
Scott Township
Allegheny County, Pennsylvania



SCOTT
TOWNSHIP
FOUNDED 1861

Strategic Management Planning Program
Five-Year Plan



Delivered on July 16, 2025



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Scott Township

Five-Year Financial Plan

TABLE OF CONTENTS

Executive Summary	i
Chapter One	
Background: Scott Township	1
Chapter Two	
Historic Financial Performance.....	5
Chapter Three	
Baseline Projection of Financial Results.....	20
Chapter Four	
Workforce.....	29
Chapter Five	
General Administration and Tax Collection	42
Chapter Six	
Public Works and Building Maintenance	50
Chapter Seven	
Pool, Parks and Recreation	56
Chapter Eight	
Police Department.....	61
Chapter Nine	
Fire Protection	74
Chapter Ten	
Code Enforcement.....	78
Chapter Eleven	
Sanitation.....	83

Chapter Twelve	
Sewer Fund	86
Chapter Thirteen	
Fiscal Strategy and Revised Financial Projections.....	91
Appendix A	
STMP Implementation Phase Recommendations	106
Appendix B	
Community Survey.....	107

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Executive Summary

Introduction

Scott Township benefits from a stable tax base, offering a solid foundation for long-term fiscal planning. Residents and stakeholders express optimism about the Township’s future, underscoring confidence in its direction and leadership. Core public services such as police and fire service are viewed favorably, reflecting the Township’s commitment to quality service delivery and community well-being.

Despite several key strengths, Scott Township’s (the “Township” or “Scott”) budget is structurally imbalanced, and its overall fiscal position is weakening. The dynamic of expenses increasing at a rate exceeding that of revenues has resulted in deficits (after required contributions to the Capital Projects Fund) in three of the five years spanning from 2020 to 2024. The deficits led to declining unrestricted cash reserves, which were \$3 million at the beginning of 2020 and \$1.7 million at the end of 2024. The adopted 2025 budget was balanced based on an anticipated fund balance transfer that would nearly deplete cash reserves.

The deficits were attributable to several factors, including flat real estate tax collections over many years and increasing personnel and trash collection costs. The Township implemented a significant real estate tax millage increase at the beginning of 2024, which resulted in an operating surplus and an increase in cash reserves. However, absent further corrective action, the Township risks deficits in the future and more pressure on tax rates. Baseline financial forecasts, which assume current revenue and expense trends remain the same and no improvement measures are implemented, show the rate of growth of expenses exceeding that of revenues, resulting in growing deficits.

Baseline General Fund Projection, 2025-2029

	2025 Projection	2026 Projection	2027 Projection	2028 Projection	2029 Projection
Baseline Revenue	\$14,278,000	\$14,384,000	\$14,528,000	\$14,675,000	\$14,826,000
Baseline Expenses and Transfers	\$15,044,000	\$15,053,000	\$15,525,000	\$16,044,000	\$16,484,000
Baseline Surplus (Deficit)	(\$766,000)	(\$669,000)	(\$997,000)	(\$1,369,000)	(\$1,658,000)
Ending Fund Balance	\$897,000	\$228,000	(\$769,000)	(\$2,138,000)	(\$3,795,000)
Fund Balance as % of Expenses	6%	2%	-5%	-13%	-23%

The Township benefits from relatively high incomes, home values, and education levels compared to its peers in the Pittsburgh area and across the state. Scott is not suffering from a contracting tax base, significant blight, or other negative conditions typical of a distressed community. In that regard, the Township’s ability to reverse the trend of weakening fiscal position is strong. Though the Township is not facing an immediate crisis, action is required to bridge the gap between revenues and expenses.

Structure of Report

The Township engaged Keystone Municipal Solutions (“KMS” or the “Project Team”) to assist the Township in developing a comprehensive long-range plan as part of the Commonwealth’s Strategic Management Planning Program. The purpose of the program is to establish both short-term and long-term financial and management objectives that strengthen the fiscal capacity of local governments, while integrating long-term community and economic development strategies to enhance the local tax base. This Five-Year Financial Plan and Management Audit establishes specific measures the Township can employ to improve its financial position and enhance its long-term viability.

The Project Team has worked closely with the Township since late 2024 to construct the Plan. To support this effort, the Project Team has analyzed historic budgets and financial audits, pension actuarial valuations, debt-related documents, contracts with key vendors, and other financial records. The Project Team interviewed key Township officials and senior managers of the Police, Public Works, Parks and Recreation, Building and Planning, and Community Development departments; evaluated departmental policies and procedures; and reviewed departmental budget and personnel information. Current operating procedures were evaluated and compared to governmental best practices. The information gathered from these and other activities has been used to develop the comprehensive Five-Year Financial Plan.

This Plan is organized into three sections with thirteen chapters, an appendix, and this executive summary. The first section presents the financial and socio-economic background of the Township. The section includes a financial condition assessment and trend analysis to provide an understanding of the Township’s current financial state and establish a baseline for its future financial position, assuming no corrective action is taken. Since local resources are not sufficient to maintain current service levels, these projected operating results show budget deficits.

The Plan then develops a program to improve the Township’s financial position and enhance services through a combination of strategic investments, expenditure reductions, productivity improvements, and revenue increases. The second section presents the findings and recommendations of the management reviews of the Workforce, Township Manager’s Office, Public Works and Building Maintenance, Police, Fire Protection, Code Enforcement, and Pools, Parks and Recreation departments. The budgetary impact, responsible party, and target completion date are included within each recommendation. Many of the recommendations show no direct budgetary impact, but these improvements will have a substantial positive impact on overall operating effectiveness and budgetary performance.

The third section outlines a fiscal strategy with the goal of improving the multi-year financial projection, establishing fund balance goals, and funding capital needs. The section includes a financial projection based on revised operating projections that consider the financial impact of implementing the policy and management recommendations.

The appendix includes a summary of public feedback received through an online community survey. KMS used the survey to solicit input from the citizens on local government services and

the strategic direction of the Township. The survey was conducted through SurveyMonkey, which is a web-based tool that was accessible to any resident with internet service.

The Plan was developed to provide the Township with a set of options for increasing revenues and reducing expenditures, and to achieve structural budgetary balance. The Plan should also provide a framework for public discussion of the Township's policies, programs, and priorities as well as document the realities of the Township's fiscal position. While a detailed listing of our recommendations is described in the body of the document, below is a summary of several key components and principles that form the basis of the Plan.

Key Recommendations

The Township must implement a coordinated set of initiatives to ensure that Scott is meeting its fiscal goals, which include achieving and maintaining structural budgetary balance; generating adequate funds to address capital improvement needs; and maintaining adequate liquidity (i.e., cash reserves) in case of unanticipated budget challenges.

The Plan outlines a set of guiding principles for the Township's financial strategy. The Plan also includes a set of revised multi-year financial projections, which include revenue enhancements and cost reductions based on these guiding principles. This Plan recommends an incremental approach to achieving the end goal of increasing the Township's capacity to deliver services and securing long-term fiscal stability. This Plan should be revisited every year during the annual budget process and adjusted appropriately based on the changing circumstances.

New Revenues

The baseline five-year forecasts in this plan show significant deficits even before capital needs are considered. While the Township must take steps to control spending (as recommended in this plan), the projected deficits simply cannot be closed through austerity alone.

The Township must identify new recurring sources of revenue to fund operations and address capital needs. Like other Pennsylvania townships, Scott's options are limited. The Township should consider implementing a Stormwater fee, which would be used to fund pollution protection programs mandated by the federal government. These programs are currently funded from General Fund resources. The Township would need to create a municipal authority to impose this fee.

The Township should also consider imposing a special Fire Equipment and Firehouses millage rate dedicated specifically to fire service-related activities. The municipal portion of these services are currently funded out of the General Fund, but many communities implement the special real estate millage carved out for this purpose.

Finally, the Township should reconsider instituting a Trash Collection and Disposal Fee, which may be offset with a reduction in the Real Estate tax millage rate. This report does not assert a hard recommendation regarding the new fee; rather, it outlines the advantages and disadvantages of

both funding streams so the Township can make an informed decision during the 2026 budget process.

Personnel Cost Containment

Disciplined spending is a critical piece of the Township’s plan to achieve structural budgetary balance. Since personnel costs represent approximately 60 percent of operating costs, by far the Township’s most influential cost driver, these expenses must be contained. This Plan outlines a number of actions to control expenses, including limiting salary and wage increases and controlling other benefit costs.

Capital Investment

The Township has significant deferred capital maintenance that must be addressed. The Township has a capital improvement plan, which includes a multi-year listing of projects and estimated project costs. The Township should utilize STMP Phase 2 funding to expand on the existing framework to develop a more complete capital improvement plan. The Plan also recommends that the Township structure its financial planning efforts assuming continued contributions to the Capital Reserve Account equal to the value of one mill. While this may seem like an obvious recommendation, many municipalities seeking relief from budget pressures will underfund capital investment, resulting in short-term operating savings but long-term deferred maintenance.

Revised General Fund Projection with Corrective Action, 2025-2029

	2025 Projection	2026 Projection	2027 Projection	2028 Projection	2029 Projection
Baseline Revenues	\$14,278,000	\$14,384,000	\$14,528,000	\$14,675,000	\$14,826,000
Baseline Expenses and Transfers	\$15,044,000	\$15,053,000	\$15,525,000	\$16,044,000	\$16,484,000
Baseline Surplus (Deficit)	(\$766,000)	(\$669,000)	(\$997,000)	(\$1,369,000)	(\$1,658,000)
Initiatives	(\$67,500)	\$1,408,000	\$1,504,500	\$1,726,000	\$1,824,000
Revised Surplus (Deficit)	(\$833,500)	\$739,000	\$507,500	\$357,000	\$166,000
Starting Fund Balance	\$1,662,000	\$828,500	\$1,567,500	\$2,075,000	\$2,432,000
Ending Fund Balance	\$828,500	\$1,567,500	\$2,075,000	\$2,432,000	\$2,598,000
Fund Balance Target (15%)	\$2,256,600	\$2,257,950	\$2,328,750	\$2,406,600	\$2,472,600
Difference	(\$1,428,100)	(\$690,450)	(\$253,750)	\$25,400	\$125,400

Scott Township Commissioners should review and discuss these projections and their assumptions before final implementation. One of the purposes of this model and its underlying principles is to set fiscal parameters for the Township. Scott’s elected officials may choose a different combination of corrective actions and pace of implementation that fit within the established parameters.

Achieving and maintaining structural budgetary balance will require a substantial and disciplined commitment. The Township must ensure balanced budgets into the future while at the same time preserving services and encouraging growth in the private economy. The Plan should be revisited

annually as part of the budget process. If the recommended incremental revenue or expense reductions do not materialize, the Township must identify additional corrective action or consider other adjustments to tax rates or fee levels.

Chapter One

Background: Scott Township

Introduction

The Township covers 3.9 square miles in Allegheny County and has a population of approximately 17,000. Scott is a First-Class Township operating under the laws of the Commonwealth of Pennsylvania. The operations of the Township are vested in an executive (Township Manager) and nine elected members of the Board of Commissioners. The board serves as the legislative body of Scott, setting policy, enacting ordinances and resolutions, adopting budgets, and levying taxes.

Socio-Economic Review

Population

The Township’s population has been stagnant since the 1990s, which contrasts with Allegheny County, whose population has declined by 8.4 percent over the same period. Overall, Pennsylvania has experienced scattered growth but has maintained a positive change.

Exhibit 1.1
Population, 1990-2023

Year	Scott Township		Allegheny County		Pennsylvania	
	Pop	Pct Change	Pop	Pct Change	Pop	Pct Change
1990	17,118		1,336,449		11,881,643	
2000	17,288	1.0%	1,281,666	-4.1%	12,281,054	3.4%
2010	17,024	-1.5%	1,223,348	-4.6%	12,702,379	3.4%
2020	17,647	3.7%	1,250,578	2.2%	13,002,700	2.4%
2023	17,012	-3.6%	1,224,825	-2.1%	12,961,683	-0.3%
Cumulative Pct Chng		-0.6%	-8.4%		9.1%	

Source: U.S. Census Bureau

The breakdown of the Township’s population by age is modestly older compared to the County and Commonwealth, with 84 percent of the population 18 and older compared to 81.5 and 79.7 percent for the County and Commonwealth, respectively. Scott’s population over 65 is also higher than the County and Commonwealth levels.

**Exhibit 1.2
Population Range, 2019-2023**

Pop Range	<u>Scott Township</u>	<u>Allegheny County</u>	<u>Pennsylvania</u>
Under 5 Years	4.5%	4.9%	5.1%
Under 18 Years	16.0%	18.5%	20.3%
18 Years and Over	84.0%	81.5%	79.7%
65 Years and Over	23.7%	20.8%	20.0%

Source: U.S. Census Bureau

Economic and Housing Data

Median household income levels are higher in the Township compared to the County and Commonwealth. The 2019-2023 American Community Survey (“ACS”) (the most recent data available) shows the Township’s median household income about 14 percent higher than the County and State. The Township’s poverty rate and education level are also relatively favorable.

**Exhibit 1.3
Household Income and Other Economic Statistics, 2019-2023**

	<u>Scott Township</u>	<u>Allegheny County</u>	<u>Pennsylvania</u>
Median Household Income	\$87,228	\$76,615	\$76,081
Families	\$115,368	\$104,863	\$97,349
Married-couple Families	\$122,949	\$124,087	\$115,332
Nonfamily households	\$60,817	\$47,284	\$44,365
Per Capita Income	\$48,030	\$48,208	\$43,104
Pct of Individuals Below Poverty	5.4%	11.6%	12.0%
High School Graduate or Higher	96.5%	95.5%	91.9%
Bachelor's Degree or Higher	51.1%	44.8%	34.5%

Source: U.S. Census ACS 2019-2023

Though income levels are higher than the County and the Commonwealth, home values in the Township are about equal to the County and lower than the statewide median. The homeownership rate in the Township is lower than both the County and Commonwealth levels.



Exhibit 1.4
Select Economic and Housing Characteristics, 2019-2023

	<u>Scott Township</u>	<u>Allegheny County</u>	<u>Pennsylvania</u>
Median Home Value	\$216,500	\$216,700	\$240,500
Owner Occupied Units	63.1%	64.9%	69.3%
Renter Occupied Units	36.9%	35.1%	30.7%

Source: U.S. Census ACS 2019-2023

Local Economy

The Township’s local economy is heavily weighted towards service-based employment, with 88 percent of the employed population working in service-related jobs (Management, Business, Science, Arts, Service, and Sales and Office). This level is modestly higher than the County mark (86 percent) and materially higher than the State (78 percent).

Exhibit 1.5
Occupation for Civilian Employed Population

<u>Occupation</u>	<u>Scott Township</u>	<u>Allegheny County</u>	<u>Pennsylvania</u>
Management, Business, Science, and Arts	57.9%	52.3%	43.4%
Service	9.4%	14.6%	16.3%
Sales and Office	20.8%	18.7%	18.4%
Natural Resources, Construction, and Maintenance	4.9%	5.6%	7.8%
Production, Transportation, and Material Moving	7.0%	8.8%	14.2%
Total	100.0%	100.0%	100.0%

Source: U.S. Census

As shown in Exhibit 1.6, the Professional, Scientific, and Management and Waste Management sector is the Township’s largest employer. The Township’s employment is also more weighted towards the Educational Services, Health Care, and Social Assistance, which is consistent with the County and Commonwealth.

Exhibit 1.6
Jobs by Industry Sector

<u>Sector</u>	<u>Scott Township</u>	<u>Allegheny County</u>	<u>Pennsylvania</u>
Agriculture, Forestry, Fishing and Hunting	0.4%	0.5%	1.2%
Construction	5.7%	5.4%	6.2%
Manufacturing	7.1%	8.2%	11.4%
Wholesale Trade	2.3%	1.8%	2.1%
Retail Trade	10.7%	9.8%	10.9%
Transportation and Warehousing	4.2%	5.7%	6.3%
Information	3.3%	1.7%	1.6%
Finance and Insurance, and Real Estate and Rental and Leasing	10.1%	8.9%	6.2%
Professional, Scientific, and Management, and Waste Management	22.8%	14.1%	11.5%
Educational Services, Health Care and Social Assistance	19.7%	29.1%	26.3%
Arts, Entertainment, and Recreation, Accommodation and Food Services	6.8%	8.4%	7.8%
Other Services (excluding Public Admin)	4.3%	3.9%	4.5%
Public Administration	2.4%	2.6%	3.9%

Source: U.S. Census

Chapter Two

Historic Financial Performance

Introduction

This chapter presents a summary of the financial condition of Scott Township since 2020. A review of all major funds was conducted to assess financial condition; however, this analysis focuses principally on the General Fund - the primary operating fund. The analysis relies on independent financial audit data, internally generated revenue and expense account details, collective bargaining agreements, pension actuarial reports, and other relevant information. Scott Township accounts for financial activity within the following major governmental funds.

Exhibit 2.1
Overview of Funds

Fund	Purpose	Funding Sources
General Fund	Primary operating fund	Taxes, fees, and other revenues that may be used for any lawful purpose
Sewer Fund	Captures activity related to sewer service, such as ALCOSAN treatment costs	Primarily funded by sewer fees
Bond Issue Fund	Reflects the allocation of borrowed funds, primarily for capital maintenance and improvement	Funded exclusively by debt proceeds
Capital Projects Fund	Construction, purchase, replacement, repair, or maintenance of an existing facility or capital asset	Primarily funded by recurring General Fund transfers, grants, and debt proceeds
Community Event Fund	Budgets for annual community events	Primarily funded by donations and event fees
Liquid Fuels Fund	Restricted to highway purposes or projects related to public roads or streets	State Motor License Fund; annual distribution to each municipality based on road mileage



General Fund Operating Results

Scott Township experienced deficits in three of the five years spanning 2020-2024, when accounting for contributions to the Capital Projects Fund, indicating a declining fiscal position. General Fund cash reserves were \$3 million at the beginning of 2020 and declined to \$1.7 million by the end of 2024, which equaled 13 percent of operating expenses.

Exhibit 2.2
General Fund Results, 2020-2024

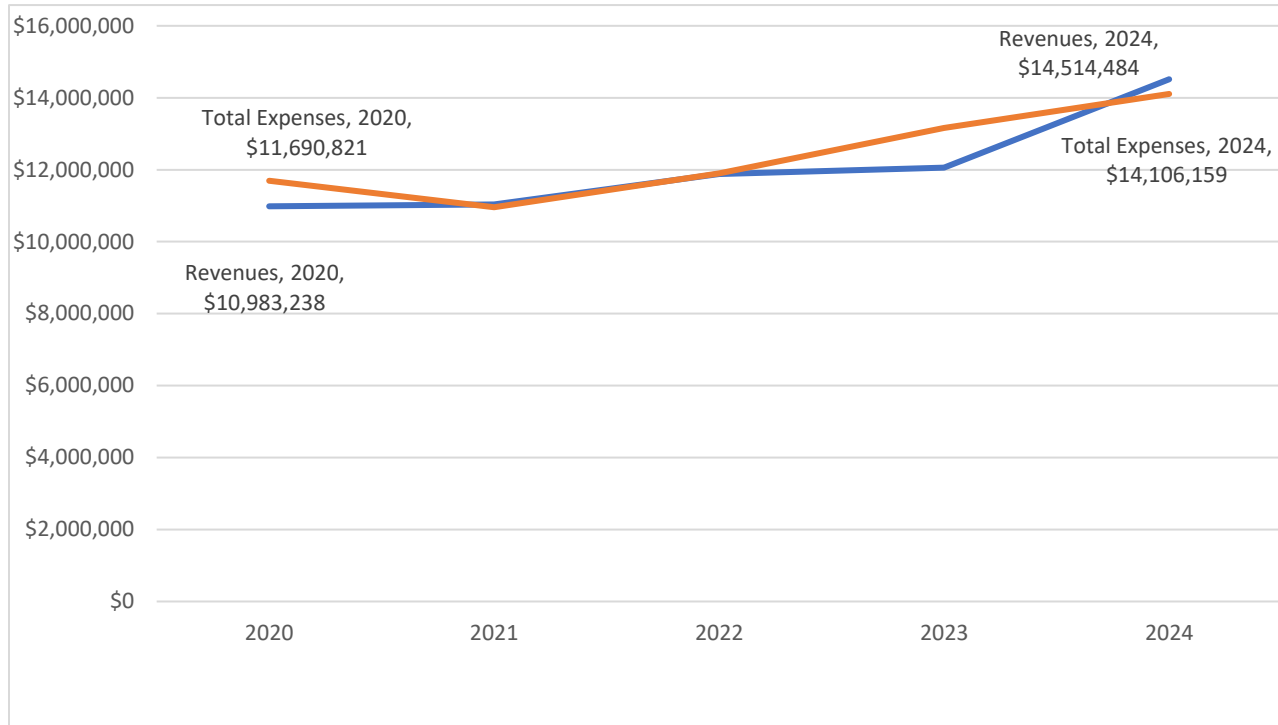
	2020	2021	2022	2023	2024
Revenues	\$10,983,238	\$11,034,784	\$11,882,715	\$12,061,187	\$14,514,484
Operating Expenses	\$10,747,821	\$10,957,806	\$11,896,840	\$12,217,132	\$13,160,517
Operating Surplus (Deficit)	\$235,417	\$76,978	(\$14,125)	(\$155,945)	\$1,353,967
Transfers to Capital Projects Fund	(\$943,000)	\$0	\$0	(\$945,642)	(\$945,642)
Net Surplus (Deficit)	(\$707,583)	\$76,978	(\$14,125)	(\$1,101,587)	\$408,325
Ending Fund Balance	\$2,292,734	\$2,369,711	\$2,355,586	\$1,253,999	\$1,662,324

Source: Scott Township

Historical deficits are attributable to several factors including flat real estate tax revenue and rising personnel and trash collection costs. The real estate tax millage rate remained the same from 2020 through 2023. This followed a millage rate *reduction* in 2019. Workforce expenses have increased at a faster rate than revenues and are by far the most influential General Fund expense driver, representing 60 percent of operating costs. The Township implemented a 54 percent real estate tax millage increase in 2024, resulting in an operating surplus and an increase in cash reserves, even after a required one mill (\$945,000) transfer to the Capital Fund.

The Township dedicates the equivalent of one mill of Real Estate tax revenue to capital needs through a transfer to the Capital Projects Fund. These annual transfers average about \$945,000. Transfers to the Capital Projects Fund were not made in 2021 and 2022 because roughly \$1.7 million in ARPA funds was allocated to capital projects. While this strategy has enabled Scott to avoid deferred capital maintenance and address key infrastructure needs, the transfer is a significant burden to the General Fund.

Exhibit 2.3
General Fund Results Including Capital Transfers, 2020-2024



Source: Scott Township

General Fund Operating Revenues

Exhibit 2.4 presents a five-year history of revenues by major category. Real Estate Taxes are the largest revenue source, accounting for 46 percent of total revenue historically. Earned Income Taxes (“EIT”) are the second-largest revenue source, representing 24 percent of revenue on average since 2020. In addition, Regional Asset District Sales Tax averages about \$600,000 annually, equivalent to 5 percent of total annual revenue. Charges for Services account for 6 percent of the annual budget and include reimbursement for police services and pool admission fees.

