation for unused training time at retirement. The borough recognizes the need for continuing training and education for its employees. The borough will pay for any training attended at the discretion of the borough.

135. Comp Time – Any accumulation of compensatory time shall be in accordance with Fair Labor Standards Act (FLSA) and at the sole discretion of the Borough. Employees shall be paid for all hours worked at the appropriate pay rate per FLSA. Any compensatory time off must be approved by the Borough Manager.

136. Actuarial Assessment – Early Retirement Option - The borough shall assess the capacity of the uniform and non-uniform pension funds to support the reduction of workforce costs through early retirement of full-time employees.

137. Post-Retirement Health Insurance Retiree Premium Contributions - For all employees retiring after 1/1/2012, contain current post-retirement health care costs shall be contained by establishing a $1500 single coverage deductible and requiring retirees to contribute to the annual cost of their insurance premium on a basis comparable to the contributions made by active borough employees; 15% of the cost of the premium in 2015, 20% in 2016 and 20% in 2017, 25% in 2018 and 25% in 2019.

138. Allocation of Pension Fund Excess Interest - Effective 1/1/2016, eliminate the allocation of excess interest earnings in the uniformed and non-uniformed personnel pension plans to employees. The borough shall establish an Other Post-Employment Benefits (OPEB) trust fund with the excess interest revenues to offset the annual expense of retiree health insurance costs previously granted to police and fire personnel. If necessary, additional funds from the general fund

shall be allocated on an annual basis to cover the cost of post retirement insurance benefits.

Act 133 Workforce Limitations – The existing collective bargaining agreements are in effect through 12/31/2015. Wage increases of $1200 per full time employee within each bargaining unit are scheduled for 2015. The following initiatives specify the PA Act 133 expenditure limitations for the Borough of Greenville for the years 2016-2019:

139. The Borough shall not add full-time or part-time personnel without offsetting increases in revenue or reallocation of personnel costs within functional areas. Any cost savings realized through any reduction in personnel shall be considered a reduction in the cost of personnel for the affected department. The workforce on a departmental basis for 2014 is presented in the table below.

Greenville Borough Workforce: 2014

Department	Full-time	Part-time
Administration	6	0
Police	8	10
Fire	5	7
Public Services	6	2
Total:	25	19

To ensure that wage, salary and benefit expenses are controlled going forward, this limitation shall remain in effect until the borough adopts a subsequent amendment to the Recovery Plan or exits the Act 47 program, provided it does not conflict with overall expenditure limits for collective bargaining units as defined elsewhere in this Recovery Plan Amendment.

140. Wage/Salary Limitations: 2015 – 2019 - The Borough shall limit annual base salary and wage increases for full-time personnel who are covered by the police, fire, and AFSCME public service collective bargaining units according to the workforce limitations presented in Appendix C and outlined in the table following Action Item 143.

To ensure that wage, salary and benefit expenses are controlled going forward, this limitation shall remain in effect until the borough adopts a subsequent amendment to the Recovery Plan or exits the Act 47 program, provided it does not conflict with overall expenditure limits for collective bargaining units as defined elsewhere in this Recovery Plan Amendment.

141. Non-Health Insurance Benefits: 2015-2019 - Effective January 1, 2015 and continuing through December 31, 2019, the base percentage of fringe benefits excluding health insurance to wages/salaries shall not exceed the percentages defined below.

Effective January 1, 2015, and continuing through December 31, 2019, the base percentage of fringe benefits to wages/salaries shall not exceed the existing percentage of
11.8% for the police department.

Effective January 1, 2015, and continuing through December 31, 2019, the base percentage of fringe benefits to wages/salaries shall not exceed the existing percentage of
23.4% for the fire department.

Effective January 1, 2015, and continuing through December 31, 2019, the base percentage of fringe benefits to wages/salaries shall not exceed the existing percentage of
16.96% for the AFSCME Public Services employees.