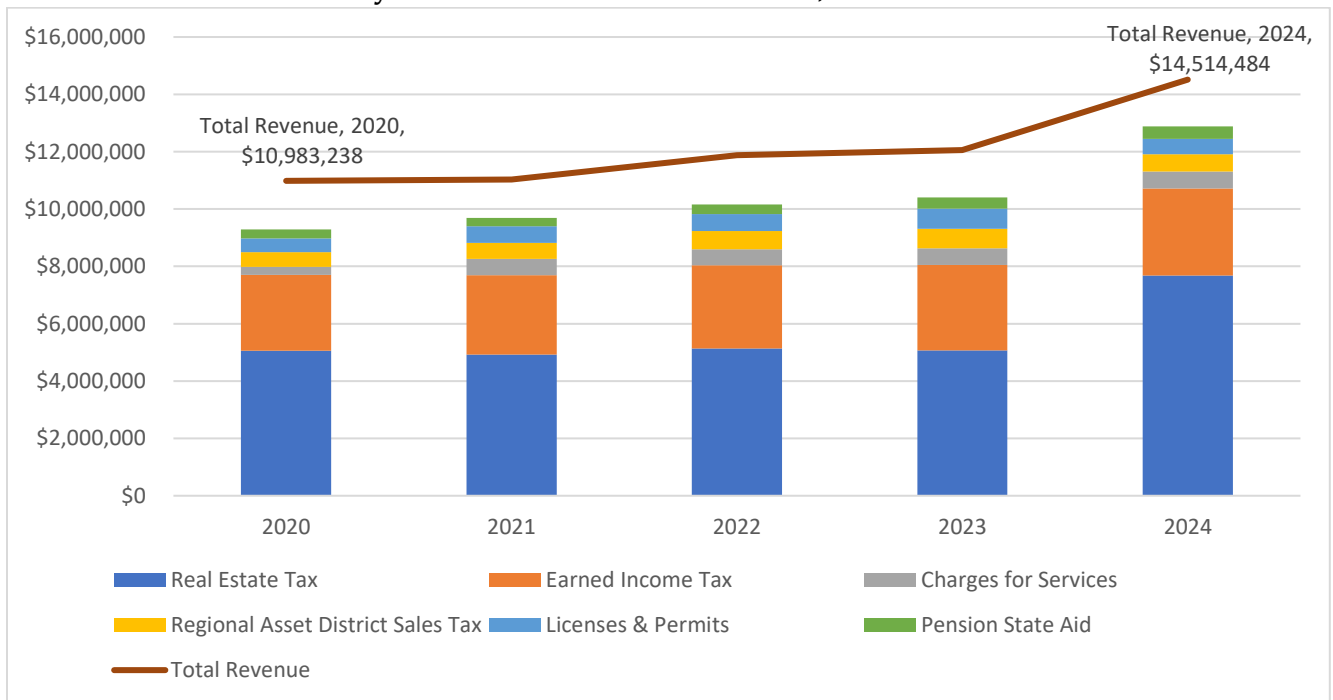
Exhibit 2.4
General Fund Revenue Sources, 2020-2024

Revenue	2020	2021	2022	2023	2024	Avg % of Total	CAGR
Real Estate Tax	\$5,063,694	\$4,928,574	\$5,135,352	\$5,068,327	\$7,683,830	46.1%	11.0%
Earned Income Tax	\$2,635,911	\$2,761,577	\$2,906,459	\$2,979,313	\$3,038,588	23.7%	3.6%
Regional Asset District Sales Tax	\$504,540	\$563,315	\$633,225	\$673,656	\$606,933	4.9%	4.7%
Licenses & Permits	\$488,473	\$580,718	\$592,575	\$704,531	\$531,683	4.8%	2.1%
Charges for Services	\$287,893	\$566,834	\$556,580	\$584,975	\$582,048	4.3%	19.2%
Pension State Aid	\$310,201	\$292,634	\$336,729	\$390,469	\$434,117	2.9%	8.8%
Real Estate Transfer Tax	\$287,656	\$333,392	\$410,558	\$426,486	\$256,966	2.8%	-2.8%
Intergovernmental Revenue	\$374,811	\$180,995	\$324,835	\$240,318	\$431,662	2.6%	3.6%
Mercantile Tax	\$246,808	\$277,050	\$296,298	\$296,736	\$277,953	2.3%	3.0%
Local Services Tax	\$267,150	\$224,834	\$304,949	\$259,380	\$287,893	2.2%	1.9%
PILOT	\$202,000	\$202,000	\$202,000	\$202,000	\$202,000	1.7%	0.0%
Interest, Rents & Royalties	\$40,555	\$46,427	\$82,642	\$102,667	\$103,660	0.6%	26.4%
Fines & Forfeits	\$28,873	\$26,034	\$22,721	\$24,285	\$21,698	0.2%	-6.9%
Other Revenue	\$244,672	\$50,401	\$77,791	\$108,046	\$55,454	0.9%	-31.0%
Total	\$10,983,238	\$11,034,784	\$11,882,715	\$12,061,187	\$14,514,484	100.0%	7.2%

Source: Scott Township

From 2020 to 2024, overall operating revenue increased at an average annual rate of 7.2 percent. Roughly 75 percent of this growth is attributable to the real estate tax millage increase in 2024. Strong EIT collections have also supported revenue growth at 4 percent average annual growth. Revenue derived from Charges for Service has more than doubled since 2020, primarily because of increased reimbursement for police services and higher pool admission fees. Although state pension aid has increased, the pension minimum municipal obligation has increased at a higher rate, resulting in pressure on the general fund.

Exhibit 2.5
Key General Fund Revenue Sources, 2020-2024



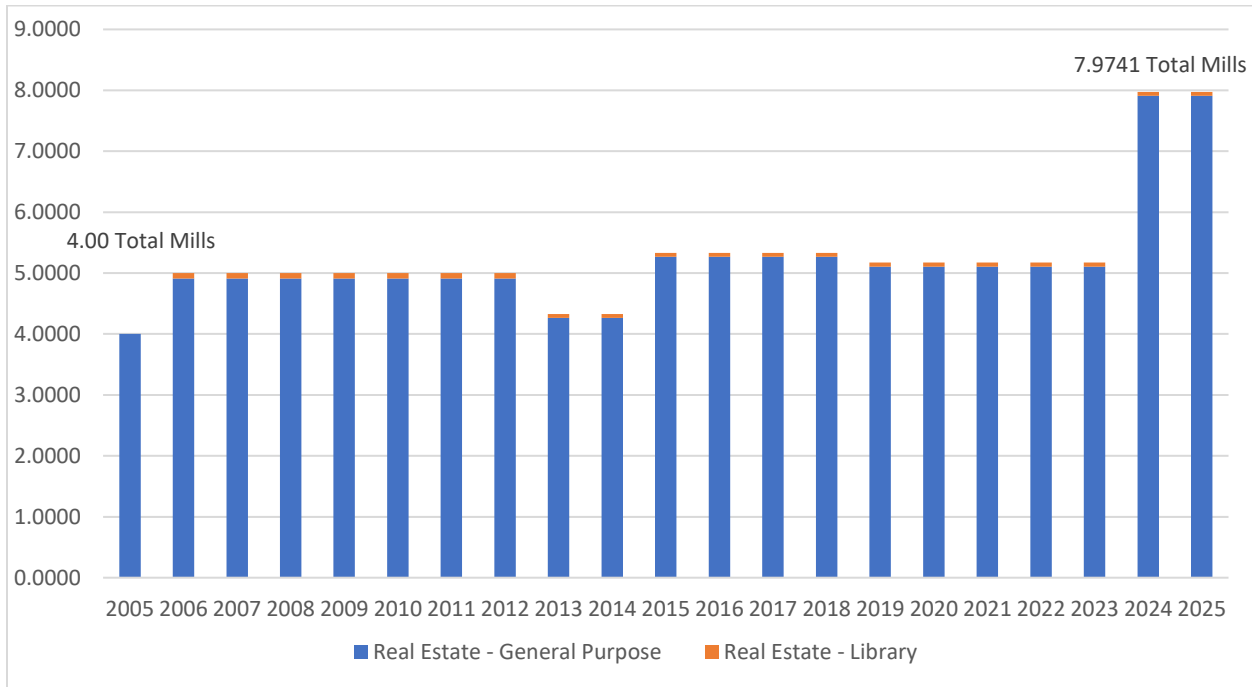
Source: Scott Township

Real Estate Tax Revenue

As mentioned previously, Real Estate Tax income is the largest revenue source, representing 46 percent of income historically. The Scott Township millage rate was 5.33 mills in 2018 but was reduced to 5.1711 from 2019-2023, resulting in stagnant collections. The general purpose real estate tax millage rate was then increased from 5.107 to 7.91 mills in 2024, generating an additional \$2.6 million in annual real estate collections. The Library Millage Rate has remained at 0.0641 mills. From 2020-2024, the Chartiers Valley School District's Millage Rate has slightly underperformed inflation, increasing from 18.2118 to 20.1909 mills, representing a 3 percent average annual growth.¹

¹ Throughout this report, financial performance will be assessed in relation to the rate of inflation. The Bureau of Labor Statistics (BLS) defines inflation as the overall upward movement in the prices of goods and services within an economy.

Exhibit 2.6
Scott Township Millage Rate History, 2005-2025



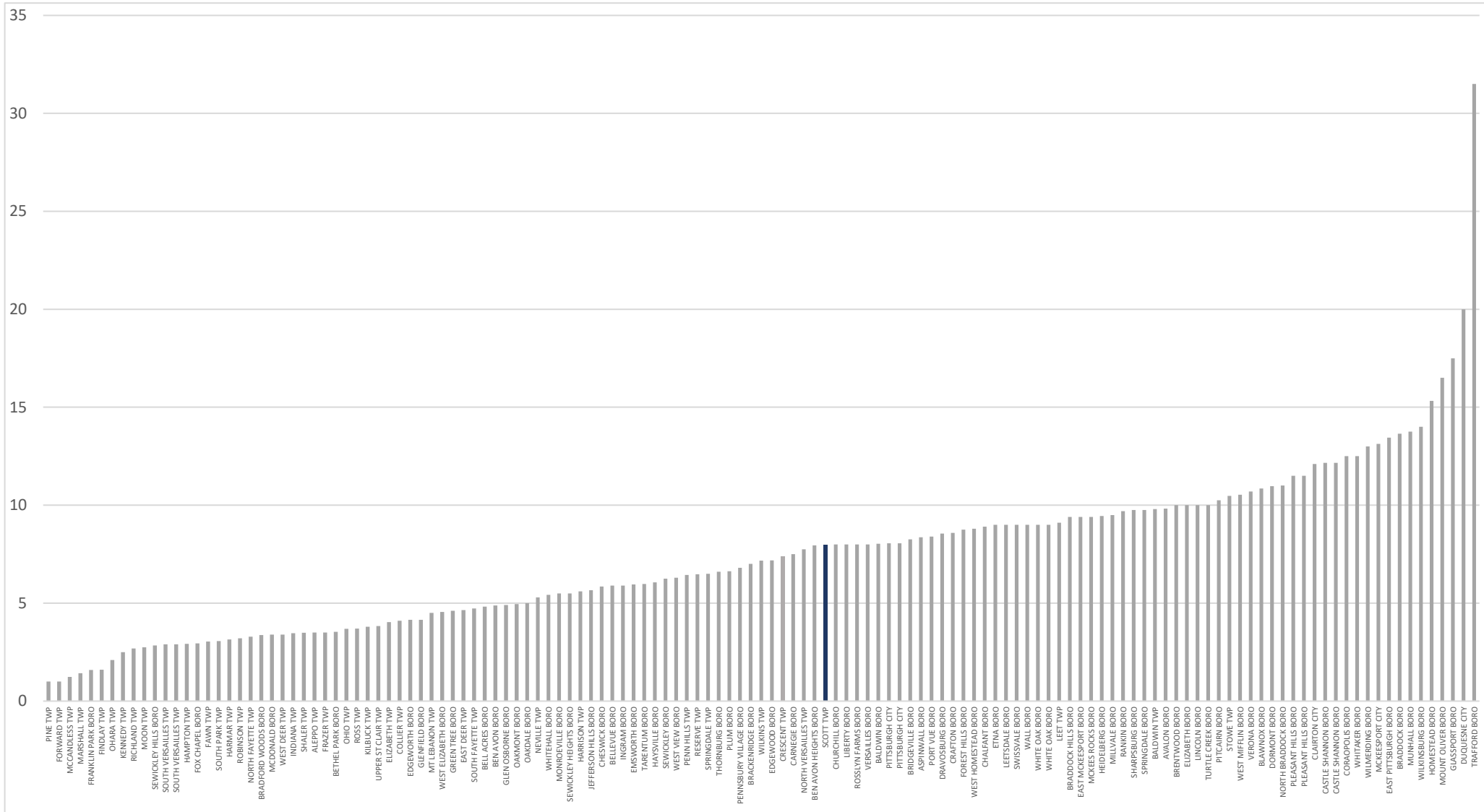
The Township has increased the combined millage rate just three times since 2005. Over the same period, there have been three millage rate *reductions*. Overall, the combined General Purpose and Library portions of the real estate tax millage rate increased from 4.00 mills in 2005 to 7.9741 mills in the adopted 2025 budget.

The average millage rate of all Allegheny County municipalities is 7.41 mills, with the Township falling toward the median of all municipalities as displayed by Exhibit 2.7. Scott Township also has the highest millage rate of all First-Class Townships in Allegheny County.

According to BLS data for the Mid-Atlantic Region, which includes all of Pennsylvania, the average annual inflation rate from 2020 to 2024 was 4.4 percent. However, year-over-year inflation varied significantly during this period, peaking at 7 percent in 2022 and declining to 3.4 percent in both 2023 and 2024, the lowest rate in the five-year span.

https://www.bls.gov/regions/mid-atlantic/news-release/consumerpriceindex_northeast.htm

Exhibit 2.7: Total Municipal Real Estate Tax Millage Rate, Allegheny County Municipalities, 2025



Source: PA Department of Community and Economic Development Municipal Statistics

In 2024, the Township implemented a steep Real Estate tax millage rate increase, which understandably generated debate and scrutiny from residents. The change led many citizens to ask how their tax burden compares to neighboring municipalities and if their government was using public funds efficiently. Exhibit 2.7 shows that the Township’s millage rate is near the median among Allegheny County municipalities. However, among First Class Townships and other nearby municipalities, Scott’s millage rate is high.

Exhibit 2.8
Tax Rate/Fee Mix Comparison
Select Allegheny County Municipalities, 2025

	Scott Township	Collier Township	Upper St. Clair Township	Mt. Lebanon Township	South Fayette Township
Population	17,012	8,929	20,581	32,938	18,442
Median Income	\$87,228	\$102,513	\$151,563	\$120,980	\$121,737
Median Home Value	\$216,500	\$334,800	\$395,700	\$364,100	\$322,700
Assessed Value per Capita (\$1,000s)	\$124,554	\$306,943	\$619,569	\$613,704	\$359,050
Revenue per 1 Mill (100% collections)	\$985,225	\$1,135,690	\$2,372,950	\$2,761,666	\$1,698,306
1 Mill of Revenue per Capita	\$58	\$127	\$115	\$84	\$92
Real Estate Tax millage rate	7.9741	4.10	3.83	4.50	5.98
Trash Fee	\$0	\$180	\$0	\$316	\$0
Resident EIT	0.5%	0.5%	0.8%	0.8%	0.5%
Non-resident EIT	0.0%	1.0%	0.5%	0.0%	1.0%
Stormwater Fee	No	No	No	Yes	No
Home Rule	No	No	Yes	Yes	No

The millage rate must be understood in context. Real Estate income is a function of the rate and the assessed value base. Communities with a relatively large assessment base can impose a lower millage rate and still generate the same revenue as a community with an average or smaller assessment base. Similarly, communities with a smaller assessment base need to increase their rates to raise revenues to fund government services. All else equal, homeowners in separate communities may pay approximately the same gross amount of Real Estate taxes, but their Real Estate tax millage rate may be vastly different.

In addition, the Real Estate tax millage rate must also be considered in the context of a municipality’s comprehensive tax mix and fee structure. While Real Estate tax revenue is typically the primary income source for Pennsylvania municipal governments, it is not the only source.

Governments with heavier reliance on real estate taxes may impose a lighter burden on residents regarding other revenue sources.

Exhibit 2.8 presents a tax rate and fee comparison among Scott Township and four neighboring municipalities. Scott has easily the highest Real Estate millage rate among the group. However, the Township's assessment base is much smaller than its peers, which is putting upward pressure on rates.

Moreover, Scott's neighbors impose other fees and higher Earned Income tax rates. Notably, Upper Saint Clair Township and Mount Lebanon Township have a resident EIT rate that is 60 percent higher than Scott's. These Townships can raise the resident EIT rate to this level because of their Home Rule status. Scott cannot raise its resident EIT above the current 0.5 percent rate unless it adopts a Home Rule charter. If Scott's resident EIT rate equaled that of Upper Saint Clair and Mount Lebanon, it would generate about \$1.8 million in additional General Fund revenue, which is the equivalent of almost 2 mills of Real Estate tax.

Three of the four comparison municipalities in Exhibit 2.8 have a non-resident EIT. Residents in two of the four pay a Trash Fee, and Mount Lebanon has a Stormwater Fee. The absence of those fees in Scott also puts more pressure on the general-purpose Real Estate Tax millage rate.

Act 511 Taxes

Earned Income Tax

EIT is the second largest source of revenue, representing about 24 percent of total income historically. The Township imposes a 0.5 percent EIT on residents and does not impose an EIT on non-residents. The Chartiers Valley School District levies a 0.5 percent EIT, resulting in a total EIT levy of 1 percent for Township residents. As indicated below, a slight majority of Allegheny County municipalities impose both a resident and non-resident EIT. In Allegheny County, it is most common for a municipality to have a 0.5 percent EIT resident rate and a 1 percent non-resident EIT rate. However, 60 municipalities, including Scott Township, do not impose a non-resident EIT. In addition, all Allegheny County school districts levy a resident EIT.

In general, municipalities that are not governed by a home rule charter or declared as financially distressed through Act 47 are not permitted to implement a combined municipal and school district EIT rate that exceeds 1 percent.² Municipalities that have adopted a home rule charter are permitted to raise the resident EIT rate above the statutory limit. Several municipalities in Allegheny County, including Mt. Lebanon, O'Hara, and Penn Hills Townships, have adopted home rule charters and have resident EIT rates above the statutory maximum. Municipalities governed by home rule charter are not permitted to levy a rate of taxation upon non-residents above the statutory limit of 1 percent.

² The City of Pittsburgh was permitted to restructure taxes through Act 47. The City of Pittsburgh and the Pittsburgh School District now levy resident EIT rates of 1 and 2 percent, respectively.

**Exhibit 2.9
Allegheny County Earned Income Tax Rates, 2025**

	0%	0.50%	.5% -1%	1.00%	>1%	Total
Municipal Resident	0	117	3	6	4	130
Municipal Non-Resident	60	12	0	58	0	130
School District Resident	0	45	0	0	1	46

Source: PA Department of Community and Economic Development

EIT collections increased at an average annual rate of 4 percent from 2020-2024, mirroring inflation over the same period. Census OnTheMap data indicates that the total number of workers living in Scott Township has declined slightly since 2018. Thus, EIT growth is primarily the result of an increase in the wages of workers living in the Township.

Other Act 511 Taxes

The Township also collects other Act 511 Taxes, including Real Estate Transfer Tax, Mercantile Tax, and Local Services Tax (“LST”). Real Estate Transfer Tax is the second largest source of Act 511 tax revenue after EIT. Scott levies a 0.5 percent Real Estate Transfer Tax on real estate transactions within the Township. Chartiers Valley School District also levies an additional 0.5 percent on real estate transactions. Revenues from real estate transfer taxes average about \$345,000 annually and fluctuate based on housing market conditions.

The LST is a local tax payable by all individuals who hold a job or profession within a taxing jurisdiction imposing the tax. The Commonwealth permits a maximum combined municipal and school district LST of \$52 for residents who do not qualify for the Mandatory Low-Income Exemption.³ Of all Allegheny County municipalities, 122 levy an LST. Scott receives \$47 in LST per individual, and the Chartiers Valley School District receives the remaining \$5. LST collections have grown at an average annual rate of about 2 percent, indicating some growth in the worker population.

Mercantile taxes are levied by municipalities and school districts on local businesses based on either a flat rate or annual gross receipts. Scott Township and the Chartiers Valley School District split a Mercantile Tax of 1 mill on wholesale gross receipts and 1.5 mill on retail gross receipts. Scott Township Mercantile Tax revenue totals roughly \$280,000 annually and has increased at an average annual rate of 3 percent.

³ Political subdivisions that levy an LST at a rate that exceeds \$10 must exempt taxpayers whose total earned income and net profits from all sources within the political subdivision is less than \$12,000.

Other Revenues

In addition to the key revenue sources outlined above, the Township also receives revenue from other sources such as Regional Asset District Sales Tax, Licenses and Permits, and Pension State Aid.

In 1993, the Pennsylvania Legislature passed Act 77, permitting Allegheny County to levy a 1.0 percent local option sales tax. The Allegheny Regional Asset District distributes half of the proceeds of the tax to regional assets such as libraries and parks, 25 percent to Allegheny County, and the remaining 25 percent to the 130 Allegheny Counties based on a state-calculated formula weighted to benefit distressed communities. The Scott Township Regional Asset District Sales Tax distribution increased from about \$500,000 in 2020 to \$600,000 in 2024, representing a 5 percent average annual growth.

Income from Licenses and Permits accounts for roughly 5 percent of total revenue historically. Cable TV Franchise Fee revenue is the largest source of License and Permit revenue and is derived from annual fees charged by local governments to private cable television providers as compensation for the use of public property. Generally, municipalities and cable TV providers negotiate a revenue-sharing agreement. In recent years, as consumers have migrated toward streaming services, cable franchise fee revenue has been impacted. Streaming services generally do not require the use of public property and therefore do not engage in compensation agreements with municipalities. The Township is experiencing declining Cable TV Franchise Fees.

The Department of the Auditor General administers the PA General Municipal Pension System State Aid Program that helps local governments defray the cost of employee, police, and firefighter pension plans maintained by municipalities, regional police forces, and councils of government. As mentioned previously, although state pension aid has increased, the pension minimum municipal obligation has increased at a significantly higher rate, resulting in pressure on the General Fund.

General Fund Operating Expenses

Exhibit 2.10 on the following page presents a five-year history of expenses by major category. Workforce expenses, Solid Waste Removal and Recycling costs, and Debt and Lease obligations account for 80 percent of total expenses, leaving limited discretionary spending. Salaries and Wages are the largest operating expenses, representing 37 percent of total expenses historically. Solid Waste Removal and Recycling increased to 12 percent of overall spending in 2024, while Debt and Lease expenses represented 7 percent of expenses historically.



Exhibit 2.10
General Fund Expenses, 2020-2024

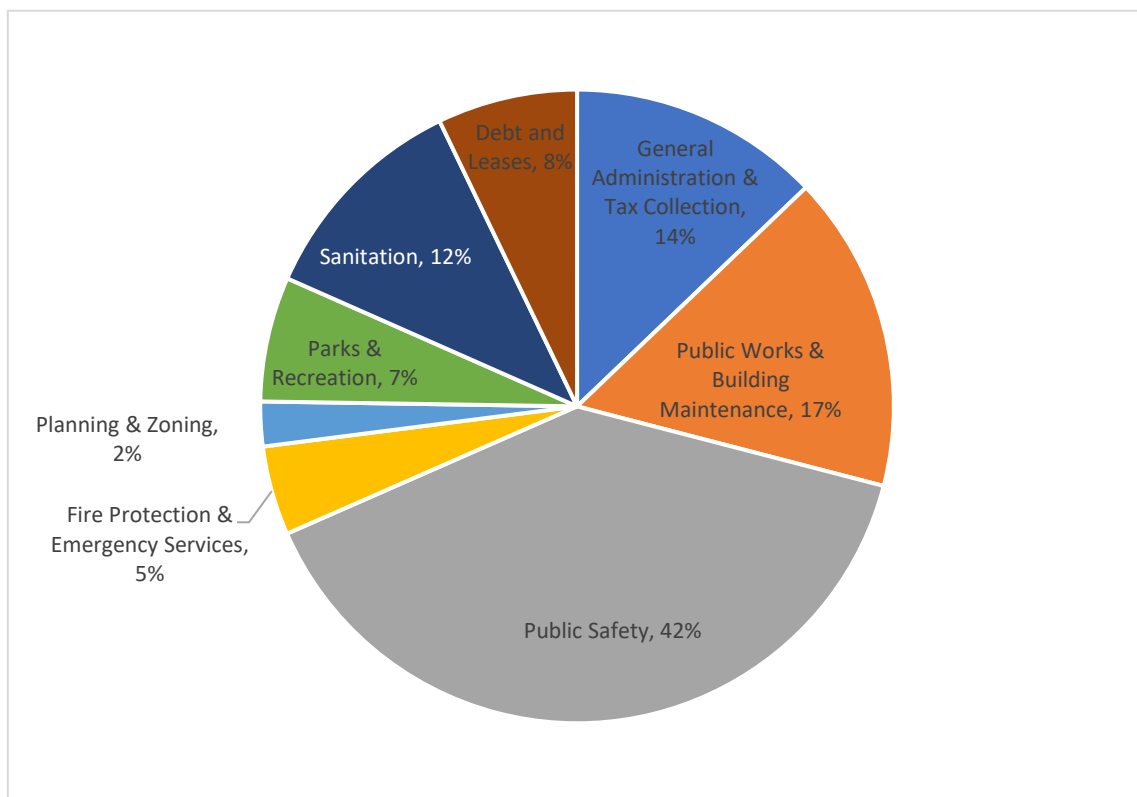
Expenses	2020	2021	2022	2023	2024	Avg % of Total	CAGR
Salaries & Wages ⁴	\$3,849,414	\$4,089,386	\$4,361,237	\$4,493,781	\$4,762,452	36.55%	5.5%
Solid Waste Removal & Recycling	\$1,211,524	\$1,237,250	\$1,259,100	\$1,289,681	\$1,628,071	11.23%	7.7%
Healthcare	\$997,795	\$964,348	\$931,195	\$1,020,778	\$1,174,142	8.63%	4.2%
Debt & Leases	\$698,632	\$722,912	\$934,542	\$945,413	\$914,394	7.15%	7.0%
Pension	\$512,713	\$765,537	\$839,095	\$863,209	\$927,485	6.63%	16.0%
Professional & Legal Services	\$526,282	\$599,693	\$807,483	\$707,966	\$660,456	5.60%	5.8%
Equipment & Capital Purchases	\$981,688	\$209,636	\$162,025	\$403,391	\$388,176	3.64%	-20.7%
Other Employee Benefits	\$410,944	\$227,978	\$479,182	\$475,166	\$545,660	3.63%	7.3%
Fire Service Contribution	\$346,692	\$367,354	\$406,659	\$427,752	\$402,776	3.31%	3.8%
Overtime	\$210,594	\$340,203	\$395,737	\$297,534	\$267,619	2.56%	6.2%
Utilities & Communication	\$205,674	\$233,850	\$294,988	\$258,172	\$288,973	2.17%	8.9%
Materials & Supplies	\$166,451	\$223,195	\$258,593	\$254,913	\$244,364	1.95%	10.1%
Insurance	\$125,838	\$391,364	\$170,314	\$166,248	\$178,731	1.75%	9.2%
FICA	\$167,795	\$174,956	\$200,898	\$194,316	\$200,618	1.59%	4.6%
Maintenance & Repairs	\$87,708	\$133,057	\$117,800	\$153,225	\$223,428	1.21%	26.3%
Events & Programs	\$132,264	\$124,211	\$128,811	\$129,172	\$135,336	1.10%	0.6%
Other Expenses	\$115,814	\$152,877	\$149,182	\$136,416	\$217,837	1.31%	17.1%
Total Operating Expenses	\$10,747,821	\$10,957,806	\$11,896,840	\$12,217,132	\$13,160,517	100.00%	5.2%

Source: Scott Township

⁴ Salaries and wages include all forms of paid compensation, including sick leave benefits, holiday pay, and longevity payments.

Exhibit 2.11 displays the distribution of expenses by function. Public Safety expenses include police and crossing guard activity and represent 42 percent of expenses historically. Police Salaries and Wages, including paid benefits owed to eligible officers such as longevity pay, are the largest Public Safety cost and gross expenses have increased at a 5 percent average annual growth rate. Public Works and Building Maintenance account for 17 percent, while General Administration and Tax Collection are responsible for 14 percent of annual expenses historically. On average, Sanitation expenses represent 12 percent of annual spending.

Exhibit 2.11
Expense Distribution by Function, 2020-2024 Average



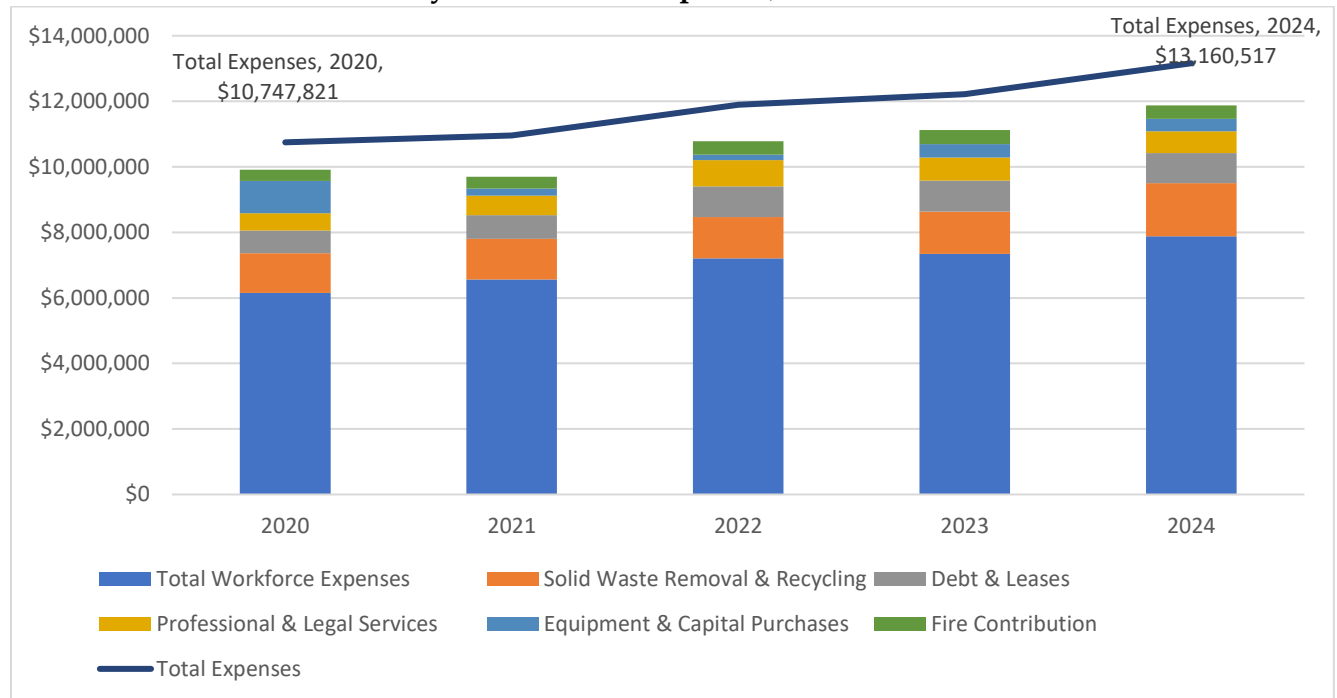
Source: Scott Township

From 2020-2024, expenses have increased by 5 percent annually on average, driven by rising workforce and trash removal and recycling costs. Workforce expenses are the primary budget driver and have increased at an average annual rate of 6 percent, largely as a result of increasing salary, wage, and pension costs. Pension costs have increased by 80 percent since 2020. A detailed analysis of workforce expenses is included in the Workforce Chapter of this report.

Solid Waste Removal and Recycling costs increased by 34 percent from 2020-2024, primarily due to sharp increases in statewide trash and recycling disposal costs fees. The Township contracts with a third-party provider for weekly trash collection service and biweekly recycling collection service. The Township does not charge a trash fee; rather, these services are funded out of general operating

sources. The current contract is effective 2024-2028. The contract resulted in a 25 percent cost increase in 2024, 10 percent increase in 2025, and about 7 percent increases from 2026 through 2028. A detailed analysis of Solid Waste Removal and Recycling costs is included in the Sanitation Chapter of this report.

Exhibit 2.12
Key General Fund Expenses, 2020-2024



Source: Scott Township

Debt Service

The Township has an established track record of responsible borrowing for capital projects. Scott had roughly \$5.3 million in outstanding general obligation bonds and capital leases at the start of 2025. Debt obligations are funded by the General, Sewer, and Capital Funds in accordance with the allocations included in Exhibit 2.13. Debt and Lease obligations have accounted for 7 percent of total General Fund expenses historically and will continue to impact the financial outlook.

Exhibit 2.13
Debt Service Summary

Issue	Original Issue Amount	Amount Outstanding	Maturity	Fund Allocation		
				General Fund	Sewer Fund	Capital Fund
GO Bonds, Series of 2021	\$13,495,000	\$12,365,000	8/15/2050	32%	23%	45%
GO Bonds, Series of 2017	\$13,190,000	\$8,640,000	8/15/2031	59%	41%	0%
Capital lease (Sept 2022)	\$44,127	\$11,282	9/13/2025	100%	0%	0%
Capital lease (Aug 2022)	\$106,262	\$54,581	3/28/2026	100%	0%	0%

Other Expenses

Professional Services and Legal Services average about \$660,00 annually, equivalent to 6 percent of operating expenses. These expenses include various contracted services, including solicitor fees, engineering services, auditing services, and animal control. These expenses have increased at an average annual rate of 6 percent.

Equipment and Capital Purchases total about \$430,000 annually, equivalent to 4 percent of operating expenses. Public Works capital projects represent the majority of these costs. Equipment and Capital Purchases fluctuate based on needs, with a particularly large paving project expense of \$582,000 in 2020.

Fire Service Contributions average \$390,000 annually, equivalent to 3 percent of overall expenses. Annual contributions consist of roughly \$90,000 in annual state foreign fire aid distributions and an additional \$300,000 funded by General Fund resources. The Pennsylvania Department of the Auditor General distributes state aid to Volunteer Firefighter Relief Associations derived from a 2 percent state tax on fire insurance premiums. Annual allocations of foreign fire insurance premiums are based on a formula that considers both population and the market value of real estate equally.

Insurance costs include general insurance, vehicle insurance, public officials' insurance, and police professional insurance. Insurance expenses average \$207,000 annually and represent 2 percent of total annual expenses. Overall insurance costs have significantly outpaced inflation at an average annual rate of 9 percent, with a spike in general insurance costs in 2021.

Maintenance and Repair expenses include vehicle maintenance, traffic signal repairs, technological equipment maintenance, building upkeep, and machine maintenance services. Maintenance and Repair expenses account for just 1 percent of the budget historically but increased by more than 2.5 times from 2020-2024.

Conclusion

The Township has experienced declining cash reserves largely because of increasing workforce expenses, growing trash and recycling costs, and large capital investments. The 2024 millage rate increase has helped counter operating deficits. However, growth in workforce costs and anticipated future capital needs will continue to place pressure on the General Fund in the future and, without corrective action, will fully deplete cash reserves.

Chapter Three

Baseline Projection of Financial Results

Overview

The baseline projection reflects a continuation of current operating procedures and trends without significant growth in the tax base or implementation of corrective action. The baseline projection in this chapter establishes the framework used to develop the recommendations included in the remainder of the report. Those recommendations seek to help the Township secure long-term fiscal stability. This chapter establishes the basis of the assumptions used to generate the 2025-2029 projection.

Projection Assumptions

The projection of financial results is based on reasonable revenue and expense growth expectations, accounting for historical performance, existing collective bargaining agreements, national and regional trends, and other relevant information. The baseline projection assumes no corrective action is taken to improve the current situation.

The Township's financial performance will be assessed in relation to the rate of inflation. According to BLS data for the Mid-Atlantic Region, which includes all of Pennsylvania, the average annual inflation rate from 2020 to 2024 was 4.4 percent. The Philadelphia Federal Reserve projects annual inflation at 2 percent over the next ten years.⁵

Revenue Assumptions

The real estate tax millage rate was increased in 2024 to 7.9741, generating an additional \$2.6 million in annual real estate collections. The baseline projection assumes no change in assessed valuation, collection rate, or millage rate, resulting in flat Real Estate Tax collections.

EIT collections increased at an average annual rate of 4 percent from 2020-2024, near historical inflation over the same period. As mentioned previously, Census OnTheMap data indicates that the total number of workers living in Scott Township has declined slightly since 2018. Thus, the baseline projection conservatively assumes that EIT collections will moderate and align more closely with projected inflation.

Regional Asset District Sales Tax collections increased from about \$500,000 in 2020 to \$600,000 in 2024, representing a 5 percent average annual growth. However, Allegheny County is projected to continue to experience population decline, which may negatively impact the consumption of foods

⁵ The Philadelphia Federal Reserve. <https://www.philadelphiafed.org/surveys-and-data/real-time-data-research/inflation-projections>

and services and consequently sales tax collection.⁶ Thus, the baseline projection expects growth in sales tax revenue to align with projected inflation. Similarly, Mercantile Tax is based on gross receipts and should also mirror projected inflation.

As mentioned previously, revenue derived from Charges for Service has more than doubled since 2020, primarily because of increased reimbursement for police services and higher pool admission fees. Reimbursement for police services represents about a third of total Charges for Services revenue anticipated in the 2025 budget; therefore, future growth is expected to align closely with Salary and Wage growth projected at 3 percent annually.

Cable TV Franchise Fee revenue is the largest source of License and Permit revenue. As consumers have migrated toward streaming services, cable franchise fee revenue has been impacted. Streaming services generally do not require the use of public property and therefore do not engage in compensation agreements with municipalities. Cable TV Franchise Fees are expected to continue to decline in the future.

State pension aid and overall pension costs are closely linked; therefore, the baseline projection expects the level of pension aid to grow at the same rate as pension costs at 3 percent annually.

Real Estate Transfer Tax is the second largest source of Act 511 tax revenue after EIT. US Census data indicates that median home value has increased at an average annual rate of nearly 9 percent since 2018, with particularly strong growth in recent years, likely as a result of strong national housing market conditions. The projection assumes growth moderates but remains above inflation at 3 percent annually.

Foreign fire insurance and the Rosslyn Farms police service contract are the primary sources of recurring Intergovernmental Revenue. Population decline may limit growth in foreign fire insurance premiums, while revenue derived from the Rosslyn Farms agreement should continue to grow at 3 percent annually, mirroring workforce cost increases. The projection estimates 1 percent average annual growth in Intergovernmental Revenue.

LST collections have increased at an average annual rate of about 2 percent. However, Census OnTheMap data also indicates a decline in the number of workers employed in Scott Township since 2018. This trend is expected to result in a slight decline in future LST collections.

The projection assumes that the current Payment in Lieu of Taxes (PILOT) agreement with Baptist Homes for Providence remains fixed at \$202,000 per year. Similarly, Fines and Forfeits revenue is expected to remain at about \$24,000 annually.

Interest, Rents, and Royalties are expected to decline as the General Fund balance declines during the projection period.

⁶https://www.rural.pa.gov/download.cfm?file=Resources/PDFs/Access%20PASS%20Final%20Population%20Projections%20Fact%20Sheet_.pdf



The baseline projection expects activity that generates revenue from Fees & Fines, Mercantile Tax, Reimbursement and Recovery, and Miscellaneous sources to remain at current levels. However, the rates, fees, and other factors determining overall collections are expected to grow at the projected rate of inflation.

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**Exhibit 3.1
Revenue Growth Rate Assumptions, 2025-2029**

Revenue	2025-2029
Real Estate Tax	0.0%
Earned Income Tax	2.5%
Regional Asset District Sales Tax	3.0%
Charges for Services	3.0%
Licenses & Permits	-1.0%
Pension State Aid	3.0%
Real Estate Transfer Tax	3.0%
Intergovernmental Revenue	1.3%
Mercantile Tax	2.4%
Local Services Tax	-0.4%
PILOT	\$202,000
Interest, Rents & Royalties	-13.9%
Fines & Forfeits	\$24,000
Other Revenue	2.4%
Total Revenue	0.9%
CPI	2.4%

**Exhibit 3.2
Baseline General Fund Revenue Projection, 2025-2029**

Revenue	2025 Projection	2026 Projection	2027 Projection	2028 Projection	2029 Projection
Real Estate Tax	\$7,677,000	\$7,677,000	\$7,677,000	\$7,677,000	\$7,677,000
Earned Income Tax	\$3,115,000	\$3,193,000	\$3,274,000	\$3,356,000	\$3,440,000
Regional Asset District Sales Tax	\$631,000	\$650,000	\$670,000	\$690,000	\$711,000
Charges for Services	\$561,000	\$577,000	\$595,000	\$613,000	\$631,000
Licenses & Permits	\$521,000	\$516,000	\$511,000	\$506,000	\$500,000
Pension State Aid	\$434,000	\$447,000	\$461,000	\$474,000	\$489,000
Real Estate Transfer Tax	\$280,000	\$288,000	\$297,000	\$306,000	\$315,000
Intergovernmental Revenue	\$184,000	\$186,000	\$189,000	\$191,000	\$193,000
Mercantile Tax	\$280,000	\$288,000	\$294,000	\$301,000	\$308,000
Local Services Tax	\$291,000	\$290,000	\$289,000	\$288,000	\$287,000
PILOT	\$202,000	\$202,000	\$202,000	\$202,000	\$202,000
Interest, Rents & Royalties	\$67,000	\$34,000	\$35,000	\$36,000	\$37,000
Fines & Forfeits	\$24,000	\$24,000	\$24,000	\$24,000	\$24,000
Other Revenue	\$11,000	\$11,000	\$12,000	\$12,000	\$12,000
Total	\$14,278,000	\$14,383,000	\$14,530,000	\$14,676,000	\$14,826,000

Expense Assumptions

Salary and wage expenses increased at an average annual rate of 6 percent from 2020 to 2024, compared to 4.4 percent inflation over the same period. Overall salary and wage growth from 2020-2024 was driven by an increase in full-time staff headcount, contractually mandated salary and wage increases for existing staff, and additional paid police benefits contractually owed to eligible officers such as longevity. The Police Department accounts for roughly half of the full-time staff and, therefore, represents the majority of salary and wage growth. From 2021-2025, police bargaining unit employees will receive 3 percent annual salary increases. From 2024-2028, General Teamsters Local Union 249 will receive 3.5 percent annual salary increases. The projection assumes that staffing remains at the level experienced in mid-2025, while existing staff receive salary and wage increases aligned with contract obligations and national averages, resulting in 3 percent average annual growth.

Pension, Overtime, and FICA are closely aligned with Salary and Wage growth and are expected to also increase at an average annual rate of 3 percent.

Solid Waste Removal and Recycling costs increased by 34 percent from 2020-2024, primarily due to sharp increases in statewide trash and recycling disposal costs fees. The projection assumes Solid Waste Removal and Recycling expenses remain elevated and continue to outpace inflation at a 6 percent average annual growth.

From 2020-2024, Healthcare expenses increased by 4 percent annually on average, mirroring the trend in private health insurance spending experienced nationally. Collective bargaining agreements dictate the health insurance, prescription, vision, and dental benefits for members of the Scott Township Police Association and Teamsters Employees. The baseline projection assumes future healthcare expenses continue to track trends experienced nationally as projected by the Centers for Medicare and Medicaid Services.⁷

The Township had roughly \$5.3 million in outstanding general obligation bonds and capital leases at the start of 2025. Debt and Lease obligations have accounted for 7 percent of total General Fund expenses historically and will continue to impact the financial outlook.

Equipment and Capital Purchase expenses fluctuate annually based on needs. Future costs are expected to align with the historical experience, resulting in about \$500,000 in annual expenses.

Workers' compensation insurance costs have increased by 33 percent since 2020 and represent the largest Other Employee Benefit expense. Overall, Other Employee Benefit costs are expected to remain at the elevated levels experienced in recent years and continue to grow at the projected rate of inflation.

Fire Service Contributions increased at an average annual rate of 3.4 percent from 2020 through the 2025 Budget. The projection assumes these contributions continue to increase at the historical

⁷ [CMS Releases 2023-2032 National Health Expenditure Projections | CMS](#)

growth rate, resulting in roughly \$440,000 in future annual costs in comparison to \$390,000 in annual contributions historically.

Insurance expenses represent 2 percent of total annual expenses and have increased at an average annual rate of 9 percent, with a spike in general insurance costs in 2021. Early 2025 financial performance indicates another spike in insurance costs that exceeds 2025 budget expectations. The projection assumes insurance costs fall in 2026 to more closely mirror historical levels, but continue to increase at a rate above inflation, resulting in \$265,000 in average annual costs.

Maintenance and Repair expenses increased by more than 2.5 times from 2020-2024. The projection assumes that these expenses remain elevated and continue to significantly outpace inflation at 5 percent average annual growth.

Professional and Legal Services, Utilities and Communication, Materials and Supplies, Events and Programs, and Other Expenses are expected to track projected inflation at a 2 percent average annual growth

The baseline projection also assumes that the Township continues to dedicate the equivalent of one mill of Real Estate Tax revenue to capital needs through a transfer to the Capital Projects Fund. These annual transfers average about \$945,000.

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**Exhibit 3.3
Expense Growth Assumptions, 2025-2029**

Expenses	2025-2029
Salaries & Wages	3.0%
Solid Waste Removal & Recycling	5.9%
Healthcare	5.6%
Debt & Leases	Per Debt Service Schedule
Pension	3.0%
Professional & Legal Services	2.4%
Equipment & Capital Purchases	\$500,000
Other Employee Benefits	2.4%
Fire Service Contribution	3.4%
Overtime	3.0%
Utilities & Communication	2.4%
Materials & Supplies	2.4%
Insurance	\$265,000
FICA	3.0%
Maintenance & Repairs	5.0%
Events & Programs	2.4%
Other Expenses	2.4%
Total Operating Expenses	2.5%
Transfers to Capital Projects Fund	\$946,000
CPI	2.4%

**Exhibit 3.4
Baseline General Fund Operating Expenditure Projection, 2025-2029**

Expenses	2025	2026	2027	2028	2029
	Projection	Projection	Projection	Projection	Projection
Salaries & Wages	\$4,823,000	\$4,968,000	\$5,117,000	\$5,270,000	\$5,429,000
Solid Waste Removal & Recycling	\$1,787,000	\$1,907,000	\$2,046,000	\$2,194,000	\$2,245,000
Healthcare	\$1,343,000	\$1,419,000	\$1,498,000	\$1,582,000	\$1,670,000
Debt & Leases	\$893,000	\$789,000	\$762,000	\$759,000	\$760,000
Pension	\$929,000	\$957,000	\$986,000	\$1,016,000	\$1,046,000
Professional & Legal Services	\$766,000	\$786,000	\$804,000	\$823,000	\$842,000
Equipment & Capital Purchases	\$721,000	\$445,000	\$445,000	\$445,000	\$445,000
Other Employee Benefits	\$538,000	\$552,000	\$565,000	\$578,000	\$591,000
Fire Service Contribution	\$410,000	\$424,000	\$439,000	\$454,000	\$469,000
Overtime	\$247,000	\$255,000	\$263,000	\$270,000	\$279,000
Utilities & Communication	\$313,000	\$321,000	\$329,000	\$336,000	\$344,000
Materials & Supplies	\$294,000	\$302,000	\$308,000	\$316,000	\$323,000
Insurance	\$313,000	\$235,000	\$247,000	\$259,000	\$272,000
FICA	\$202,000	\$208,000	\$214,000	\$220,000	\$227,000
Maintenance & Repairs	\$205,000	\$215,000	\$226,000	\$237,000	\$249,000
Events & Programs	\$155,000	\$159,000	\$162,000	\$166,000	\$170,000
Other Expenses	\$160,000	\$164,000	\$168,000	\$172,000	\$176,000
Total	\$14,099,000	\$14,106,000	\$14,579,000	\$15,097,000	\$15,537,000

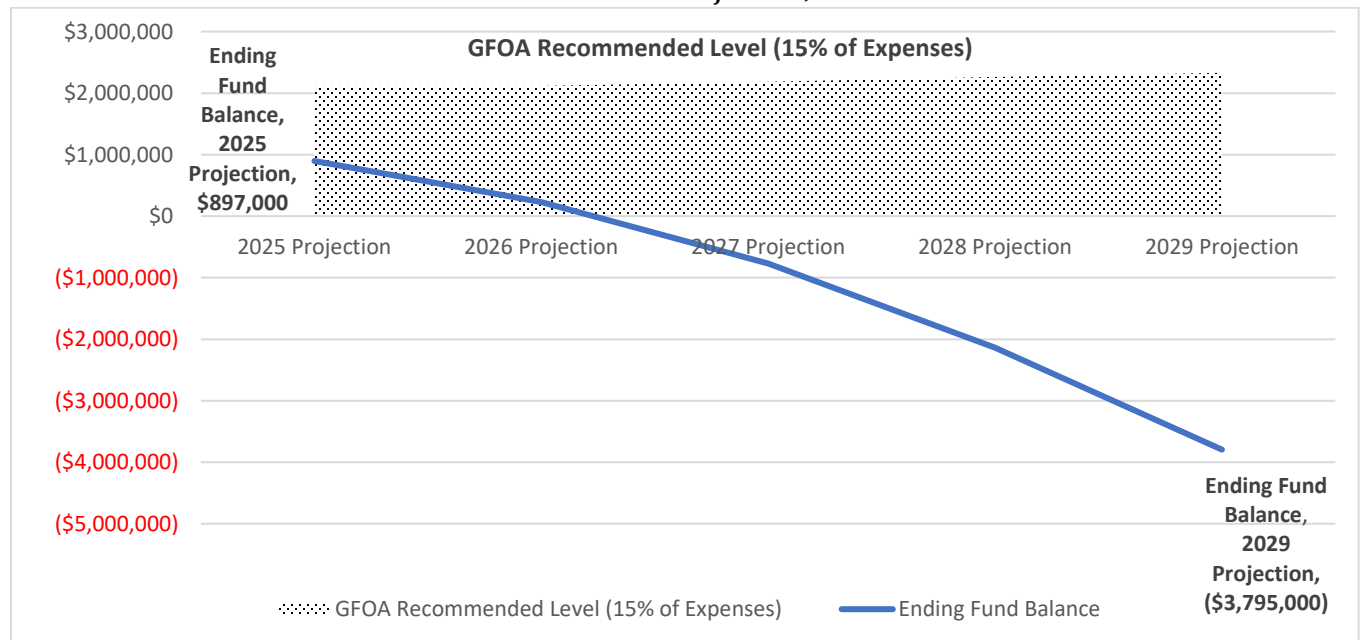
Baseline Operating Projection

Without corrective action, operating deficits and transfers fully deplete cash reserves by 2027. Overall revenue is projected to remain relatively flat at 0.9 percent while operating expenses grow at 2.5 percent and annual \$946,000 transfers to the Capital Projects Fund continue. Overall deficits grow to about \$1.7 million by 2029, representing roughly 11 percent of total operating expenses. The cumulative impact of the operating deficits and transfers is shown in Exhibit 3.6 as the General Fund balance is fully depleted, in comparison to the Government Financial Officers Association (GFOA) recommended best practice to maintain 15 percent of regular general fund operating expenditures.