To ensure that wage, salary and benefit expenses are controlled going forward, this limitation shall remain in effect until the borough adopts a subsequent amendment to the Recovery Plan or exits the Act 47 program, provided it does not conflict with overall expenditure limits for collective bargaining units as defined elsewhere in this Recovery Plan Amendment.

142. Health and Welfare Insurance Benefits - The Borough's cost for health and welfare insurance shall be capped and subject to union and non-union employee cost sharing for insurance premiums. Employee contributions shall be as follows:

Effective January 1, 2015, the employee contribution rate shall be **15%**.
Effective January 1, 2016, the employee contribution rate shall be **20%.**
Effective January 1, 2017, the employee contribution rate shall be **20%**.
Effective January 1, 2018, the employee contribution rate shall be **25%**.
Effective January 1, 2019, the employee contribution rate shall be **25%**.

To ensure that wage, salary and benefit expenses are controlled going forward, this limitation remains in effect until the borough adopts a subsequent amendment to the Recovery Plan or exits the Act 47 program, provided it does not conflict with overall expenditure limits for collective bargaining units as defined elsewhere in this Recovery Plan Amendment.

143. Non-Union/Administrative Staff: Salaries/Wages and health and welfare benefits limitations for the years 2016 – 2019 shall mirror the limits placed on employees covered by collective bargaining agreements. The base percentage of fringe

benefits excluding health insurance to wages/salaries shall not exceed 12.2% for the 2015 – 2019 period.

To ensure that wage, salary and benefit expenses are controlled going forward, this limitation remains in effect until the borough adopts a subsequent amendment to the Recovery Plan or exits the Act 47 program, provided it does not conflict with overall expenditure limits for collective bargaining units as defined elsewhere in this Recovery Plan amendment.

The following table sets forth the limits on personnel expenditures in accordance with PA Act 133 of 2012. Detailed for each employee group is presented in Appendix C.

PA Act 133 Bargaining Unit Limits on Projected Expenditures: 2015-2019

Non-Union Employees	2015 Budget	2016 Projected	2017 Projected	2018 Projected	2019 Projected	5-Year Total
	$	$	$	$	$	$
Wages/Salaries	187130	187130	194330	194330	201530	964450
Non-Health Insurance Benefits	22499	22499	23766	24171	24648	117583
Health Insurance Benefits	31583	32513	33485	34501	35564	167646
Pension	5765	5765	5986	6087	6207	29810
Sub-Total	**246977**	**247907**	**257567**	**259089**	**267949**	**1279489**
Police Employees						
Wages/Salaries	517652	517652	528358	533443	543942	2641047
Non-Health Insurance Benefits	61000	61000	62311	62926	64209	311446
Health Insurance Benefits	119598	124536	129701	135099	140744	649678
Pension	71858	71858	73442	74149	75608	366915
Sub-Total	**770108**	**775046**	**793812**	**805617**	**824503**	**3969086**
Fire Employees						
Wages/Salaries	315327	315327	324162	329484	338317	1622617
Non-Health Insurance Benefits	73367	73367	75412	76657	78722	377525
Health Insurance Benefits	63076	65139	67298	69554	71914	336981
Pension	46335	46335	47656	48261	49564	238151
Sub-Total	**498105**	**500168**	**514528**	**523956**	**538517**	**2575274**
Public Service (AFSCME) Employees						
Wages/Salaries	226927	226927	234348	237748	245217	1171167
Non-Health Insurance Benefits	38243	38243	39749	40460	42014	98295
Health Insurance Benefits	56035	58065	60186	62404	64725	198709
Pension	19038	19038	19667	19958	20594	301415
Sub-Total	**340243**	**342273**	**353950**	**360570**	**372550**	**1769586**
TOTAL	**$1,855,433**	**$1,865,394**	**$1,919,857**	**$1,949,232**	**$2,003,519**	**$9,593,435**