**Exhibit 3.5
Baseline Operating Projection, 2025-2029**

	2025 Projection	2026 Projection	2027 Projection	2028 Projection	2029 Projection
Revenues	\$14,278,000	\$14,384,000	\$14,528,000	\$14,675,000	\$14,826,000
Operating Expenses	\$14,098,000	\$14,107,000	\$14,579,000	\$15,098,000	\$15,538,000
Operating Surplus (Deficit)	\$180,000	\$277,000	(\$51,000)	(\$423,000)	(\$712,000)
Transfers to Capital Projects Fund	(\$946,000)	(\$946,000)	(\$946,000)	(\$946,000)	(\$946,000)
Net Surplus (Deficit)	(\$766,000)	(\$669,000)	(\$997,000)	(\$1,369,000)	(\$1,658,000)
Ending Fund Balance	\$897,000	\$228,000	(\$769,000)	(\$2,138,000)	(\$3,795,000)

**Exhibit 3.6
Baseline Fund Balance Projection, 2025-2029**



Conclusion

The Township is projected to continue experiencing declining cash reserves as revenue stagnates, expenses continue to increase, and contributions to the Capital Projects Fund strain the General Fund. In the absence of millage rate increases and material changes in assessment value, EIT is projected to drive revenue growth. Workforce expenses and trash and recycling costs are projected to remain key expense drivers.

Chapter Four

Workforce

Overview

Workforce-related expenses are the primary budget driver for Scott Township, which is a common trend among municipalities. As displayed in Exhibit 4.1, at the time this report was drafted in mid-2025, the Township had 51 full-time and 45 seasonal and part-time employees. The Police Department, with 24 full-time employees, accounts for roughly half of all full-time employees. Public Works has the next largest workforce with 14 full-time employees. The remainder of the workforce provides services associated with the General Administration (Township Manager’s Office) and Tax Collection, Code Enforcement, Parks and Recreation, Pool, and School Crossing Guards functions. The Township also has 9 elected commissioners and 6 appointed members of the Planning Commission.

Full-time employment in 2025 is at its lowest level since 2021, at 51 employees. Seasonal employee headcount has fluctuated between 40 and 47 over the last five years, with most seasonal employees acting as pool lifeguards. The vast majority of part-time employees were associated with recreation programs in the Parks and Recreation Department between 2021 and 2023. Though there were a significant number of part-time employees to support these programs, the budgetary impact was relatively small. Part-time wages for these employees were between \$18,000 and \$32,000 over this period.

**Exhibit 4.1
Employee Headcount, 2020-2025**

Total	2020	2021	2022	2023	2024	2025
Full-time	53	52	56	52	58	51
Seasonal	40	40	47	45	47	43
Part-time	6	27	33	38	2	2
Elected Officials	12	10	10	10	10	10
Appointed Officials	6	6	8	6	6	6

Source: Scott Township

On average, the Township has allocated \$7 million annually to workforce expenses since 2020. From 2020-2024, overall workforce costs increased by about \$1.7 million, equivalent to a 6 percent average annual growth. Salaries and Wages are both the largest Township expense and the largest workforce expense.

**Exhibit 4.2
General Fund Workforce Expenses, 2020-2024**

Workforce Expenses	2020	2021	2022	2023	2024	CAGR
Salaries & Wages	\$3,849,414	\$4,089,386	\$4,361,237	\$4,493,781	\$4,762,452	5.5%
Overtime	\$210,594	\$340,203	\$395,737	\$297,534	\$267,619	6.2%
FICA	\$167,795	\$174,956	\$200,898	\$194,316	\$200,618	4.6%
Healthcare	\$997,795	\$964,348	\$931,195	\$1,020,778	\$1,174,142	4.2%
Other Employee Benefits	\$410,944	\$227,978	\$479,182	\$475,166	\$545,660	7.3%
Pension	\$512,713	\$765,537	\$839,095	\$863,209	\$927,485	16.0%
Total	\$6,149,254	\$6,562,409	\$7,207,343	\$7,344,783	\$7,877,977	6.4%
Average % of Operating Expenses						60%

Source: Scott Township

Salaries, Wages and Overtime

Overall Salary and Wage expenses have increased at an average annual rate of 6 percent, outpacing the Mid-Atlantic region’s average annual inflation rate of 4.4 percent over the same period. This category includes all forms of paid compensation, such as sick leave benefits, holiday pay, and longevity payments. Between 2020 and 2024, total salary and wage expenses rose by \$913,000. The Police Department accounts for half of the gross dollar amount of this growth, with salary and wage costs increasing by \$454,000 over the period. The remaining increase is primarily driven by the Public Works and Parks and Recreation Departments, which saw respective increases of \$258,000 and \$123,000 in salary and wage expenses from 2020-2024. Overall salary and wage growth from 2020-2024 was driven by an increase in full-time staff headcount, contractually mandated salary and wage increases for existing staff, and additional paid police benefits such as longevity.

Police salary and wage expenses represented about 60 percent of total salary and wage costs historically. In mid-2025, the Police Department workforce consisted of 24 full-time employees including a Police Chief, two Captains, 20 Patrol Officers, and one clerk. Employment terms and salary increases are dictated by a collective bargaining agreement with the Scott Township Police Association. Patrolmen, lieutenants, and sergeants’ salary increases follow a pay scale by years of service. From 2021-2025, bargaining unit employees received 3 percent annual increases in salary. However, overall spending on Police Department Salary and Wages increased at an average annual rate of 5 percent from 2020-2024 because of additional paid benefits such as longevity and sick time pay contractually owed to eligible officers.

Public Works salaries and wages represented 20 percent of total salary and wage costs historically. The Public Works Department employed 14 full-time employees and is led by the Director of Public Services. Employment terms and salary increases are dictated by a collective bargaining agreement with the General Teamsters Local Union 249. The duration of the current agreement is 2024-2028. Bargaining unit employees received average annual wage increases of 3.5 percent from 2024-2028. However, Public Works' salary and wages increased by 14 percent

from 2023-2024 when the new agreement with the General Teamsters Local Union 249 was effective.

Parks and Recreation Salaries represent 7 percent of the budget historically. The 2025 Budget allocates an additional \$100,000 in Parks and Recreation wages, representing a 31 percent increase from 2024-2025. This increase includes \$69,000 in increased park employee wages from the addition of a laborer and \$24,000 in increased poll management wages.

The remainder of General Fund salary expenses are allocated to employees dedicated to the General Administration (Township Manager's Office) and Code Enforcement. A portion of the workforce is designated as clerical employees, whose terms and conditions of employment are governed by a collective bargaining agreement with the General Teamsters Local Union 249. The current agreement spans 2022-2025.

Overtime costs have fluctuated historically, averaging about \$300,000 annually since 2020. The Police Department accounts for the majority of overtime, representing 87 percent of total overtime expenses in 2024. Township-wide overtime reached a peak of \$395,000 in 2022 but gradually declined in subsequent years to \$297,000 in 2023 and \$268,000 in 2024.

Employee Benefits

In addition to salaries, wages, and overtime, the Township also provides various employee benefits, including Healthcare, Pension, Workers' Compensation, Federal Contributions Act (FICA), and Other Employee Benefits. Combined Healthcare, Pension, and Other Employee Benefit costs have increased by \$1.1 million since 2020, equivalent to an 8 percent average annual increase. This rate is well above the pace of inflation and has increased pressure on the operating budget.

Healthcare costs accounted for 15 percent of total General Fund operating expenditures historically. From 2020-2024, Healthcare expenses increased by 4 percent annually on average, which is near the trend in private health insurance spending experienced nationally. Collective bargaining agreements dictate the health insurance, prescription, vision, and dental benefits for members of the Scott Township Police Association and Teamsters Employees.

Workers' compensation insurance is the largest Other Employee Benefit expense, totaling \$224,000 in 2024. Workers' compensation insurance provides benefits for workers who are injured or become ill as a direct result of employment. These costs represent 4 percent of overall General Fund expenses historically and have also increased by 33 percent since 2020. Other Employee Benefits also include training, life insurance, and uniforms.

The Federal Insurance Contributions Act (FICA) is a United States federal payroll tax that is deducted from each paycheck to fund Social Security and Medicare programs. The growth in these expenses is closely linked to salary and wage growth. FICA costs represent less than 2 percent of overall expenses and have increased at an average annual rate of 5 percent.

Legacy Workforce Liabilities

The Township maintains defined benefit plans for the Police Department and Non-Uniformed Employees. The Police Pension Fund is relatively well funded, with a fiduciary net position as a percentage of the total pension liability of 80 percent. The Non-Uniform Pension Fund has a fiduciary net position as a percentage of the total pension liability of 101 percent.

**Exhibit 4.3
Police and Non-Uniform Pension Liability (12/31/23)**

	Police	Non-Uniformed
Pension Liability	\$19,411,355	\$7,692,618
Fiduciary Net Position	\$15,584,625	\$7,790,343
Net Pension Liability (asset)	\$3,826,730	(\$97,725)
Fiduciary Net Position as % of Total Pension Liability	80%	101%

Source: Scott Township, Independent Financial Audit, Year-end 2023

Pennsylvania law requires all municipalities to make annual contributions to the pension funds based on a calculation of Minimum Municipal Obligation (“MMO”). The MMO is based on an annual actuarial valuation that takes into consideration annual pension costs, contributions by employees, pension asset valuations, investment rate, and salary increase projections, and amortization assumptions. The Township’s total pension MMO in 2023 was \$863,209, of which \$216,552 was funded by employee contributions and \$390,469 was offset by state aid. The net Township employer contribution was \$472,740. In addition, employee contributions totaled \$216,552.

**Exhibit 4.4
Police and Non-Uniform MMO and State Aid, 2023**

Pension Contributions	Police	Non-Uniformed	Total
Employee Contribution	\$139,714	\$76,838	\$216,552
Employer Contribution (MMO)	\$701,174	\$162,035	\$863,209
State Aid	\$244,771	\$145,697	\$390,468
Net Employer Pension Contribution	\$456,403	\$16,338	\$472,741
Combined Employee & Net Employer Contribution	\$596,117	\$93,176	\$689,293

Source: Township financial records

The table below includes the Township’s MMO history from 2020-2024. Scott’s portion of the MMO has more than doubled since 2020, resulting in nearly \$300,000 in additional pension expenses.

**Exhibit 4.5
Pension MMO and State Aid History, 2020-2024**

Year	Police	Employees	Total	State Aid	Township Funding
2020	\$445,104	\$67,609	\$512,713	\$310,201	\$202,512
2021	\$583,828	\$181,709	\$765,537	\$292,634	\$472,903
2022	\$681,822	\$157,273	\$839,095	\$336,729	\$502,366
2023	\$701,174	\$162,035	\$863,209	\$390,469	\$472,740
2024	\$877,247	\$50,238	\$927,485	\$434,117	\$493,368
Total Increase	\$432,143	(\$17,371)	\$414,772	\$123,916	\$290,856
CAGR	18%	-7%	16%	9%	25%

Source: Scott Township Pension Actuarial Valuations, Township financial records

The Township administers a single-employer defined benefit healthcare plan that offers medical, dental, and vision insurance with varying coverage levels for two employee groups: police and non-uniformed employees. As of December 31, 2023, the plan covers 31 inactive employees or beneficiaries currently receiving benefits and 46 active employees. Like other municipalities, Scott funds retirement health benefits on a “pay-as-you-go” basis. The Township concluded 2023 with a total OPEB liability of \$3,625,701. Healthcare payments for retirees amounted to \$176,347 in 2023 and are projected at \$231,000 in 2025.

**Exhibit 4.6
Net OPEB Liability, as of December 31, 2023**

	Total
Balance at 12/31/22	\$3,449,354
Changes for the year:	
Service Cost	\$185,537
Interest	\$152,969
Difference expected and actual experience	(\$89,363)
Change in assumptions	\$100,521
Benefit payments to retirees	(\$173,317)
Net changes	\$176,347
Balance at 12/31/23	\$3,625,701

Source: Scott Township Independent Financial Audit, 2023

Recommendations

Initiative	WF01	Implement a Multi-Faceted Workforce Strategy to Achieve Overall Workforce Spending Targets			
Responsible Party	Township Manager				
Budgetary Impact	2025	2026	2027	2028	2029
	-	\$250,000	\$250,000	\$275,000	\$300,000
Target Completion	Ongoing				

Workforce costs are the most influential expense driver, accounting for 60 percent of the General Fund budget. Consequently, controlling workforce expenses is essential to solidifying the Township’s long-term fiscal position.

This plan recommends a multifaceted strategy aimed at strengthening the workforce while controlling overall costs. The baseline forecast estimates that workforce costs will grow from about \$8.0 million in 2025 to \$9.2 million in 2029, representing 3.4 percent average annual growth. This report recommends that the Township implement a strategy to cap workforce expenses, resulting in \$250,000 to \$300,000 in annual savings relative to the baseline. The savings target is equivalent to a roughly 3 percent reduction in overall anticipated workforce spending, which is a realistic target.

	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>	<u>2029</u>
Baseline Workforce Costs	\$8,043,525	\$8,314,045	\$8,592,182	\$8,880,426	\$9,179,180
Revised Workforce Spending Target	\$8,043,525	\$8,064,045	\$8,342,182	\$8,605,426	\$8,879,180
Savings Target		\$250,000	\$250,000	\$275,000	\$300,000

It is important to note that the baseline forecast is an estimate informed by the best information currently available. As recommended in this plan, as information changes, the Township should regularly update a multi-year forecast and, if necessary, adjust workforce spending caps, while remaining focused on the overall purpose of this plan. Workforce spending must be controlled to address anticipated future deficits and achieve fiscal stability.

The ability to implement workforce-related initiatives will be strongly impacted by labor provisions negotiated with employee bargaining units. However, the personnel cost savings initiatives should in no way be limited to represented employees and should include non-represented employees, as well. This plan recommends the following initiatives to achieve the recommended workforce spending caps.

Initiative	WF02	Control Key Workforce Expenses
Responsible Party	Township Manager	
Target Completion	Ongoing	

The following is a menu of options, rather than a scripted formula, for the Township administration to consider for achieving the targeted savings levels. This recommendation outlines strategies to control several key workforce expenses, including wages and overtime, healthcare, and other employee-related expenses.

WF02a - CONTROL WAGE/OVERTIME COSTS

While there are significant factors that contribute to overtime costs outside the control of the Township, several of the provisions of existing Collective Bargaining Agreements (“CBAs”) significantly increase these costs by providing allowances that exceed obligations under the Fair Labor Standards Act (“FLSA”). The FLSA mandates overtime pay for hours worked more than 40 each week. It does not require overtime pay for hours worked more than 8 per day, nor that the employer count anything but hours worked to meet the 40-hour threshold. There are several examples in the CBAs of these types of provisions, including:

Scott Township Police

- Section 5, Holidays, which provides for 16 hours of additional pay (double time for 8 hours) in addition to the hours worked for the holiday.
- Section 9, Overtime Compensation
 - Provides overtime for time worked more than eight hours in a day
 - Provides a minimum of four hours of overtime

There are several other provisions, while not overtime issues, that also contribute to excessive labor costs, including:

- Section 3, Salaries. The base salaries of each of the employee classifications are well more than the average salary for law enforcement officers in Allegheny County. In 2025, the base salary for a patrol officer is \$112,604. Even at the reduced rate of 80 percent of the base salary for a new hire, the entry-level annual salary is \$90,083. Per the Commonwealth of Pennsylvania’s Center for Workforce Information and Analysis, the average annual rate of a Police Officer in Allegheny County in 2023 (the last year data was available) was \$83,020. Further comparison across the Pittsburgh Metropolitan Statistical Area (MSA), which includes Allegheny, Armstrong, Beaver, Butler, Fayette, Washington, and Westmoreland counties, finds similar data.

Using the 2023 rates for comparison:

Patrol Officer	Scott Township	Allegheny County ⁸	Pittsburgh MSA ⁹
Entry-level	\$84,925 ¹⁰	\$57,760	\$52,220
Average		\$83,020	\$80,070
Experienced	\$108,279 ¹¹	\$95,650	\$93,790

⁸ [allegco_ow.pdf](#)

⁹ [pghmsa_ow.xls](#)

¹⁰ 80 percent of 2023 5th year Patrol Officer rate

¹¹ 2023 5th year Patrol Officer rate + 2 percent longevity (\$106,156 + \$2,123)

The majority of the Township’s patrol officers receive a minimum annual salary of \$108,279, which is 13 percent greater than the average across Allegheny County and 15 percent greater than the average in the Pittsburgh MSA.

For further comparison, we examined the 2025 hourly rates for Scott Township in comparison to the surrounding communities, including the City of Pittsburgh.

	Scott Township	Mt. Lebanon ¹²	Penn Hills ¹³	Pittsburgh ¹⁴	Upper St. Clair ¹⁵
Entry-level Patrol Officer	\$43.30	\$37.49	\$40.11	\$33.15	\$34.86
Experienced Patrol Officer	\$54.13	\$53.59	\$54.45	\$43.74	\$53.33

Scott Township has, by far, the highest entry-level rate in the region, ranging from 8 percent to almost 31 percent higher than the surrounding municipalities surveyed. Its rate for an experienced patrol officer is more line with the surrounding municipalities surveyed, but 23.8 percent higher than the City of Pittsburgh. Base salary is just one component of wage compensation and does not account for other compensation such as longevity, sick pay, and other potential benefits. This data is a compelling argument for a more detailed wage compensation analysis and potential wage-related savings relative to the baseline growth assumption of 3 percent annual increases.

- Section 7, Sick Leave, provides an annual buyout of sick days in excess of 100 at full pay. While the buyout of unused sick days is common in public sector CBAs, the rate is usually reduced, i.e., 50 percent of the current daily wage. Further, at retirement or death, all sick days are bought back at the rate earned, not a reduced rate.

Further, the sick leave buyback is included in the pension calculation. This greatly inflates the amount of pension benefits, increasing the minimum municipal obligation of the Township. Steps should be taken to negotiate language in the CBA to limit what portion of the sick leave buyback is included in the pension calculation, i.e., only one year of the annual sick leave buyback.

- Section 16, E, provides that outside services shall be offered through the Township and paid at a rate of time and one-half. Compensation for these services is handled by the Township and processed through its payroll. The Township charges \$115 for these services, which includes the full cost of the police officer’s salary (hourly wage, FICA, pension contribution), , workers’ compensation costs, and other benefit costs, plus non-workforce related costs such as vehicle usage. The Township should continue to monitor the full costs of providing these services and adjust the rate accordingly over time.

¹² <https://mtlebanon.org/departments/police/recruitment/>

¹³ [Municipality-of-Penn-Hills-2025-Budget.pdf](#)

¹⁴ [2025 Operating Budget](#)

¹⁵ [2025 Budget](#)

General Teamsters Local Union 249 – Public Works/Parks Employees

- Article 7.8, Work on Holidays, provides double time for work on a holiday.
- Article 8.3, Overtime includes unworked holidays, vacation days, personal days, sick days, bereavement days, and jury duty days as hours worked toward computation of a forty-hour work week.
- Article 8.4, Call in Pay, provides a minimum call-in of four hours.

There are several other provisions, while not overtime issues, that also contribute to excessive labor costs, including:

- Article 6.1, Sick Leave, (b) (c) provides compensation at a rate of between 50 percent and 100 percent for unused sick days at retirement or death. While the buyout of unused sick days is common in public sector CBAs, the rate is usually reduced, i.e., 50 percent of the current daily wage.
- Article 8.8, Longevity, provides a longevity “bonus” as follows for employees continuously employed:
 - 5-9 years: \$300 per year
 - 10-14 years: \$600 per year
 - 15 or more years: \$900 per year

Longevity bonuses for non-uniformed employees are not common in the public sector.

General Teamsters Local Union 249 – Clerical Employees

- Article 7.8, Work on Holidays, provides double time for work on a holiday.
- Article 8.3, Overtime includes unworked holidays, vacation days, personal days, sick days, bereavement days, and jury duty days as hours worked toward computation of a 40-hour work week.
- Article 8.4, Call in Pay, provides a minimum call-in of four hours.

Another provision, while not an overtime issue, also contributes to excessive labor costs:

- Article 6.1, Sick Leave, (b) (c) provides compensation at a rate of between 50 percent and 100 percent for unused sick days at retirement or death. While the buyout of unused sick days is common in public sector CBAs, the rate is usually reduced, i.e., 50 percent of the current daily wage.

These provisions all have the potential to be significant wage and overtime cost drivers for the Township. As such, these provisions must be a focus for the Township in the next round of contract negotiations.

WF03b – CONTROL HEALTHCARE COSTS

The Township’s labor agreements contain several benefits which are excessive and costly, including:

Scott Township Police Association

Requires employee contributions to health insurance costs, which are low relative to the total cost of premium and industry benchmarks. Per the Agency for Healthcare Research and Quality's Medical Expenditure Panel Survey, the 2023 average total employee contribution per employee enrolled in family coverage in local governments with less than 250 employees was \$4,612¹⁶. In 2025, the base salary of the top patrol officer is \$112,604, equating to a \$1,126 annual contribution toward health insurance costs. The annual cost of the health insurance for each officer varies based on the plan and family status. For 2025, this range is between \$7,770 and \$26,182. The \$1,126 annual contribution equates to between 4.3 percent and 15 percent.

- Covers the full cost of the dental and vision coverage for each police officer and their families.
- Does not require co-payments for doctor's visits, prescriptions, etc.
- Provides excessive payments to current and retired employees for opting out of Township health insurance: \$400 per month to retirees and ½ of the premium to current employees.
- Provides for the full cost of the plan deductibles for employees and their families.
- Guarantees Township paid health insurance benefits to retirees and their spouses through Medicare-eligibility.

General Teamsters Local Union 249 – Public Works/Parks Employees

- Requires employee contributions to health insurance costs, which are low relative to the total cost of premiums and industry benchmarks. Public Works and Parks employees contribute \$40 per month or \$480 per year toward health insurance costs. The annual cost of the health insurance for each employee varies based on the plan. For 2025, this range is between \$7,770 and \$8,179. The \$480 annual contribution equates to between 5.9 percent and 6.2 percent.
- Provides the continuation of benefits (health, medical, and dental) for 60 days following a layoff.
- Covers the full cost of the dental and vision coverage for each employee.
- Does not require co-payments for doctor's visits, prescriptions, etc.
- Covers the full cost of the plan's deductible for each employee.

General Teamsters Local Union 249 – Clerical Employees

- Requires employee contributions to health insurance costs, which are low relative to the total cost of premium and industry benchmarks. Clerical employees contribute \$40 per month or \$480 per year toward health insurance costs. The annual cost of the health insurance for each employee varies based on the plan. For 2025, this range is between \$7,770 and \$8,179. The \$480 annual contribution equates to between 5.9 percent and 6.2 percent.

¹⁶ [MEPS-IC Data Tools – Medical Expenditure Panel Survey \(MEPS\) Insurance Component \(IC\)](#)

- Covers the full cost of the dental and vision coverage for each employee.
- Does not require co-payments for doctor's visits, prescriptions, etc.
- Covers the full cost of the plan deductibles for each employee.

The Township should seriously consider establishing a negotiating position that eliminates or amends language in these provisions and reduces recurring operating expenses.

WF03c - CONTROL PENSION COSTS

Scott Township Police

Section 13, Pensions, provides a Deferred Retirement Option Plan ("DROP"). Under DROP, officers are given the choice to keep working after their eligible retirement date without adding years of service that raise their pension amount. Instead of increasing the pension amount, the Township sets aside annual lump sum payments into an interest-bearing deposit account. Upon retirement, the beneficiary will receive the full value of this account in addition to their established pension benefit.

These plans were designed to help retain public employees, specifically public safety personnel. However, though law enforcement vacancies are up nationwide, the Township does not experience significant challenges with the retention of police officers. As a result, the cons of offering a DROP far outweigh any benefits the Township may reap. The Government Finance Officers Association does not recommend that government-defined benefit plans include deferred retirement option programs for a variety of reasons¹⁷:

- The cost impact of a DROP is difficult to assess
- DROPs may conflict with the goals of pension design
- Employee choice frequently increases employer cost
- Specific DROP characteristics and features often add additional cost

Not only do DROP programs provide minimal benefit in managing the workforce, but the programs also increase municipal pension costs. Required annual municipal contributions to the pension plan are based on several actuarial assumptions, including expected retirement age when pension benefits will be drawn. However, a deferred retirement option plan distorts that funding design, as employees are incentivized to enter DROP at the earliest possible time permitted. The pension plan must then revise downward its assumed retirement age, resulting in higher required contributions to keep the pension plan properly funded.

A deferred retirement option plan also adds further underfunding risk due to the way interest is paid into the members' DROP accounts. Pension systems generally have a 30-year investment outlook, assuming that the good years and bad years will average out and get the plan to a certain investment percentage over the long run. The Township's pension plan assumes a 5 percent annual return on employee contributions. If the plan misses its assumed rate of return over the period, it

¹⁷ <https://www.gfoa.org/materials/deferred-retirement-option-plans>

still must pay that guaranteed interest rate into the member's DROP account. Thus, instead of having years to make up for these losses, those losses are compounded.

Considering the costs of DROP, the Township should seriously consider establishing a negotiation position that eliminates the DROP for existing employees who currently do not meet the eligibility requirements and for future hires.

WF03d - CONTROL OTHER EMPLOYEE BENEFITS COSTS

There are several other provisions in the CBAs that are cause for concern due to their apparent contradiction with the FLSA and/or other federal or state regulations, which the Township should review with its labor counsel.

Scott Township Police

- Section 9A, Overtime Pay, does not require the payment of overtime if it results from a shift change, if it is less than ½ hour at the end of the shift, or “if paid for eight hours, not paid again for forty hours.”
- Section 9B, Compensatory Time Off, requires the buyout of compensatory time when an officer accumulates 40 hours. The FLSA permits the accumulation of up to 480 hours of compensatory time for law enforcement officers. The Township can still buy back all compensatory time annually but should consider permitting the accumulation of time up to the statutory limit of 480 hours.
- Section 9 F, Compensatory Time for Non-Mandatory, Voluntary Training permits the Chief to award compensatory time on a “straight time” basis for officers authorized to attend non-mandatory training. Further, this “award” of compensatory time may not result in compensation or payment and may only be used at the discretion of the Chief.

First, employees cannot “volunteer” for work, training, etc. for their employer if this work or training is related to the work they do for the employer. Second, assuming the training is related to the work performed for the Township, said time must be compensated at time and one-half or the time off equivalent. Further, use of compensatory time must be permitted unless it unduly disrupts the operation of the Township.

General Teamsters Local Union 249 - Public Works/Parks Employees

- Article 7.14, Compensatory Time Off, limits the accrual of compensatory time to eighty (80) hours. The FLSA permits the accumulation of up to 240 hours of compensatory time for nonuniformed employees. The Township can still buy back all compensatory time annually but should consider permitting the accumulation of time up to the statutory limit of 240 hours.

This article also limits the use of compensatory time to when the Township is not “short-shifted.” Use of compensatory time must be permitted unless it unduly disrupts the operation of the Township.

General Teamsters Local Union 249 – Clerical Employees

- Article 7.14, Compensatory Time Off, limits the accrual of compensatory time to eighty 80 hours. The FLSA permits the accumulation of up to 240 hours of compensatory time for nonuniformed employees. The Township can still buy back all compensatory time annually but should consider permitting the accumulation of time up to the statutory limit of 240 hours.

Initiative	WF04	Enhance Collective Bargaining Negotiation Approach
Responsible Party	Township Manager	
Target Completion	Ongoing	

Personnel costs are the primary driver in the Township's General Fund budget, and those costs are largely determined by the collective bargaining process. It is essential that the Township secure contracts that are fiscally responsible and fair to the Township and employees. The Township should consider implementing several enhancements to its contract negotiation preparation, including:

- The lead negotiator should meet with the department head who supervises the employees covered by the CBA to uncover challenges in the day-to-day operations and ascertain if they can negotiate language to address these issues.
- The department heads should be included in the negotiations as they can add value to the proceedings.
- The Township Manager currently calculates the cost of all proposals made by both the Township and the bargaining units during the negotiation process. Quantifying the fiscal impact of contract proposals is important to form a negotiating position and establish an understanding of the overall budgetary implications of contract provisions. The Township Manager should also include the Finance Director in this activity. Together, the Township Manager and Finance Director should ensure that the cost of bargaining proposals will fit within the fiscal parameters of its five-year financial plan.
- An analysis of the benefits offered by surrounding municipalities and similarly situated municipalities should be conducted in advance of negotiations. The analysis should include a comparison of socio-economic characteristics such as population, median household income, poverty rates, median home value, and other similar indicators, which will add context to the level of benefits offered by the employer. The compensation and socio-economic/ demographic comparison will help form fair negotiating positions that consider the Township’s fiscal constraints, management prerogatives, and recruiting and retention goals.

Conduct a wage study to identify where the Township may be overpaying or underpaying their employees, develop strategies for attracting and retaining the best talent, and ensure their practices are fair and equitable.

Chapter Five

General Administration and Tax Collection

Overview

Located in Allegheny County, about three miles south of Pittsburgh, Scott is a First-Class Township Code operating under the laws of the Commonwealth of Pennsylvania. The operations of the Township are vested in an executive (Township Manager) and nine elected Commissioners. The Commissioners serve as the legislative body of the Township, setting policy, enacting ordinances and resolutions, adopting budgets, and levying taxes.

Most administrative duties are performed by the Township Manager. The Township Manager is responsible for formulating the budget, enforcing ordinances established by the Township Commissioners, approving expenditures, supervising other Township functions, reporting to the Commissioners on financial and administrative matters, and hiring employees. The Township Manager is supported by a Finance Director, a Payroll Manager, and an Assistant Secretary.

The full-time Information Technology Director, which was added in 2024, is budgeted out of this department. Before 2024, IT services were provided a part-time employee. The Township budgets IT support in a separate department, but for this report, it is consolidated into the General Administration section.

In the past, the office was also supported by two full-time clerks; however, those positions were eliminated, and the functions were outsourced to a third party in 2025.

Expenses related to the Township’s nine commissioners are budgeted under this function.

**Exhibit 5.1
Department Head Count, 2020-2025**

Administration & Tax Collection	2020	2021	2022	2023	2024	2025
Manager	1	1	1	1	1	1
Finance Director	1	1	1	1	1	1
Payroll Manager/Clerk	1	1	1	1	1	1
Assistant Secretary	1	1	1	1	1	1
Clerk (FT)	3	2	2	2	2	-
Clerk (PT)	-	-	1	-	-	-
IT Director (PT - 2020-2023)	1	1	1	1	1	1
Tax Collector	1	1	1	1	1	1
Total - Full-time	8	7	7	7	8	6
Total - Part-time	1	1	2	1	-	-

This chapter outlines recommendations to be implemented at the senior administrative level. While the Township Manager is listed as the responsible party for most of the recommendations, successful implementation of the initiatives will require the cooperation of many across the organization. The recommendations are intended to improve overall operational efficiencies as well as identify potential savings through cost reductions and revenue enhancement. Long-term success ultimately depends on maintaining the initiatives and keeping budgetary impact at the forefront of every major decision.

Summary of Financial Results

Expenses for the Township Manager's Office and General Administration were about \$1.5 million in 2024, representing 10 percent of total General Fund expenses. Since 2020, these activities have comprised about 13 percent of operating expenses. General Administration expenses have increased 3.6 percent on average from 2020 through 2024, which is lower than the 5.2 percent average annual increase in total General Fund expenses over the same period.

Salaries and wages cover the Township Manager, Finance Director, Payroll Manager, Assistant Clerk, and IT Director for 2024. In 2025, the Township budgeted for a new Assistant Township Manager position; however, as of this writing, this position is still vacant.

The Township has limited personnel costs in the Township Manager's Office by reducing the number of full-time positions by two since 2020. The Township eliminated two Tax Collector positions and a clerk position. However, as noted above, Scott hired a full-time IT director instead of relying on third-party IT support.

The Township budgets professional services in a separate category, but for this report, they are consolidated in this section. Professional services include the solicitor, independent financial auditor, advertising and printing, and other contracted services. These costs have averaged \$314,000 between 2020 and 2024; however, this average is somewhat skewed by a spike in legal services in 2022. Professional service costs declined in 2024 when the Township shifted from contracted to in-house IT support.

Departmental Financial Results

**Exhibit 5.2
Expenditure Results, 2020-2024**

Expenses	2020	2021	2022	2023	2024
Salaries & Wages	\$503,423	\$474,315	\$471,886	\$484,728	\$515,538
Overtime	\$3,129	\$921	\$499	\$672	\$79
FICA	\$38,342	\$36,451	\$37,331	\$36,749	\$39,391
Other Employee Benefits	\$17,015	\$31,391	\$35,273	\$35,633	\$38,688
Healthcare	\$146,405	\$101,550	\$92,218	\$104,548	\$145,903
Pension ¹⁸	\$67,609	\$181,709	\$157,273	\$162,035	\$176,222
Materials & Supplies	\$27,848	\$42,004	\$28,847	\$22,004	\$17,801
Utilities & Communication	\$5,283	\$4,207	\$4,039	\$4,655	\$3,703
Equipment & Capital Purchases	\$29,075	\$92,033	\$18,701	\$12,738	\$9,168
Professional & Legal Services	\$271,693	\$300,952	\$409,798	\$344,100	\$242,771
Insurance	\$95,248	\$365,640	\$125,015	\$108,318	\$110,018
Maintenance & Repairs	\$14,496	\$29,575	\$14,404	\$31,603	\$16,417
Other Expenses	\$91,838	\$126,575	\$119,338	\$111,490	\$194,529
Total	\$1,311,403	\$1,787,324	\$1,514,623	\$1,459,272	\$1,510,227

**Exhibit 5.3
Baseline Expenditure Projections, 2025-2029**

Expenses	2025 Projection	2026 Projection	2027 Projection	2028 Projection	2029 Projection
Salaries & Wages	\$465,000	\$479,000	\$493,000	\$508,000	\$524,000
FICA	\$37,000	\$38,000	\$39,000	\$40,000	\$41,000
Other Employee Benefits	\$43,000	\$44,000	\$45,000	\$46,000	\$47,000
Healthcare	\$195,000	\$206,000	\$218,000	\$230,000	\$243,000
Pension	\$177,000	\$182,000	\$187,000	\$193,000	\$199,000
Materials & Supplies	\$28,000	\$29,000	\$30,000	\$31,000	\$31,000
Utilities & Communication	\$5,000	\$5,000	\$5,000	\$6,000	\$6,000
Equipment & Capital Purchases	\$11,000	\$11,000	\$11,000	\$11,000	\$11,000
Professional & Legal Services	\$333,000	\$342,000	\$350,000	\$358,000	\$367,000
Insurance	\$242,000	\$161,000	\$169,000	\$177,000	\$186,000
Maintenance & Repairs	\$32,000	\$34,000	\$35,000	\$37,000	\$39,000
Other Expenses	\$130,000	\$134,000	\$137,000	\$140,000	\$143,000
Total	\$1,698,000	\$1,665,000	\$1,719,000	\$1,777,000	\$1,837,000

¹⁸ Reflects Minimum Municipal Obligation pension payment for non-uniformed pension plan, which includes beneficiaries from across multiple departments

Recommendations

Initiative	ADM01 Hire an Assistant Township Manager				
Responsible Party	Township Commissioners				
Budgetary Impact	2025	2026	2027	2028	2029
	-	(\$125,000)	(\$130,000)	(\$135,000)	(\$145,000)
Target Completion	First Quarter 2026				

The Township Manager’s office is currently understaffed, with too much burden falling on the Township Manager. Scott should follow through with its plans to hire an Assistant Township Manager to relieve some of the existing burden on the Manager and create capacity to implement the initiatives in this report, many of which will fall under the Manager’s purview. The Assistant Manager’s responsibilities will be broad and candidates should possess a wide range of skills, including those related to human resources management, budgeting, community engagement, and policy development, among others.

As outlined in the report, the Township is facing deficits if corrective action is not implemented. The Township’s priority should be to stabilize its fiscal position, which means a judicious approach to adding new staff. This position, and other investments described in this plan, should only be filled after the Township has established a credible path to structural budgetary balance.

Initiative	ADM02 Conduct Regular Employee Evaluations				
Responsible Party	Township Manager				
Budgetary Impact	2025	2026	2027	2028	2029
	-	-	-	-	-
Target Completion	Fourth Quarter 2025, Ongoing				

The Township should move forward with its plan to conduct regular employee evaluations. Annual evaluations are important for helping employees improve their performance, reinforce positive behaviors, establish goals, improve communication between management and the workforce, and help employees know where they stand with the organization.

Initiative	ADM03 Engage Labor Counsel for Union Contract Negotiations				
Responsible Party	Township Manager				
Budgetary Impact	2025	2026	2027	2028	2029
	(\$20,000)	-	-	-	-
Target Completion	Ongoing				

The Township has amicable relations with its bargaining units and has been able to resolve most labor-related matters amicably, often without labor counsel assistance. Nevertheless, the Township should engage experienced labor counsel before union contract negotiations to discuss overall negotiating strategy and objectives. The Township should utilize labor counsel to the extent that negotiating objectives become difficult to achieve.

The Township Manager should also consult with labor counsel before recommending or implementing significant personnel decisions, including hiring, disciplining, or discharging employees. In addition, before changing the terms and conditions of any position, including a vacant position, the manager should consult with experienced labor counsel to ensure all collective bargaining obligations, if any, are satisfied.

The plan assumes \$20,000 in labor counsel-related costs in 2025.

Initiative	ADM04	Include the Finance Director in Planning for Union Contract Negotiations				
Responsible Party	Township Manager					
Budgetary Impact	2025	2026	2027	2028	2029	
	-	-	-	-	-	
Target Completion	Ongoing					

The Township should include the Finance Director in analyzing and determining the financial implications of bargaining proposals. Like almost every local government across the country, personnel-related costs are the prime budget driver for Scott’s General Fund. The Finance Director may not need to participate in negotiation sessions, but input from the Finance Director is important to confirming labor compensation proposals are affordable and consistent with the Township’s long-term fiscal stability.

Initiative	ADM05	Pursue STMP Phase 2 Funding to Develop a Records Management Policy and Implement a Program				
Responsible Party	Township Manager					
Budgetary Impact	2025	2026	2027	2028	2029	
	(\$12,500)	(\$5,000)	(\$5,000)	(\$5,000)	(\$5,000)	
Target Completion	Fourth Quarter 2025					

Effective and efficient management of municipal records can reduce storage and retrieval costs, increase productivity, protect sensitive information, and assist with staff and elected official transitions. Municipal officers are authorized by the Municipal Records Act to dispose of records in accordance with schedules and guidelines approved by the Local Government Records Committee, administered by the Pennsylvania Historical and Museum Commission. The Township should adhere to the policies and schedules outlined in the Municipal Records Manual

issued by the Pennsylvania Historical and Museum Commission for the Local Government Records Committee.¹⁹

The Township is particularly interested in transitioning to an electronic records management system. The Municipal Records Manual specifically seeks to help “establish and clarify a records management policy for municipalities with respect to the creation, use, maintenance, scheduling, and disposition of electronic records, digitized and born digital, including those created on email systems.”

The Township should pursue STMP Phase 2 support to help develop a records management policy and implement a records management program. The Township should seek grant support to help fund the initial set-up costs and the costs of transitioning existing paper information to a digital platform. The Township should then budget for the costs of maintaining the system.

Initiative	ADM07	Seek STMP Phase 2 Funding to Develop a Financial Policies and Procedures Manual			
Responsible Party	Third-Party Consultant				
Budgetary Impact	2025	2026	2027	2028	2029
	(\$5,000)	-	-	-	-
Target Completion	Fourth Quarter 2025				

The Township should seek STMP Phase 2 Funding to develop a comprehensive manual of policies and procedures for financial functions. A written policies and procedures manual should delineate fiscal and financial duties and responsibilities for the Township Manager and administrative and operational positions that handle cash (e.g., petty cash) or receipts, or authorize work hours for payroll purposes. Such a manual would not only enforce internal controls and procedures in processing transactions but also facilitate the training and education of new employees.

To be clear, this recommendation is not an indication that the Township’s current internal controls or financial management practices are inadequate. It is a recommended best practice to memorialize policies and procedures to promote transparency and accountability and also aid in employee training and succession planning.

In addition to the fund balance policies recommended above, the manual should cover the following, which are recommended by the Government Financial Officers Association (GFOA):

- Cash management, which should include, but not necessarily be limited to:
 - Monthly bank reconciliations of financial transactions
 - Daily records for petty cash
 - Safe storage for cash at the Township Office
 - Standardized secure cash transportation practices
 - Timely payment of obligations

¹⁹ Municipal Records Manual. <https://www.phmc.pa.gov/Archives/Records-Management/Documents/2019-Municipal-Records-Manual-rev-with-links.pdf>



- Precise management of balances among bank accounts, resulting in fluidity in the integrity of accounts
- Monthly reporting of fees collectable
- Debt – Policy that governs the use of debt, including permissible debt instruments, conditions under which debt may be used, allowable levels of debt, and compliance with continuing disclosure requirements;
- Investment – Policy that guides the investment of public funds, including permissible investment instruments, standards of care for invested funds, and the role of staff and professional advisors in the investment program;
- Accounting and Financial Reporting – Policy that establishes and guides the use of an audit committee, endorses key accounting principles, and ensures external audits are properly performed;
- Budget – Policy that describes essential features of the budget development process and form, as well as principles that guide budgetary decision-making.
- Risk Management and Internal Controls – Policy that addresses traditional views of risk management and internal control.

Initiative	ADM08 Enhance Internal Financial Reporting				
Responsible Party	Finance Director				
Budgetary Impact	2025	2026	2027	2028	2029
	-	-	-	-	-
Target Completion	Third Quarter 2025				

The Finance Director provides a bill list and a monthly revenue and expense report to the Township Manager. The Finance Director should consider other financial reports that will strengthen the administration’s ability to manage the Township and educate the public on its fiscal position. The reporting program should include:

- Summary-level budget versus actual reports (monthly)
 - In addition to the detailed budget versus actual report, the Finance Department should produce a summary-level report that rolls up key revenues and expenses compared to the budget.
- Summary-level financial operating and fund balance projections through year-end for key fund (monthly)
 - The report should also include a revised projection of year-end performance and an explanation of where the projection is expected to deviate from the budget by more than 4 percent.
- Fund balance summary, projected year-end levels, and position relative to fund balance policy (monthly)
- Quarterly budget report, which includes a narrative of budget performance, key year-to-date budget developments, and anticipated near-term and long-term budget-related issues. The report should include the summary-level year-to-date budget versus actual tables for all Township funds.



In addition, the Finance Director should, in coordination with Scott’s auditor, present a summary of the Township’s annual independent audit and be prepared to address any comments or questions that commissioners and residents have regarding the audit.

Finally, the Finance Director should provide department heads with budget versus actual reports on at least a quarterly basis and meet with them as necessary to review significant variances from the budget, whether the variances are positive or negative. Department heads currently can view their budgets in the financial software system at any time; however, making review part of a regular process will instill discipline and encourage budget compliance.

Initiative	ADM09	Include Additional Workforce Expenses Information in Annual Budget				
Responsible Party	Finance Director					
Budgetary Impact	2025	2026	2027	2028	2029	
	-	-	-	-	-	
Target Completion	Fourth Quarter 2025, Ongoing					

Like other municipalities, workforce expenses are the Township’s primary budget driver. The department should include more detailed personnel headcount and workforce information in its annual budget. The workforce information should include personnel headcount by position for each department, along with salary and benefit cost information by position. The document should also clearly show what budgeted positions are already filled and which positions are currently vacant and planned to be filled in the budget year.

Chapter Six

Public Works and Building Maintenance

Overview

The Department of Public Works is responsible for improving and maintaining critical infrastructure including roadways, the sanitary sewer system, stormwater management assets, municipal buildings, and recreational amenities. Scott Township has a land area of approximately 3.9 square miles and 17,000 residents, with 68 miles of roadway, 4 municipal bridges, 65 miles of sewer lines, 2,200 manholes, and 1,500 storm catch basins. The Township utilizes a Geographic Information System (GIS) to collect and analyze data to efficiently allocate resources. Scott utilizes roughly \$435,000 in annual State Liquid Fuels funds to complete eligible tasks such as pothole repair, road repaving, and snow removal. Road conditions are regularly inventoried, and the Township recently purchased artificial intelligence technology to help inform the annual roadway improvement program.

The Director of Public Services leads both the Public Works Department as well as pool, parks, and recreation activity. Staffing levels have remained stable in recent years. Public Works functions are performed by a supervisor, 12 full-time laborers, and a full-time mechanic. Employment terms and salary increases are dictated by a collective bargaining agreement with the General Teamsters Local Union 249. In addition, the Public Works Department receives support from a part-time employee through the South Hills Area Council of Government (SHACOG). The department also relies on professional services for tasks such as bridge maintenance and road paving when there is insufficient internal expertise, staff capacity, or equipment to complete tasks independently.

**Exhibit 6.1
Department Head Count, 2020-2025**

Public Works	2020	2021	2022	2023	2024	2025
Director of Public Services	1	1	1	1	1	1
Supervisor	1	1	1	1	1	1
Laborers	10	11	15	12	12	12
Mechanic	1	1	1	1	1	1
PW Summer Hire	-	1	2	2	-	-
Total Full-Time	13	14	18	15	15	15
Total Part-Time	1	1	2	2	-	-

Summary of Financial Results

Historically, Public Works Department and Building Maintenance expenses account for 17 percent of total General Fund expenses. Workforce expenses are the largest departmental

expense, representing 63 percent of annual departmental expenses. Bargaining unit employees received average annual wage increases of 3.5 percent from 2024-2028. However, Public Works' salary and wages increased by 14 percent from 2023-2024 when the new agreement with the General Teamsters Local Union 249 was effective. Equipment and Capital Purchases and Professional and Legal Services are also key departmental expense drivers. Workforce expenses are expected to remain the key expense driver in future Public Works budgets.

Departmental Financial Results

Exhibit 6.2
Expenditure Results, 2020-2024

Expenses	2020	2021	2022	2023	2024
Salaries & Wages	\$711,745	\$787,302	\$891,891	\$847,883	\$969,486
Overtime	\$32,181	\$29,176	\$33,835	\$11,552	\$25,917
FICA	\$61,637	\$61,386	\$80,287	\$70,025	\$71,456
Other Employee Benefits	\$79,412	\$19,858	\$77,249	\$66,174	\$79,691
Healthcare	\$179,940	\$177,503	\$198,456	\$211,797	\$242,514
Materials & Supplies	\$71,168	\$87,440	\$95,334	\$104,756	\$103,794
Utilities & Communication	\$71,357	\$76,226	\$96,930	\$93,975	\$91,588
Equipment & Capital Purchases	\$768,736	\$38,434	\$53,565	\$200,973	\$174,504
Professional & Legal Services	\$135,855	\$141,530	\$280,442	\$237,370	\$293,774
Maintenance & Repairs	\$19,926	\$42,063	\$20,957	\$32,578	\$71,670
Other Expenses	\$23,103	\$24,953	\$29,844	\$22,568	\$22,040
Total	\$2,155,060	\$1,485,872	\$1,858,791	\$1,899,651	\$2,146,435

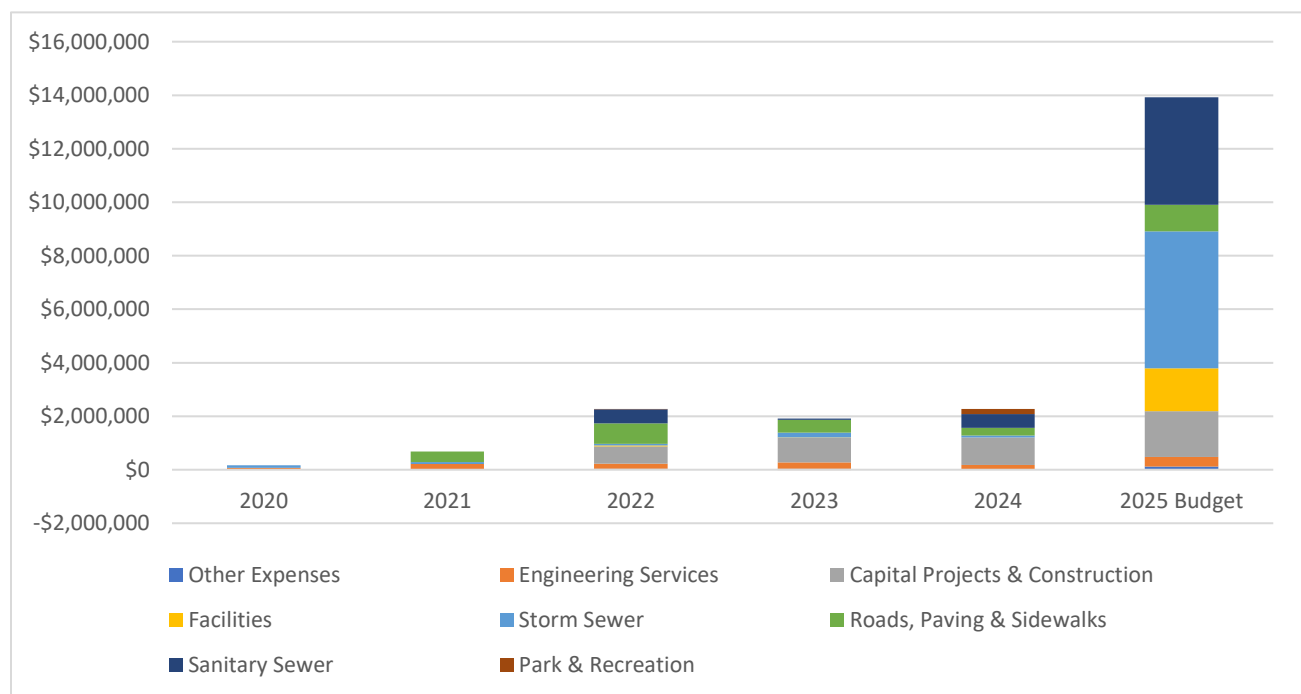
Exhibit 6.3
Baseline Expenditure Projections, 2025-2029

Expenses	2025 Projection	2026 Projection	2027 Projection	2028 Projection	2029 Projection
Salaries & Wages	\$912,000	\$940,000	\$968,000	\$997,000	\$1,027,000
Overtime	\$33,000	\$34,000	\$35,000	\$36,000	\$37,000
FICA	\$71,000	\$73,000	\$75,000	\$77,000	\$79,000
Other Employee Benefits	\$90,000	\$92,000	\$94,000	\$97,000	\$99,000
Healthcare	\$231,000	\$244,000	\$257,000	\$272,000	\$287,000
Materials & Supplies	\$123,000	\$127,000	\$130,000	\$133,000	\$136,000
Utilities & Communication	\$113,000	\$116,000	\$119,000	\$121,000	\$124,000
Equipment & Capital Purchases	\$475,000	\$223,000	\$223,000	\$223,000	\$223,000
Professional & Legal Services	\$226,000	\$232,000	\$237,000	\$242,000	\$248,000
Maintenance & Repairs	\$50,000	\$53,000	\$56,000	\$58,000	\$61,000
Other Expenses	\$28,000	\$28,000	\$29,000	\$30,000	\$30,000
Total	\$2,352,000	\$2,162,000	\$2,223,000	\$2,286,000	\$2,351,000

Capital Improvement Planning

Capital investment activity is captured across the General, Sewer, Capital Projects, and Bond Issue Funds, with the Capital Projects and Bond Issue Funds accounting for the majority of capital investment activity in recent years. Capital investments are primarily funded by General Fund contributions, debt proceeds, and grants. Roughly \$1.7 million in ARPA funds were also allocated to sewer and stormwater projects. The 2025 Budget and preliminary capital planning anticipate substantial future investments in sanitary sewer and storm sewer assets, which may place additional pressure on the General and Sewer Funds.

Exhibit 6.4
Capital Projects Fund and Bond Fund Activity, 2020-2025 Budget



Recommendations

Initiative	PW01 Seek STMP Phase 2 Funding to Develop a Multi-Year Capital Improvement Plan				
Responsible Party	Finance Director				
Budgetary Impact	2025	2026	2027	2028	2029
	(\$15,000)	-	-	-	-
Target Completion	Fourth Quarter 2025				

The Township should utilize STMP Phase 2 funding to expand the existing CIP framework to develop a comprehensive plan. While the existing plan is a helpful planning tool, the Township would benefit from a more robust process that includes an established approach to prioritizing and

monitoring projects. This aspect of the process is especially important as the Township coordinates the timing of its capital projects within the fiscal parameters outlined in this report.

A CIP is a multi-year listing of capital projects planned for the community and the financing sources identified to pay for those projects. A Capital Budget authorizes funds for one year, while a CIP looks out five, ten, or even 20 years, though most plans cover five years. The CIP must consider the Township's current assets, strategic vision, and economic and demographic changes as the plan is formulated.

Because capital needs and capital project requests often exceed funding capacity, the Township should seek to evaluate and prioritize capital needs based on established criteria. Examples of possible criteria include:

- **Asset Protection/Preservation/Replacement-** protects or preserves municipal assets that are essential to providing basic services to the community. Also includes replacing assets that are at or nearing the end of their useful life.
- **Availability of Funding-** capital improvement needs may be funded by various internal sources, including capital reserve funds and Township general funds. Township resources can be leveraged by strategically prioritizing capital projects that may be eligible for external funding through grants, reimbursements, and other external sources.
- **Public Health, Safety, and Quality of Life-** improves the overall health, safety, and quality of life of the community through investments in recreation assets, safe roadways and walkways, enhancements to public safety, stormwater infrastructure, and other improvements that positively impact overall community wellbeing.
- **Regulatory Compliance-** complies with County, State, and Federal mandates such as the Americans with Disabilities Act and Pennsylvania Department of Environmental Protection directives.
- **Economic and Community Development-** strengthens the local tax base through investments that attract and retain residents, encourage employment growth, support businesses, promote private investment, and generally facilitate economic activity.

The CIP is executed and monitored as part of an annual process in connection with the operating budget cycle. Because of limited staff capacity, we recommend that Scott seek Phase 2 funding for third-party support to develop a multi-year capital improvement plan.



Initiative	PW02	Separate the Accounting of Storm Sewer Management Related Activities from the Capital Improvement Fund				
Responsible Party	Finance Director					
Budgetary Impact	2025	2026	2027	2028	2029	
	-	-	-	-	-	
Target Completion	First Quarter 2026					

As outlined in Exhibit 6.3, the Township currently accounts for capital expenditures related to stormwater management in the Capital Projects Fund. Stormwater related capital expenditures are managed in the same fund as general capital projects such as road maintenance and building facilities improvements. The primary funding source of the Capital Projects Fund is a dedicated one real estate tax mill transferred from the General Fund; however, the fund is also supported by grant revenue.

The Township should create a separate fund or create a new authority that tracks storm sewer operating and capital activity. Stormwater operating activity would include a pro-rated amount of the workforce and debt service expenses connected with stormwater management. The Director of Public Services, in particular, is required to devote an increasing amount of time to stormwater management activities and is therefore eligible to allocate a portion of salary to the Stormwater Fund. As outlined below and in STR02, the Township should consider implementing a Stormwater Management fee, which would require the Township to establish an Authority or adopt after securing Home Rule status.

Initiative	PW03 (STR02)	Assess the Impact of Implementing a Stormwater Fee				
Responsible Party	Township Manager/Director of Public Services/Stormwater Task Force					
Budgetary Impact	2025	2026	2027	2028	2029	
	-	-	-	-	-	
Target Completion	Second Quarter 2026					

As outlined in Recommendation STR02, the Township should assess the impact of implementing a stormwater fee. A thorough analysis of a stormwater fee requires evaluation of the fee structure, billing and collecting processes, and other administrative aspects of the fee. Scott is required to establish an authority in accordance with the Municipal Authorities Act to implement a stormwater fee. Stormwater fees are commonly based on Equivalent Rate Unit (ERU), which is calculated for the municipality for single-family residences. The ERU value is extrapolated and used as a multiplier for non-residential properties. An ERU is the average impervious area of a resident parcel.

The Director of Public Works should help conduct an analysis of the impact of implementing a stormwater fee.



Initiative	PW04	Consider Developing Formal Performance Measures			
Responsible Party	Director of Public Services				
Budgetary Impact	2025	2026	2027	2028	2029
	-	-	-	-	-
Target Completion	First Quarter 2026				

The Public Works Department is proactive and high functioning with the ability to manage a large and complex workload. As outlined above, the department relies on innovative technology including GIS and artificial intelligence to improve efficiency. The Department currently uses daily activity reports and general supervision and monitoring to assess departmental performance. The Public Works Department should consider formalizing performance evaluation by identifying and tracking key performance indicators. Potential performance indicators may include:

- Number or miles of road improvements completed
- Percentage completion of the annual road improvement program
- Number of stormwater assets repaired or maintained
- Response time for service requests
- Improved accessibility at a number of parks

Chapter Seven

Pool, Parks, and Recreation

Overview

The Scott Township Pool and Parks and Recreation Department maintains designated park areas, featuring playgrounds, numerous athletic fields, basketball courts, and walking paths for Township residents and visitors from nearby communities.

As mentioned in Chapter 6, the Director of Public Services leads both the Public Works Department as well as pool, parks, and recreation activity. The Director of Public Services is supported by an events coordinator and an administrative assistant. The director oversees the general operations of the department, including budgeting, personnel management, facilities, and operations. The program coordinator is responsible for managing recreational program offerings, special events, and other events at the Township's recreation facilities. The administrative assistant is responsible for all routine departmental tasks. In addition to the full-time staff, the department utilizes part-time seasonal workers for landscaping and parks maintenance, the department's Summer Camp, and playground inspection.

The department partners with the Public Works department to manage park maintenance issues. The departments work together as a liaison between the Township and various public or private partnerships with the communities and other organizations.

Pool Operation

The pool is staffed with seasonal employees, including a pool manager, two assistant managers, between 30 to 40 lifeguards, and several cashiers. All employees are hourly and do not receive benefits. The employment level has generally remained the same since 2020, with the number of part-time workers varying based on how much coverage each worker can provide. The aggregate number of hours worked among the seasonal, part-time employees is relatively constant.

Parks and Recreation

The Parks and Recreation operation is currently staffed with three employees, including two full-time parks maintenance workers and an Events Coordinator. Historically, the department was staffed with three employees, except prior to 2025 there was a Parks and Recreation Director rather than an Events Coordinator. The Events Coordinator position was established in 2025 when the Director position was eliminated. Both positions were at the same salary level.

Summary of Financial Results

The Pool and Recreation and Parks function has represented about 6 percent of General Fund expenses on average since 2020. Workforce costs are the primary cost driver for this department, representing 50 to 55 percent of departmental expenses. Workforce costs have increased almost 50

percent from \$300,000 to \$450,000 from 2020 to 2024. Overall departmental expenses increased \$275,000 over the same period. Events and Program related costs are the next biggest expense in the department representing approximately 17 percent of expenses on average since 2020. These costs have been relatively flat over that five-year span.

Departmental Financial Results

Exhibit 7.1
Expenditure Results, 2020-2024

Expenses	2020	2021	2022	2023	2024
Salaries & Wages	\$211,297	\$266,063	\$297,420	\$339,649	\$334,239
Overtime	\$5,014	\$6,321	\$7,733	\$3,340	\$7,643
FICA	\$16,610	\$20,704	\$23,284	\$26,532	\$26,575
Other Employee Benefits	\$31,129	\$5,690	\$27,259	\$23,867	\$26,291
Healthcare	\$45,440	\$50,133	\$51,624	\$53,846	\$61,105
Materials & Supplies	\$23,342	\$33,243	\$52,983	\$54,572	\$53,325
Utilities & Communication	\$54,650	\$75,808	\$113,783	\$76,945	\$105,114
Equipment & Capital Purchases	\$62,878	\$23,160	\$17,228	\$114,392	\$54,884
Professional & Legal Services	\$1,550	\$3,721	\$694	\$32,234	\$19,587
Maintenance & Repairs	\$19,373	\$28,318	\$31,904	\$35,943	\$52,829
Events & Programs	\$131,500	\$123,899	\$128,612	\$128,931	\$132,920
Total	\$602,784	\$637,061	\$752,523	\$890,252	\$874,512

Exhibit 7.2
Baseline Expenditure Projections, 2025-2029

Expenses	2025	2026	2027	2028	2029
	Projection	Projection	Projection	Projection	Projection
Salaries & Wages	\$368,000	\$379,000	\$391,000	\$403,000	\$415,000
Overtime	\$8,000	\$8,000	\$8,000	\$8,000	\$8,000
FICA	\$31,000	\$32,000	\$33,000	\$34,000	\$35,000
Other Employee Benefits	\$28,000	\$29,000	\$30,000	\$30,000	\$31,000
Healthcare	\$80,000	\$84,000	\$89,000	\$94,000	\$99,000
Materials & Supplies	\$63,000	\$65,000	\$66,000	\$68,000	\$69,000
Utilities & Communication	\$103,000	\$106,000	\$109,000	\$111,000	\$114,000
Equipment & Capital Purchases	\$107,000	\$107,000	\$107,000	\$107,000	\$107,000
Professional & Legal Services	\$22,000	\$23,000	\$23,000	\$24,000	\$24,000
Maintenance & Repairs	\$58,000	\$61,000	\$64,000	\$68,000	\$71,000
Events & Programs	\$150,000	\$154,000	\$157,000	\$161,000	\$164,000
Total	\$1,018,000	\$1,048,000	\$1,077,000	\$1,108,000	\$1,137,000

Recommendations

Initiative	REC01	Formalize a Maintenance Program				
Responsible Party	Director of Public Services/Parks Maintenance Crew					
Budgetary Impact	2025	2026	2027	2028	2029	
	-	-	-	-	-	
Target Completion	Fourth Quarter 2025					

The Director of Public Services leads both the Public Works Department as well as pool, parks, and recreation activity. This report recommends that the Parks Maintenance crew collaborate with the Public Works Department to formalize a maintenance program. The staff should monitor the capital needs of the Township’s parks and integrate those needs into the five-year capital improvement plan. The department should continue its diligent maintenance of its parks to ensure the longest possible useful life of its assets and avoid unnecessary asset replacement costs.

The maintenance program should be integrated with the multi-year Capital Improvement Program described in recommendation ADM07.

Initiative	REC02	Utilize Grant Funding to Support the Park System				
Responsible Party	Finance Director/ Assistant Township Manager					
Budgetary Impact	2025	2026	2027	2028	2029	
	-	-	\$25,000	\$50,000	\$50,000	
Target Completion	Fourth Quarter 2025					

Maintaining the Township’s parks facilities is not only labor intensive, but it also requires significant financial resources. There are a number of different programs available to provide grants to assist the department. The department should focus on securing grants that support the upkeep and maintenance of its park system.

Possible grant funding sources include Community Development Block Grants, Department of Conservation of Natural Resources, Pennsylvania Department of Environmental Protection, and the Department of Community and Economic Development. The department should also research grants that may be available through Allegheny County.

The department should set the goal of securing \$50,000 in grants annually to support the Park System.

Initiative	REC03	Continue Annual Pool Related Fee Increases that Match the Rate of Pool Related Operating Expenses Increase			
Responsible Party	Assistant Township Manager				
Budgetary Impact	2025	2026	2027	2028	2029
	-	\$5,000	\$7,500	\$10,000	\$15,000
Target Completion	Ongoing				

The Township pool is a popular community amenity; however, it operates on an annual deficit. Pool-related fee revenue is not sufficient to fully cover operating expenses. It is not uncommon for policymakers to subsidize a community amenity with other General Fund sources. User fees are not always set to match operating expenses.

However, the Township should increase pool fees in the future so that the gap between pool revenues and expenses does not expand. This means that the Township should regularly increase pool fees at a rate at least equal to the rate of increase in expenses.

The table below shows pool-related revenues and expenses from 2020 to 2024 and the 2025 projection.

Exhibit 7.3
Pool-Related Revenues and Expenses, 2020-2024, 2025 Projection

	2020	2021	2022	2023	2024	2025 Projection
Pool Passes - Resident	\$0	\$53,909	\$59,357	\$47,530	\$61,430	\$61,500
Pool Passes - Non-resident	\$0	-\$145	\$22,692	\$26,085	\$34,145	\$34,200
Pool Daily Admissions	\$37,705	\$72,546	\$78,669	\$81,829	\$109,400	\$90,000
Pool Rental	\$11,650	\$16,715	\$16,000	\$11,180	\$16,295	\$16,200
Pool Concessions	\$0	\$0	\$0	\$3,033	\$6,863	\$6,000
Total	\$49,355	\$143,025	\$176,718	\$169,657	\$228,133	\$207,900
Salaries and Wages	\$64,688	\$98,819	\$121,445	\$156,258	\$161,590	\$167,888
FICA	\$4,949	\$7,560	\$9,291	\$11,954	\$12,362	\$13,000
Other Employee Benefits	\$8,144	\$0	\$7,439	\$5,695	\$8,877	\$8,820
Materials and Supplies	\$17,416	\$19,827	\$32,825	\$43,326	\$57,059	\$63,012
Utilities	\$35,226	\$43,568	\$78,827	\$43,744	\$71,156	\$66,924
Repairs and Maintenance	\$839	\$14,340	\$1,220	\$5,133	\$8,847	\$16,326
Contracted Services	\$875	\$1,921	\$694	\$29,064	\$19,587	\$20,000
Capital Expenses	\$474	\$0	\$0	\$27,705	\$70	\$10,000
Other	\$1,671	\$2,926	\$2,649	\$5,627	\$5,561	\$7,459
Total	\$134,281	\$188,962	\$254,390	\$328,505	\$345,108	\$373,429
Surplus (Deficit)	(\$84,926)	(\$45,937)	(\$77,672)	(\$158,848)	(\$116,974)	(\$165,529)

Initiative	REC04	Track Annual Pool Visits			
Responsible Party	Finance Director/Assistant Township Manager				
Budgetary Impact	2025	2026	2027	2028	2029
	-	-	-	-	-
Target Completion	Summer of 2025				

The department currently does not track usage of the pool by its residents and non-residents. The Township tracks resident and non-resident season pass revenue collections, which gives the department an idea of usage; however, the department does not track the actual visit count.

The department should track the number of pool visits each day. The visits should be categorized by resident, non-resident, adult, and child. The pool visit count will help the department to plan staffing levels. In addition, tracking pool visits by resident versus non-resident will help the Township determine how the pool amenity is being used by community residents compared to visitors, which may influence future fee structures.

Initiative	REC05	Seek Sponsorships for Recreational Programs			
Responsible Party	Finance Director/Assistant Township Manager				
Budgetary Impact	2025	2026	2027	2028	2029
	-	-	\$5,000	\$10,000	\$20,000
Target Completion	Ongoing				

The department should pursue sponsorship opportunities with local businesses for community events. The department should develop sponsorship guidelines for their events, outlining the cost of sponsorship, different options, and what businesses will receive as part of the sponsorship. The goal of the sponsorships is to generate revenue to support department programs and to strengthen partnerships with local businesses and community organizations. The recommendation sets the goal of gradually reaching \$20,000 in sponsorship revenue by 2029.

Chapter Eight

Police Department

Overview

The Scott Township Police Department is a full-service agency that provides 24/7/365 service to the municipalities of Scott Township (Population 17,012) and Rosslyn Farms Borough (Population 441) in Allegheny County. The Township shares boundaries with the city of Pittsburgh, and the municipalities of Mt. Lebanon, Upper St. Clair, Bridgeville, Collier, Heidelberg, Carnegie, Greentree, and Rosslyn Farms. Each of those municipalities, except for Rosslyn Farms, operates its own police department. The department also provides police services for components of the Chartiers Valley School District, which are located within Scott Township. The agency currently maintains a staff of 24 sworn officers and one civilian staff member, as well as one crossing guard. The Township itself encompasses 3.8 square miles and has approximately 48 miles of roadway. It is considered a commuter suburb of Pittsburgh²⁰. Chief Matthew R. Podsiadly, who is a 21-year veteran of the agency, provides executive leadership. Chief Podsiadly has been the incumbent for the last five years.

Department Organization

The department utilizes a typical hierarchical command structure with ranks including Patrol Officer/Detective, Sergeant, Captain, and Chief of Police and the chain-of-command flows through those ranks, except for Detectives, a School Resource Officer, and a Traffic Unit Officer, which report directly to the Captain of Operations, with no Sergeant as an intervening rank. The span of control is reasonable for the Sergeant position with each Sergeant supervising three patrol officers. However, the Captain of Operations has nine direct reports over which he exercises span of control. The current complement of the police department is as follows:

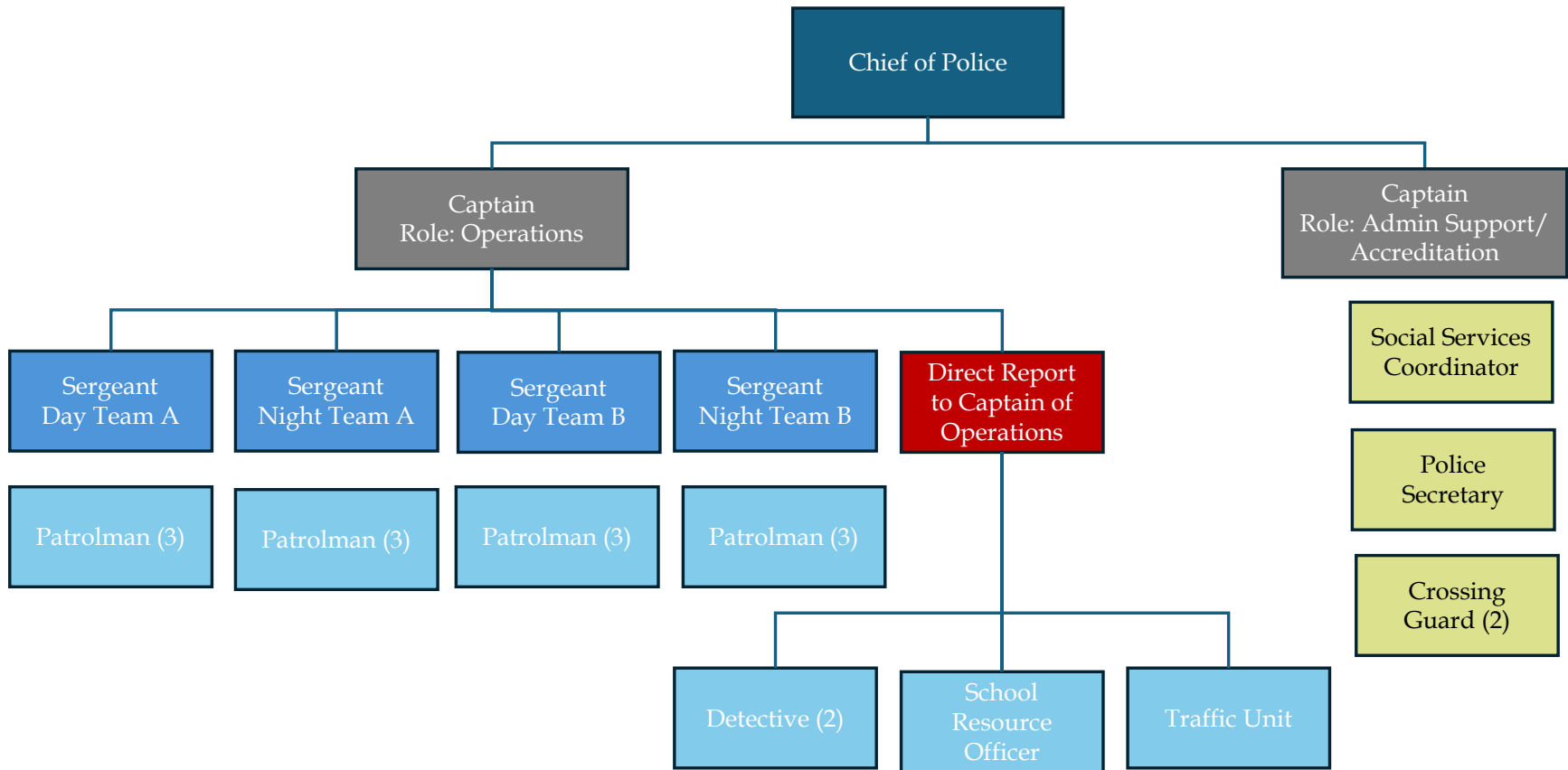
**Exhibit 8.1
Department Head Count by Position**

Sworn Positions	Count	Non-sworn Positions	Count
Chief of Police	1	Police Secretary	1
Captain	2	Crossing Guard	2
Sergeant	4		
Patrol Officer	12		
Detective	2		
School Resource Officer	1		
Traffic Unit	1		
Community Resource	1		
Total	24	Total	2

²⁰ <https://scott-twp.com/township/about-scott-township/>



Exhibit 8.2
Department Organizational Chart



It should be noted that the organizational chart includes a “Social Services Coordinator” civilian position. This position is aspirational as Chief Podsiadly is currently pursuing grant funding for such a position. This is the latest best practice in policing and is a forward-leaning approach where trained social workers are co-responders with police agencies to provide immediate services in those instances where such training and skills are more appropriate to the resolution of an incident than are typical law enforcement responses. A good example of such a program can be found here: <https://www.buckscounty.gov/1650/Co-Responder-Program>.

In April of 2025, the Chief added one sworn position to the complement of officers, which allowed him to create a Community Resource Officer. He would ultimately like to see a sworn complement of 27 officers.

Labor Relations

The rank-and-file members of the police department are represented by the Scott Township Police Association. All members of the department, apart from Captains (2) and the Chief of Police, are represented by that organization.

Interviews with both Chief Podsiadly and Sgt. Robert Scott, who serves as President of the bargaining unit, indicates that labor relations are cordial, respectful, and non-confrontational. Neither party can remember the last time a grievance was filed over a labor issue, and both stated that when an issue does arise, which is infrequent, it is resolved amicably without need to resort to formal measures such as grievances or arbitration. Likewise, formal discipline rarely occurs.

The Chief indicated that he consults with the Association before changing or enacting policies and takes into consideration any feedback or input received from the same. He related that there are job descriptions for all positions, but that regular performance reviews do not currently take place. He is aware that this can be problematic regarding correcting performance issues and is taking steps to develop a performance review program. He is versed in the issue of performance reviews and discussed with us during our site visit his desire to see a regular review program, perhaps quarterly, and the possible implementation of a 360-degree review program.

The current labor contract is in effect until December 31, 2025, and the terms are favorable to the rank-and-file. Salary for a five-year veteran patrol officer as of January 1, 2025, is \$112,604.54 annually. Patrol officers in the first year of employment earn 80 percent of that amount, for a starting salary of \$90,083.63, and receive annual 5 percent increments over their next five years until they reach that five-year level. There is also a longevity provision that provides a 5 percent longevity increment after completion of five years of service, which increases by 0.25 percent each subsequent year until reaching a maximum of 7 percent after 25 years. Also included are the usual provisions such as paid holidays, vacation leave, sick leave, personal leave, bereavement leave, the option for compensatory time, as well as overtime pay, and health care benefits. Of note is that the agency provides life insurance to each member, which continues throughout retirement (although at a lesser coverage) and health insurance for the retired member and their spouse until they are eligible to receive Medicare. There is also a requirement that if the retired member is eligible for health insurance coverage through a spouse or subsequent employment that they drop

out of coverage from the agency, however if such occurs the agency will pay the retiree a \$400 per month stipend and allow them to regain coverage from the agency is the alternate coverage ceases. A DROP retirement program has been in effect since 2006.

The terms of the collective bargaining agreement are undoubtedly a cost driver for the township. However, as a result of these favorable employment terms, workforce morale is good and the agency experiences little turnover in sworn staff and does not have an issue with recruiting applicants for vacancies beyond that which is experienced nationwide.²¹

Calls for Service and Staffing Issues

A Call for Service is generated any time an incident occurs for which an officer is dispatched, a report taken, or an event occurs in view. Calls for Service can include crimes, or a simple service rendered, such as an assist to a motorist or to address a barking dog. Calls for Service are categorized by the nature of the call, with the largest single percentage of said calls falling in the “Other” category – this often contains those calls that the public believe are within the scope of duties of the police department, but often are not criminal, or deal with public safety or the maintenance of order.

Calls for Service numbers are generally used to measure the activity of a police department and to help determine staffing levels. The available staffing, along with the amount of time it takes to resolve a call, impacts the response time to a call for service and the public’s view of department efficiency. After all, when someone calls the police, they expect a quick response to their call. Increased calls for service along with decreasing staff result in longer response times, which impacts community confidence in their police.

An analysis of the Calls for Service received by the Scott Township Police Department reveals a steady year-over-year increase²²:

**Exhibit 8.3
Calls for Service, 2020-2025 (YTD 4/18/25)**

Year	Number of Calls
2020	6,943
2021	6,991
2022	7,132
2023	7,105
2024	7,568
2025	2,633 (YTD 4/18)

Calls through April 18, 2025, project to about 7,900 for the year, which is an increase of nearly 1,000 calls compared to 2020.

²¹ These articles describe current issues in recruiting and retention which are being experienced by agencies nationwide: <https://www.lexipol.com/resources/blog/the-state-of-police-recruitment-and-retention-a-continuing-concern/>, <https://www.theiacp.org/resources/research-study/2024-recruitment-retention-survey-results>

²² Data provided by Chief Podsiadly on 04/18/2025 from the department’s records management system.

With the agency working 12-hour shifts, this would calculate out to an average of approximately 12 calls per shift, or one per hour for 2025. This should not be equated to the individual workload of any one officer; rather, multiple officers may be required to handle a single call for service depending on the nature of the call. Some calls require more officers than others. This is one of the generally unpredictable factors in policing.

The determination of "proper," "recommended," or "adequate" staffing levels can be a complex process involving the analysis of various data.²³ One of the simplest guides is provided by the FBI review of police department staffing nationwide. In 2023, the FBI reported that the average number of officers per 1,000 population statewide in Pennsylvania was 3.2 officers per 1,000 population among municipal police departments reporting to the FBI²⁴, and a calculation²⁵ of the current full-time staffing in Scott Township shows a figure of approximately 1.29 officers per 1,000 population served (which includes both Scott Township and Rosslyn Farms Borough), nearly 2 officers per 1,000 less than the statewide average as calculated by the FBI.

"Crime Rate" is another factor often cited in studying staffing levels. Data from the Pennsylvania Uniform Crime Reporting System²⁶, which reflects crime reporting data by agency, shows that in 2023 (the latest year available) the department reported 168 Part I Offenses, and in 2022, 184 Part I Offenses²⁷. It should be noted that this represents an 8.7 percent year-over-year DECREASE in the reporting of those serious crimes. The most frequent Part I crime category in each year is Larceny, which accounts for over 50 percent of the reported Part I Offenses each year.

There are also many ways to evaluate the effectiveness of the response to crime, including the "clearance rate" for reported crimes, i.e., was someone arrested for the reported crime, or was it otherwise "solved"? Clearance rates for the Scott Township Police Department for the same UCR crime reporting period show that in 2023, the agency "cleared" 31.55 percent of all crimes reported, and in 2022, 31.52 percent of the same. The statewide average for all Part I clearances is approximately 33 percent for those reporting periods²⁸. Using this as a yardstick, we conclude that the agency does a consistently good job in "clearing" reported crimes. However, the fact is that citizens are generally not interested in the statistics of crime when judging the capability of "their" police department – their interest is on a personal level – what happened when I engaged with the police, how was I treated, and what was the outcome of my issue? The ability of the police to respond promptly, to have the time to interact with that citizen and understand their issue and then have the resources to follow up and "solve" the problem is what drives "customer satisfaction" with the police department. Adequate staffing is essential to that perception and a positive outcome.

²³ See "Staffing the Small Department" Police Chief's Desk Reference, 2nd Edition, IACP, May 2008, p. 133 et seq.

²⁴ <https://cde.ucr.cjis.gov/LATEST/webapp/#/pages/le/pe>

²⁵ The calculation is "number of police officers" divided by "population" = "x". "x" is then multiplied by 1000. The resulting number is the ratio of police officers per 1000 persons in the population.

²⁶ <https://www.ucr.pa.gov/PAUCRSPUBLIC/Home/Index>

²⁷ "Part I" offenses are considered serious crime such as homicide, rape, robbery, assault, burglary, theft, etc.

²⁸ Consider that statewide clearance averages can be affected by statistics generated by agencies with certain resources such as specialized units, advanced forensic and laboratory capabilities, personnel dedicated to investigating certain classes of crime, and more resources overall than most municipal agencies.

We believe, definitively based on all of the above, that the agency is NOT overstuffed.

It is noted that the Chief of Police has excellent executive credentials, including graduation from the FBI National Academy,²⁹ The POSIT & POLEX programs from Penn State's JASI³⁰, and the FBI LEEDA Trilogy (Supervisory/Command/Executive Leadership) program. He also maintains membership in the Pennsylvania Chiefs of Police Association, the Western PA Chiefs of Police Association, the Allegheny County Chiefs of Police Association (where he serves on the Executive Board), and the FBI National Academy Associates. These allow for excellent networking opportunities regarding new and emerging trends in policing and current best practices. The Chief champions relevant training for subordinates both in supervisory/leadership matters and in police operational matters.

The agency is currently undergoing the process to become an accredited agency by the Pennsylvania Law Enforcement Accreditation Commission.³¹ This is a program that requires the agency to commit to current best practices in policing through policy and procedure and demonstrate consistent compliance with those practices. Accredited status is recognized as a hallmark of a professional agency, can help in risk management, and is a point of pride for both the agency and its members, and the community they serve.

There are several issues we observed during our interaction with the agency and our site visit. These include the following:

- 1) The need for a Sergeant position to directly supervise detectives. Currently, officers assigned as detectives report directly to the Captain of Operations, who also directly supervises 4 Sergeants assigned to patrol functions, and a School Resource Officer and a Traffic Unit Officer. Since the detective function has a direct impact on the ability of an agency to "clear" reported crimes through proper and diligent investigation there should be a subordinate supervisory position (i.e. a Sergeant) to decrease the span of control over these positions, increase direct supervision, and serve as a gateway to agency management and decision-making regarding allocation of resources. This would also place detectives on the same level in the chain-of-command as patrol officers, all of whom would be supervised directly by a Sergeant.
- 2) There is an obvious need for at least one additional civilian support staff. Observation of the ONE employee who fills this position currently during our site visit revealed that she was:
 - a) The department receptionist interacts with anyone who comes in the front door,
 - b) The agency records officer responds to requests for such things as accident reports, police reports, etc., generated in whatever manner (walk-in, phone, email, etc.)
 - c) The Chief's administrative assistant provides support to the executive function.
 - d) General clerical support for the entire complement of the department.

²⁹ The FBI NA is often considered the premier law enforcement executive training program in the United States. See: <https://le.fbi.gov/training#National-Academy>

³⁰ Penn State Justice & Safety Institute. See: <https://jasi.psu.edu/>

³¹ PLEAC here: <https://www.pachiefs.org/pcpa-accreditation-program>

- e) The administrative officer tasked with ordering the myriad of goods needed for the day-to-day function of the agency.

A 1-to-23 ratio of support staff to officers is undoubtedly unbalanced and probably results in sworn personnel having to spend time away from core law enforcement duties, such as responding to calls for service, to perform administrative functions.

Another challenge identified by department leadership was keeping up with the large volume of Child Line referrals of allegations of child abuse. This is a mandatory investigation requirement by state law, which often impacts agency resources. This is a common issue among agencies statewide, as well as Megan's Law sexual offender issues, which are also mandatory duties imposed by state law.

Police Facilities

On April 8, 2025, we conducted a site visit at the Scott Township Police Department Headquarters. Leadership of the agency had identified the physical plant as an important issue affecting police operations now and going forward. We found the facility to be extremely cramped and in need of upgrades. For example:

- 1) There is no dedicated space to interview victims, witnesses, or suspects in a secure environment. Currently, these interviews take place in the agency break room, which is accessed by entering the interior of the workspace used by the agency. This presents several problems aside from infringing on the private area where officers take breaks, eat lunch, or engage in personal tasks. It presents a security risk where a suspect who becomes violent or unruly can access the rest of the agency just by running out into the hallway. It doesn't allow for the privacy needed to interview victims with dignity, and it presents a less-than-professional image to witnesses or walk-in complainants.
- 2) The Captain of Operations, who has responsibility in the chain-of-command for ALL operational aspects of the department, including patrol and detective functions, has his office in the agency's computer server room. This is an interior room with no natural light source and is hot and cramped due to the presence of the computer server racks. One has to walk around the racks to see the Captain at his desk.
- 3) The agency's evidence storage room is a converted cell block previously used for holding prisoners. While this provides some degree of security, it is inadequate in modern policing practices.³² As the agency is undergoing the process to become accredited, this may require changes in the evidence storage system³³.
- 4) Storage space is at a premium. It seemed that virtually every nook and cranny of the agency had some role in storage. This includes the sally port, offices, hallways, and so on.
- 5) In the exterior area, it is noted that the police department is housed in the township administration building. The traffic pattern requires the public to drive through the police

³² It should be noted that security and proper handling of agency evidence is an area of concern that can lead to serious negative results. See this as an example: <https://www.mcall.com/2025/04/23/hellertown-police-chief-sentenced/>, <https://www.wpxi.com/news/local/westmoreland-county/ligonier-valley-police-chief-leave-after-department-raided-by-federal-agents/4DWN2QOTHVE6TCUU6YD47C76PE/>

³³ PLEAC Standards Manual Chapter 6, "Property and Evidence Control".

area, past patrol cars and police vehicles, including personal vehicles of officers on duty, to access the building for other municipal services. This driveway curves around the building at the base of a hill, which rises at the rear of the department area, which is wooded and topped by a roadway. This is a potential security hazard for a variety of reasons, which should be apparent. It is noted that the township did take action to clear out brush in this area to mitigate where persons desiring to harm officers, staff, visitors, etc., or to simply surveil the department, could be concealed.

- 6) Cosmetically, the work area shows the typical signs of wear and tear associated with a busy agency. Although it seems trivial, one of the factors that can impact recruitment and retention is the appearance of the work area. If a candidate for police employment has the option of working in a safe, clean, modern, spacious, well-designed workspace vs. a space that is worn, cramped, and outdated and has potential security drawbacks, they may choose the former. This can also be reflective of agency culture. We know that image is a force multiplier in policing, and the appearance of everything from uniforms to patrol cars, to logos, and physical plant has an effect on public perception of the competency of the agency. In an era where recruiting qualified personnel is a challenge due to shrinking applicant pools and increased competition among employers, the image an agency presents is an important consideration.

We did observe that the officers we encountered were professional in appearance, and that agency vehicles were clean and appeared well-kept. Equipment we observed, such as mobile data terminals, communications equipment, agency firearms, and so on, was typical of that used in modern policing.

Community Relations

Recently, the department added a Community Resource Officer to the staff. This position was made possible by a new hire in April 2025. The General Order establishing this position tasks that officer with, among others, serving as a point of contact for crime victims, special projects regarding community outreach, crime prevention efforts, providing presentations of interest to groups in the community, and coordinating a Citizens Police Academy.

The agency interacts with all of the departments in the surrounding communities, and works also with the Allegheny County Police Department, the Allegheny County Sheriff's Office, the Pennsylvania State Police, and federal agencies including the FBI, DEA, Secret Service, U.S. Postal Inspectors, and the ATF. It also participated in the Allegheny County District Attorney's Narcotics Enforcement Team and the PA OAG Drug Task Force program. The agency is described as "highly respected" and as having a great working relationship with these agencies.

The agency participates in an annual Public Safety Day³⁴ to drive community engagement and is seeking to do other community events. It has a dedicated page on the Township's website and a direct link to email the Chief of Police.³⁵ The agency maintains two social media sites: Facebook³⁶,

³⁴ Example here: <https://scott-twp.com/event/public-safety-day-3/>

³⁵ See: <https://scott-twp.com/departments/scott-township-police-department/>

³⁶ See: <https://www.facebook.com/p/Scott-Police-Allegheny-County-Pa-100064473530881/>

with over 6,000 followers and with the latest posting as of April 24, 2025, being on April 16, 2025, and LinkedIn³⁷ with 199 followers and the latest post being 10 months ago.

There is no history of lawsuits against the agency or personnel. There was one suit which was filed pro se and was dismissed. There is another that may be pending. There are few complaints made by citizens regarding police activities and no formal written complaints have been received by the agency for many years.

A simple GOOGLE search revealed no negative articles about the agency or personnel. News articles typically mention crimes, accidents, and incidents occurring in the Township that were handled by the department.

Leadership of the department indicates that they feel supported by both the community they serve and the elected officials in the Township. The relationship between agency leadership, the township manager, and the members of the Board of Commissioners is characterized as “a great working relationship”.

Summary of Financial Results

The Police Department is a primary budget driver and historically has represented a little more than one-third of General Fund expenses. Like other departments, personnel-related costs are the main departmental expense, comprising over 90 percent of the costs. Salaries and wages (including overtime) represent about 75 percent of departmental personnel costs, with healthcare, pension, social security, and other benefits making up the balance. Overtime has averaged 11 percent of salary costs from 2019 to 2024. Overtime reached a peak of about \$350,000 in 2022 but declined in both 2023 and 2024. The Township budgeted a much more manageable \$203,000 in overtime for 2025. Total departmental costs increased 5.3 percent on average from 2019 to 2024; however, the Township budgets an 11 percent increase in 2025 over 2024 performance. The increase in 2025 is driven by salary and wages and healthcare expenses, which are budgeted to grow 12 percent and 29 percent, respectively.

Key non-personnel related expenses include Equipment and Capital Purchases, which vary from year to year but have averaged \$92,000 since 2019. The Township budgeted \$125,000 in capital outlays for the department in 2025. Maintenance and Repairs expenses have averaged just under \$40,000 since 2019 but are budgeted for \$70,000 this year.

³⁷ See: <https://www.linkedin.com/company/scott-township-police-department>

Departmental Financial Results

Exhibit 8.4
Expenditure Results, 2020-2024

Expenses	2020	2021	2022	2023	2024
Salaries & Wages	\$2,312,136	\$2,424,665	\$2,538,157	\$2,654,470	\$2,766,740
Overtime	\$170,270	\$303,386	\$352,991	\$279,896	\$232,620
FICA	\$43,179	\$45,906	\$47,993	\$48,149	\$49,730
Other Employee Benefits	\$239,271	\$138,895	\$302,653	\$314,939	\$368,809
Healthcare	\$606,127	\$603,016	\$554,646	\$616,184	\$686,080
Materials & Supplies	\$37,556	\$48,553	\$63,875	\$56,050	\$58,256
Utilities & Communication	\$16,524	\$17,027	\$19,129	\$19,333	\$21,389
Equipment & Capital Purchases	\$120,868	\$55,655	\$68,448	\$73,042	\$146,411
Professional & Legal Services	\$51,509	\$53,365	\$58,537	\$53,612	\$54,602
Insurance	\$8,616	\$0	\$10,965	\$22,982	\$22,032
Maintenance & Repairs	\$26,632	\$25,150	\$39,395	\$36,356	\$64,310
Other Expenses	\$873	\$1,349	\$0	\$2,359	\$1,269
Events & Programs	\$764	\$312	\$199	\$241	\$2,416
Total	\$3,634,322	\$3,717,279	\$4,056,987	\$4,177,612	\$4,474,666

Exhibit 8.5
Baseline Expenditure Projections, 2025-2029

Expenses	2025 Projection	2026 Projection	2027 Projection	2028 Projection	2029 Projection
Salaries & Wages	\$2,909,000	\$2,996,000	\$3,086,000	\$3,179,000	\$3,274,000
Overtime	\$204,000	\$210,000	\$216,000	\$223,000	\$230,000
FICA	\$50,000	\$52,000	\$53,000	\$55,000	\$57,000
Other Employee Benefits	\$338,000	\$347,000	\$355,000	\$363,000	\$372,000
Healthcare	\$793,000	\$837,000	\$884,000	\$933,000	\$986,000
Pension	\$753,000	\$775,000	\$799,000	\$823,000	\$847,000
Materials & Supplies	\$56,000	\$58,000	\$59,000	\$60,000	\$62,000
Utilities & Communication	\$19,000	\$20,000	\$20,000	\$21,000	\$21,000
Equipment & Capital Purchases	\$126,000	\$101,000	\$101,000	\$101,000	\$101,000
Professional & Legal Services	\$61,000	\$63,000	\$64,000	\$66,000	\$67,000
Insurance	\$24,000	\$25,000	\$27,000	\$28,000	\$29,000
Maintenance & Repairs	\$50,000	\$52,000	\$55,000	\$58,000	\$60,000
Events & Programs	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000
Other Expenses	\$2,000	\$2,000	\$2,000	\$2,000	\$3,000
Total	\$5,390,000	\$5,543,000	\$5,726,000	\$5,917,000	\$6,114,000

Recommendations

Initiative	PD01	Upgrade Agency Physical Plant			
Responsible Party	Police Chief/Township Manager				
Budgetary Impact	2025	2026	2027	2028	2029
	TBD	TBD	TBD	TBD	TBD
Target Completion	TBD				

For all of the reasons discussed above, serious consideration should be given to developing new headquarters for the agency. This can be either renovation of an existing property in the Township or new construction. Helpful information on standards and considerations for modern police facilities can be found here: <https://www.theiacp.org/planning-designing-and-constructing-police-facilities>. In the interim steps should be taken to ensure safety and security at the present facility by rerouting the traffic pattern at the township complex, placing gating at the vehicle entrance/exits of the police portion at that facility, putting privacy fencing on top of the slope outside the building to obstruct the view of the entrance and parking area of the agency, increased lighting on the exterior, and providing for private parking out of view of the public for department employees.

The Township estimated facilities improvement costs to be \$2 million as of two years ago. This estimate should be updated, and the scope of the improvements may need to be reconsidered if it is not fiscally feasible. The department should pursue grant funding to defray project costs.

Initiative	PD02	Create a Police Foundation			
Responsible Party	Police Chief				
Budgetary Impact	2025	2026	2027	2028	2029
	-	-	-	-	-
Target Completion	First Quarter 2026				

The department should consider the creation of a Police Foundation to allow for the receipt and disbursement of funds from philanthropy, business entities, and citizens to bridge the gap between the Township budget and funding for police matters. In the past, it was believed that only large police departments could develop such foundations, but this is a concept now being embraced by agencies of all sizes. General information on Police Foundations can be found here: <https://portal.cops.usdoj.gov/resourcecenter/content.ashx/cops-p302-pub.pdf>. Examples of police foundations in Pennsylvania include: <https://police.cityoflancasterpa.gov/about/police-foundation/><https://phillypolicefoundation.org/>, <https://bucks.crimewatchpa.com/centralbucksregionalpd/17396/content/police-foundation>

Initiative	PD03	Enhance Social Media Presence			
Responsible Party	Police Chief				
Budgetary Impact	2025	2026	2027	2028	2029
	-	-	-	-	-
Target Completion	First Quarter 2026				

Agency image is a force multiplier. Projecting an image and brand that reflects professionalism and competency is extremely important in an era when many people get their information from social media instead of “traditional” news sources. The ability to be proactive and project the image of the agency, and to immediately react to negative social media mentions, is critical. Expansion of the agency’s social media footprint to a variety of platforms should be considered. As important is having someone with the necessary skills to manage social media accounts and to ensure that content is constant, current, and accurate. In April 2025, a new hire of a sworn officer resulted in the creation of a Community Resource Officer position tasked with, among other things, “establishing and administering department social media accounts”. This individual should be provided with appropriate training and resources to carry out that assignment.

Initiative	PD04	Establish a Vehicle Replacement Program			
Responsible Party	Police Chief				
Budgetary Impact	2025	2026	2027	2028	2029
	-	-	-	-	-
Target Completion	Fourth Quarter 2025				

The Township should include a provision for regular replacement of vehicles assigned to the police department. This would ensure that the fleet is operational at all times. This could be based on various factors such as the age of the vehicle, the condition of the vehicle, the maintenance costs of the vehicle, and so on. Another possibility is to engage with a fleet management vendor to provide this service. Agency leadership has already engaged with a fleet management provider to determine the feasibility of such an effort. One example is here: <https://www.efleets.com/en.html>.

As noted in this report, the Township is facing deficits unless corrective action is implemented. Scott’s priority is to solidify its fiscal position and establish a credible plan for structural budgetary balance. Once the Township is on a stable fiscal footing, it should consider strategic investments such as adding the positions described below.

Initiative	PD05	Create a Detective Sergeant Position to Oversee the Detective Function			
Responsible Party	Police Chief				
Budgetary Impact	2025	2026	2027	2028	2029
	-	-	(\$140,000)	(\$145,000)	(\$155,000)
Target Completion	2027				

For all of the reasons listed above, we believe that a Detective Sergeant position should be created in the agency’s complement to better directly supervise detectives, oversee investigations and the assignment of investigative resources, and assist in the timely resolution of Child Line referrals, which mandate child abuse investigations. The plan assumes that this position is filled beginning in 2027 and costs \$140,000 in salary and benefits.

Initiative	PD06	Create a Records Clerk Position			
Responsible Party	Police Chief				
Budgetary Impact	2025	2026	2027	2028	2029
	-	-	(\$26,000)	(\$27,000)	(\$29,000)
Target Completion	2027				

This could be a part-time position and would be ideal for a retired officer with institutional knowledge of the department. This would free up time used for such tasks by the current administrative assistant position and allow that position to provide services for the police executive and sworn staff. The plan assumes this position pays \$25 per hour and works 20 hours per week, but the rate and number of weekly hours should be considered by the Township Manager and Police Chief before the position is filled.

Initiative	PD07	Create a Co-Responder Position			
Responsible Party	Police Chief				
Budgetary Impact	2025	2026	2027	2028	2029
	-	-	-	-	-
Target Completion	2027				

As noted above, agency leadership has taken a forward-leaning approach to adding a Social Services Coordinator and is pursuing grant funding for this purpose.

Chapter Nine

Fire Protection

Overview

Scott Township provides fire protection services through three all-volunteer fire companies: Bower Hill Volunteer Fire Department, East Carnegie Volunteer Fire Department, and Glendale Hose Company #1. These departments have a long and dedicated history of serving the residents of Scott Township and surrounding communities.

The three volunteer fire companies operate independently but have worked collaboratively to provide fire protection and emergency response services. Collectively, they respond to approximately 1,000 calls per year, handling a wide range of emergencies, including fire suppression, rescue operations, and other critical incidents.

Like many municipalities across Pennsylvania, Scott Township and its fire companies face ongoing challenges, including recruitment and retention of volunteers, funding constraints, the increasing costs of equipment and training, and volunteer response to calls during daylight hours. While the Township provides financial support to the fire companies, they continue to rely on fundraising efforts, grants, and community support to sustain operations.

To support fire protection services, the Township contributes to the following operating costs:

- Workers' Compensation
- Fuel Expenses covering Bower Hill, East Carnegie, and Glendale fire companies
- Vehicle Maintenance
- Insurance
- Hydrant & Water Service
- SHACOG Dues (South Hills Area Council of Governments)
- Contributions to Fire Companies
- Foreign Fire Insurance: Distributed equally among all three companies

Scott Township, in coordination with its fire companies, is actively exploring strategies to address these challenges, ensuring that residents continue to receive reliable and effective fire protection services.

Summary of Financial Results

Fire Protection and Emergency Services were about \$570,000 in 2024, representing just over 4 percent of the General Fund budget. As noted above, the Township makes an annual contribution to its three local volunteer fire companies to help defray operational costs. In 2024, the Township's

contribution was just over \$300,000 and is consistently the most significant Fire Protection and Emergency Services-related expense. The Township also covers other fire protection-related costs, including workers’ compensation expenses for fire company employees, fuel, vehicle maintenance, insurance, hydrant and water service, and the local council of government dues. Total Fire Protection and Emergency Services expenses for the Township have increased 4.4 percent annually on average between 2020 through 2024.

**Exhibit 9.1
General Fund Expenditure Results, 2020-2024**

Expenses	2020	2021	2022	2023	2024
Fire Service Contribution	\$346,692	\$367,354	\$406,659	\$427,752	\$402,776
Other Employee Benefits	\$39,849	\$30,089	\$34,329	\$31,664	\$28,167
Materials & Supplies	\$5,559	\$9,730	\$9,850	\$13,779	\$4,630
Utilities & Communication	\$57,356	\$60,012	\$60,682	\$62,737	\$66,610
Insurance	\$21,974	\$25,724	\$34,334	\$34,948	\$46,681
Maintenance & Repairs	\$6,991	\$7,375	\$10,595	\$14,685	\$16,768
Total	\$478,420	\$500,284	\$556,449	\$585,565	\$565,632

**Exhibit 9.2
General Fund Expenditure Projections, 2025-2029**

Expenses	2025	2026	2027	2028	2029
	Projection	Projection	Projection	Projection	Projection
Fire Service Contribution	\$410,000	\$424,000	\$439,000	\$454,000	\$469,000
Other Employee Benefits	\$31,000	\$31,000	\$32,000	\$33,000	\$34,000
Materials & Supplies	\$12,000	\$12,000	\$12,000	\$12,000	\$13,000
Utilities & Communication	\$72,000	\$74,000	\$76,000	\$77,000	\$79,000
Insurance	\$47,000	\$49,000	\$52,000	\$54,000	\$57,000
Maintenance & Repairs	\$12,000	\$13,000	\$13,000	\$14,000	\$15,000
Total	\$584,000	\$603,000	\$624,000	\$644,000	\$667,000

Recommendations

Initiative	FD01	Implement a Dedicated Fire Tax Millage and Establish a Fire Service Fund			
Responsible Party	Commissioners				
Budgetary Impact	2025	2026	2027	2028	2029
	-	\$20,000	\$40,000	\$60,000	\$85,000
Target Completion	Budget Year 2026				

The Township should consider implementing a dedicated fire tax millage to ensure sustainable funding for fire protection services. This could be introduced as a standalone measure or phased

in incrementally, depending on broader financial restructuring efforts and long-term fiscal planning.

A dedicated fire tax millage would provide a stable and predictable revenue stream to support essential fire protection services, including personnel, equipment, training, and facility maintenance. Given the increasing costs of fire service operations and the need for reliable emergency response, this funding approach would help alleviate the strain on the general fund while ensuring that fire departments remain adequately resourced.

If full implementation is not immediately feasible, the Township should explore a gradual increase in millage rates, aligning with other structural financial adjustments. This phased approach would allow for a smoother transition while assessing the long-term impact on both fire service needs and the Township’s overall financial health.

Furthermore, engaging residents in the discussion about fire service funding through public meetings, surveys, and budget workshops will be essential. Transparency in how the funds will be used and demonstrating the tangible benefits of improved fire protection can help gain community support for this critical investment.

The Township currently contributes about \$580,000 annually towards fire prevention-related expenses, which is the equivalent of the revenue generated from 0.62 mill. The recommendation above assumes a budget-neutral transition to a fire service millage beginning in 2026 with gradual increases through the projection period to account for the increasing costs of operating the fire companies.

The fire millage and fire service-related expenses should be accounted for in a newly established Fire Protection Services Fund, separate and apart from the General Fund.

Initiative	FD02	Develop a Comprehensive Fire Service Infrastructure and Resource Plan				
Responsible Party	Commissioners					
Budgetary Impact	2025	2026	2027	2028	2029	
	-	-	-	-	-	
Target Completion	Budget Year 2026					

The Township should conduct a thorough inventory and assessment of all fire apparatus and facilities to evaluate their condition, functionality, and long-term sustainability. This assessment should form the foundation for developing a strategic Capital Improvement Plan (CIP) that prioritizes necessary upgrades, replacements, and maintenance.

As part of this effort, the Township should identify opportunities to reduce redundancy and improve resource allocation across fire service operations. A detailed financial review should be

conducted to explore all available funding sources, including local revenue, state and federal funding, and grant opportunities.

To enhance coordination and efficiency, the Township should work collaboratively with all fire service stakeholders to develop a Joint Fire Service Playbook. This document should outline shared operational strategies, equipment utilization, and funding mechanisms to ensure a unified approach to fire protection services.

Initiative	FD03	Enhance Volunteer Recruitment and Retention in the Township			
Responsible Party	Township Manager/Fire Chief				
Budgetary Impact	2025	2026	2027	2028	2029
	-	(\$2,000)	(\$2,000)	(\$2,000)	(\$2,000)
Target Completion	2026, ongoing				

Fire services rely largely on volunteer firefighters, but nationwide, fire departments are facing a decline in volunteerism. This trend is particularly relevant in Pennsylvania, which, along with New York and Texas, has the highest number of all-volunteer fire companies in the country. Since the Township depends on its volunteers and will continue to rely on them in the future, the Township must take a proactive approach to improving the recruitment and retention of volunteer firefighters.

The Fire Chiefs should collaborate to develop strategies aimed at increasing volunteer firefighter participation. The Township should explore offering incentives that are attractive to volunteers while having minimal budgetary impact. Potential benefits could include free parking, complimentary family participation in Township recreational activities, subsidized memberships at local organizations, and other community-based amenities.

Additionally, the Township should recognize volunteers for outstanding achievements, such as completing fire training programs, obtaining certifications, and reaching service milestones. The Fire Chiefs and other community leaders should also implement targeted marketing strategies for recruitment and set measurable goals to increase the volunteer firefighter workforce.

To ensure accountability and continuous improvement, the Fire Chiefs should document their progress and report their findings and achievements to the Township Manager and Board of Supervisors.

Chapter Ten

Code Enforcement

Overview

The Code Enforcement Department is responsible for ensuring that all zoning and code items are adhered to through the Township for the health, safety, and well-being of all residents. The department is operated by two employees, including a director and a clerk. The Township also uses a third-party contractor for plan review and site inspections for commercial or large residential projects.

The director's primary duties include the prevention, detection, investigation, and enforcement of violations of laws regulating public nuisance, public health, safety, and welfare, public works, business activities, and consumer protection, building standards, land-use, or municipal affairs. Based on our review, the department is well-organized and operates efficiently with the enforcement of existing code ordinances as well as new construction phases. The department operates with a very light staff; however, the director reports that workload is management, and there are no plans for additional hirings.

The Township updates its enforcement ordinances regularly, with the most recent update in 2023 to address signage issues. Because updates are reviewed regularly, drastic changes are usually not necessary, and the proposals face very little resistance. The Township plans revisions to its zoning ordinance after it completes its comprehensive planning process later this year.

Summary of Financial Results

Code Enforcement costs of about \$295,000 in 2024 represented just 2 percent of the Township's General Fund expenses. The Department's budget is driven by personnel costs, which are about 80 percent of the costs. The Township also utilizes third-party contractors for certain activities, including plan reviews and inspections for large projects. These costs have averaged about \$62,000 since 2020, but the Township budgets \$123,500 for these services in 2025.

Departmental costs have been relatively flat, increasing just \$10,000 from 2021 through 2024. The modest increase is attributable to increased personnel costs; however, as noted above, the Department operates with a very small staff compared to other similarly sized Townships, even those that rely on some level of third-party support.

Permit and fee related activity has generated about \$190,000 on average since 2021. Collections in 2020 were abnormally low because of COVID-19 pandemic related restrictions. Building permit revenue is consistently the highest revenue source averaging almost \$100,000 annually with Occupancy permit revenue second highest at about \$48,000 annually. Combined, these revenue sources consistently represent over 70 percent of Zoning and Permit related revenue.

Departmental Financial Results

**Exhibit 10.1
Zoning and Permit Revenue, 2020-2024**

Revenues	2020	2021	2022	2023	2024
Building Permits	\$102,700	\$130,745	\$95,417	\$80,978	\$69,222
Occupancy Permits	\$5,400	\$38,575	\$47,900	\$54,500	\$53,150
Highway Occupancy Permits	\$11,513	\$12,464	\$20,833	\$18,512	\$16,977
Subdivision and Land Development	\$0	\$3,900	\$10,600	\$5,600	\$4,100
Zoning Hearing Fees	\$5,800	\$8,792	\$8,065	\$8,350	\$7,910
Contracted Street Work Permits	\$2,998	\$33,379	\$12,736	\$2,571	\$5,689
Other Permits	\$1,962	\$4,609	\$250	\$1,150	\$1,161
Total	\$130,371	\$232,464	\$195,801	\$171,661	\$158,208

**Exhibit 10.2
Expenditure Results, 2020-2024**

Expenses	2020	2021	2022	2023	2024
Salaries & Wages	\$110,812	\$137,041	\$161,883	\$167,051	\$176,449
Overtime	\$0	\$398	\$679	\$2,073	\$1,360
FICA	\$8,028	\$10,510	\$12,003	\$12,860	\$13,467
Other Employee Benefits	\$4,269	\$2,054	\$2,420	\$2,889	\$4,013
Healthcare	\$19,883	\$32,145	\$34,251	\$34,403	\$38,539
Materials & Supplies	\$979	\$2,224	\$7,703	\$3,753	\$6,557
Utilities & Communication	\$504	\$570	\$425	\$527	\$569
Equipment & Capital Purchases	\$131	\$353	\$4,084	\$2,246	\$3,209
Professional & Legal Services	\$65,674	\$100,124	\$58,011	\$40,650	\$49,722
Maintenance & Repairs	\$292	\$576	\$545	\$2,061	\$1,433
Total	\$210,572	\$285,996	\$282,004	\$268,512	\$295,319

**Exhibit 10.3
Baseline Expenditure Projections, 2025-2029**

Expenses	2025 Projection	2026 Projection	2027 Projection	2028 Projection	2029 Projection
Salaries & Wages	\$168,000	\$173,000	\$178,000	\$184,000	\$189,000
Overtime	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000
FICA	\$13,000	\$13,000	\$14,000	\$14,000	\$14,000
Other Employee Benefits	\$9,000	\$9,000	\$9,000	\$9,000	\$9,000
Healthcare	\$45,000	\$47,000	\$50,000	\$53,000	\$56,000
Materials & Supplies	\$11,000	\$11,000	\$12,000	\$12,000	\$12,000
Equipment & Capital Purchases	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000
Professional & Legal Services	\$124,000	\$127,000	\$130,000	\$133,000	\$136,000
Maintenance & Repairs	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000
Total	\$378,000	\$388,000	\$401,000	\$413,000	\$424,000

Recommendations

Initiative	CD01	Succession Planning and Staff Training				
Responsible Party	Codes Director / Township Manager					
Budgetary Impact	2025	2026	2027	2028	2029	
	-	-	-	-	-	
Target Completion	Ongoing					

The Township should develop a structured succession plan initiative for the Codes Department. As an essential function of municipal governance, the codes department must ensure continuity and preparedness by investing in staff training and development. A well-executed succession plan will help retain institutional knowledge, improve operational efficiency, and create a sustainable leadership pipeline.

- Identify Key Roles and Responsibilities - Assess which positions are critical to department operations and identify potential successors for each.
- Develop a Training and Mentorship Program - Pair experienced employees with newer staff members to facilitate knowledge transfer.
- Cross-Training Staff - Ensure employees are trained in multiple aspects of code enforcement, permitting, inspections, and administrative functions.
- Create a Leadership Development Pathway - Offer opportunities for staff to take on increased responsibilities, attend training programs, and participate in professional development workshops.
- Implement a Knowledge Management System - Develop a repository of procedures, policies, and best practices to preserve institutional knowledge.
- Regularly Review and Update the Plan - Conduct periodic assessments to ensure the plan remains relevant and effective as organizational needs evolve.

Initiative	CD02	Create an Inventory List of Housing Improvement Programs				
Responsible Party	Codes Director					
Budgetary Impact	2025	2026	2027	2028	2029	
	-	-	-	-	-	
Target Completion	Ongoing					

The Township should develop a comprehensive inventory list of housing improvement programs available to low-income residents within Scott. Housing conditions play a crucial role in public safety and community well-being, and having a centralized resource outlining financial assistance and repair programs can enhance access to necessary home improvements and ensure safer living conditions for vulnerable populations.

- Create a Publicly Accessible Online Resource – Host the inventory on the municipal website, ensuring easy access for residents and municipal employees.
- Distribute Printed Materials – Provide hard copies of the list at municipal offices, libraries, and community centers.
- Regularly Update the Inventory – Assign a department representative to update the list quarterly and maintain communication with program administrators. Since the department has limited staff, additional support, possibly through interns or temporary workers, may be needed.
- Conduct Public Awareness Campaigns – Use social media, newsletters, and community meetings to promote the availability of these resources.

Initiative	CD03	Incorporate Fleet Needs into Township-Wide Capital Improvement Plan				
Responsible Party	Code Director/Finance Director					
Budgetary Impact	2025	2026	2027	2028	2029	
	-	-	-	-	-	
Target Completion	Ongoing					

The Codes Director currently uses an old police vehicle for day-to-day enforcement activities. The department should regularly communicate its fleet and other equipment needs to the Finance Department, so they can be accounted for in the budget process. The department’s ongoing fleet replacement schedule should be incorporated into the Township’s capital improvement plan.

Initiative	CD04	Develop Performance Measures for Code Enforcement				
Responsible Party	Codes Director					
Budgetary Impact	2025	2026	2027	2028	2029	
	-	-	-	-	-	
Target Completion	Fourth Quarter 2025					

Code personnel should identify and track key performance indicators to help the department better understand its operational strengths and weaknesses. The performance guide should be developed by the department director with input from the staff. The guide should be reviewed and approved by the Township Manager before it is finalized.

Goals and objectives established during the annual budget process should connect directly with performance indicators. The department should begin with basic output measures, like the number of inspections accomplished daily, but expand to include metrics that help assess the efficiency and effectiveness of the department. The following are examples of performance measures the department should consider tracking and reporting to the Township Manager:

- Number of inspections accomplished daily

- Average time between citizen complaint and code enforcement inspection
- Average fine amount
- Percentage of fees paid on time
- Percentage of unsafe structures brought into compliance

In addition, included in the appendix is a sample rental inspection form that can be used to track key information related to rental inspections.

Initiative	CD05	Continue to Regularly Update Ordinances				
Responsible Party	Township Manager					
Budgetary Impact	2025	2026	2027	2028	2029	
	-	-	-	-	-	
Target Completion	Ongoing					

The Township’s existing ordinances related to zoning and code, and enforcement activities should be reviewed regularly regarding the International Code Council (ICC) and other regulatory codes. To move forward with an effective code program, it is critical to analyze the chapters in the ordinance and begin the process of updating to current standards. An updated and modernized SALDO is critical to the Township’s economic development goals.

The updating of existing ordinances and codes should be guided by the community's comprehensive plan, which is planned to be updated later this year. With that in mind, the recommended next step for this initiative is to review/update the comprehensive plan, and then the ordinances and codes should be updated based on the latest comprehensive plan. If needed, there are consultants who can help with the update.

The ordinance upgrades should be addressed by the department director with legal guidance from the solicitor to ensure any ordinance changes are written properly. While this is an ongoing initiative, staff should set the goal to complete this current review by the end of the second quarter of 2026, or within three months following the comprehensive plan update.

Initiative	CD06	Incorporate a Blight Remediation Strategy in Code Enforcement Activities				
Responsible Party	Codes Director					
Budgetary Impact	2025	2026	2027	2028	2029	
	-	-	-	-	-	
Target Completion	Fourth Quarter 2025					

Aging housing and infrastructure often promote blight. The Community and Economic Development Plan should incorporate a formal blight remediation strategy. The Pennsylvania Housing Alliance can be used as a resource. The Building, Planning, and Zoning Department should play a prominent role in this effort.

Chapter Eleven

Sanitation

Overview

Sanitation

The Township contracts with a third-party provider for these services and the contract is managed out of the Township Manager’s Office. The Township provides its residents with weekly trash collection service and biweekly recycling collection service. The Township does not charge a trash fee; rather, these services are funded out of general operating sources.

In 2023, the Township conducted a competitive bidding process for the renewal of these services. Like other municipalities across the state that contracted for these services during this time, Scott’s competitive bidding process resulted in a significant cost increase. The Township entered a contract effective 2024 through 2028. The contract resulted in a 25 percent cost increase in 2024, 10 percent increase in 2025, and about 7 percent increases from 2026 through 2028.

The increased Trash and Recycling costs, among other factors, resulted in budget deficits that needed to be closed with a combination of tax and fee increases or service reductions. The two primary tax and fee increases considered were an increase in the existing general purposes Real Estate Tax millage rate or the imposition of a new Trash fee. After much debate and analysis, the Township voted to increase the millage rate and did not institute a Trash Fee.

Exhibit 11.1
Expenditure Results, 2020-2024

Expenses	2020	2021	2022	2023	2024
Solid Waste Removal Contracted Services	\$917,294	\$936,807	\$954,125	\$978,922	\$1,231,653
Recycling Contracted Services	\$294,230	\$300,443	\$304,975	\$310,759	\$396,419
Total	\$1,211,524	\$1,237,250	\$1,259,100	\$1,289,681	\$1,628,071

Exhibit 11.2
Baseline Expenditure Projections, 2025-2029

Expenses	2025 Projection	2026 Projection	2027 Projection	2028 Projection	2029 Projection
Solid Waste Removal Contracted Services	\$1,319,000	\$1,406,000	\$1,504,000	\$1,609,000	\$1,646,000
Recycling Contracted Services	\$468,000	\$501,000	\$542,000	\$585,000	\$599,000
Total	\$1,787,000	\$1,907,000	\$2,046,000	\$2,194,000	\$2,245,000

Recommendations

Initiative	TRSH01 Reconsider a Trash Fee				
Responsible Party	Township Manager/Township Commissioners				
Budgetary Impact	2025	2026	2027	2028	2029
	-	\$1,900,000	\$2,050,000	\$2,200,000	\$2,250,000
Target Completion	2026 Budget Process, Ongoing				

Despite the significant increase in the Real Estate Tax millage rate, the Township faces budget deficits unless corrective action is implemented. As part of the deficit elimination strategy, the Township should reconsider implementing a Trash Fee and setting the rate to fully cover the cost of service.

As in the past, the Township Commissioners should thoroughly review the advantages and disadvantages of a Trash Fee versus higher Real Estate Tax rates. The following are among the advantages:

- The Trash Fee is essentially a user fee for the primary purpose of covering the cost of providing a service and directly raising funds from the households benefiting from the service. Though some households may generate more trash than others, a flat user fee per household is more representative of the cost of service compared to real estate taxes that can vary significantly based on assessed value.
- User fees are a more transparent way to fund services than general real estate taxes. When a taxpayer is assessed a fee, it can be tracked directly back to a service and the government can be held accountable for setting an appropriate fee level.
- Since the Trash Fee is tied directly to a specific service, explaining changes in the fee (almost always increases) to cover service costs is easier than general millage rate increases. Most residents understand that the costs of all services increase over time. The municipal government is no different than any other business in that it must cope with an increasing cost environment.
- Trash fees are common across Allegheny County and the Commonwealth. At least 14 first class townships in Allegheny County impose a trash fee. The trash fee helps these municipalities keep their Real Estate Tax millage rate and other tax/fee levels at lower levels.
- The Trash Fee is well established and would not be vulnerable to legal challenges and is accepted widely in communities across the country.
- The Trash Fee would diversify the Township’s revenue streams, which is particularly valuable for municipalities that do not have many revenue raising options. A Trash Fee is among the limited alternatives Scott has to generate resources to fund the government.

Among the other considerations of the Trash Fee include:

- Real Estate Taxes are a stable and reliable revenue source and minimally affected by short-term economic fluctuations.
- A Trash Fee would be new to the Township and would involve all of the challenges of any new fee, including educating the public, developing an administration infrastructure, and creating a collection process.
- Because there is no existing collection process in place and no track record of administering a Trash Fee, collection rates in the first year or more are likely to be inefficient compared to an existing tax or fee. This will add to managerial uncertainty when developing the annual budget.
- Not only is there no administrative structure in place, but user fees are also generally more hassle than property taxes. There are several reputable third-party Trash Fee collectors, which will help minimize this burden.
- User fees, such as a Trash Fee, are generally more burdensome to low and middle-income households and, in this way, are regressive in nature.

According to management, there are 6,036 households in the Township. Simply dividing the projected 2026 cost of \$1,907,000 by the number of households (and adding an estimated 1.8 percent collection fee) results in a \$322 annual per household fee, or \$27 per month. The Township should increase the fee over time in coordination with cost increases.

Similar to the 2024 budget process, the Township Commissioners and administration should engage in a robust discussion regarding the pros and cons of each alternative. The discussions should be transparent and involve input from the community.

Initiative	TRSH02 Establish a Trash Fund				
Responsible Party	Township Manager/Township Commissioners				
Budgetary Impact	2025	2026	2027	2028	2029
	-	-	-	-	-
Target Completion	2026 Budget Process				

If the Township implements a Trash Fee, it should create a Trash Fund to track rubbish collection and hauling related financial activities. Establishing a Trash Fund would help the Township manage trash related operations and is a transparent way to show how Trash Fee resources are used.

Chapter Twelve

Sewer Fund

Overview

Scott Township owns and operates a wastewater collection and conveyance system, which transfers sewage to the Allegheny County Sanitary Authority (ALCOSAN) for treatment. ALCOSAN manages a regional system that includes 90 miles of interceptor sewers, transporting wastewater from local municipal systems to its 59-acre treatment facility in Pittsburgh. This system serves 83 municipalities across Allegheny County.

In 2008, ALCOSAN entered into a consent decree with the U.S. Environmental Protection Agency and the Pennsylvania Department of Environmental Protection to develop a plan to significantly reduce sewage overflows by 2026. An initial \$3.6 billion Wet Weather Plan was introduced in 2012; however, public concerns over cost and the desire for green stormwater infrastructure led to further negotiations.

In response, in 2020, ALCOSAN developed the Clean Water Plan, which extended the first-phase deadline to 2036 and anticipates \$2 billion in investment. This extension helps distribute costs more gradually for ratepayers and incorporates green stormwater management. The plan also incorporates ALCOSAN's strategy to assume ownership of trunk sewers and related facilities to create a more regionalized collection system.

Scott Township signed a consent decree with the Allegheny County Health Department in 2021, committing to compliance with ALCOSAN's Clean Water Plan. To support this effort, the Scott Township Board of Commissioners transferred ownership and operational responsibility of certain intermunicipal trunk sewer lines and associated manholes to ALCOSAN in 2023.

Scott Township remains responsible for maintaining and improving its remaining sewer infrastructure, a function managed by the Public Works Department. The Township operates a Sanitary Sewer Cleaning and Closed-Circuit Television (CCTV) Inspection Program to maintain the system and address deficiencies. Under the consent decree, the Township is required to inspect 5 percent of its sanitary sewer system annually. By early 2024, approximately 25 percent of the system had been assessed. The Township has allocated \$4 million for sanitary sewer capital improvements in the 2025 budget.

Summary of Financial Results

The Sewer Fund has experienced operating deficits in recent years but has accumulated a relatively healthy fund balance of \$1.1 million, equivalent to 18 percent of expenses. Sewer fees account for 96 percent of revenue historically and have increased by 3 percent annually. However, the 2025 Budget includes a 7 percent sewer fee increase to match increasing ALCOSAN treatment fees.

From 2020-2024, Sewer Fund expenses increased at an average annual rate of 5 percent. ALCOSAN treatment fees account for 72 percent of total costs and remained flat from 2020-2024, but are projected to increase by nearly 40 percent in the 2025 Budget. Capital investment related costs including Debt Service and Capital Projects and Equipment costs are also key expense drivers, representing a combined 17 percent of annual expenses.

The baseline projection assumes no change in the current operational structure and the continuation of current trends, resulting in structural budgetary balance and a stable fund balance level. In 2021, ALCOSAN announced a five-year rate structure that included 7 percent annual increases in treatment costs to finance the Clean Water Plan. The baseline projection assumes treatment fees increase by \$1.5 million from 2024-2029, equivalent to 7 percent average annual growth. Sewer fees are projected to follow historical experience and continue to increase at around 3 percent annually. Investment of roughly \$350,000 annually in capital projects and equipment is projected to continue and the Sewer Fund remains responsible for debt service costs. However, large sewer related capital expenses are anticipated in the future, which may place upward pressure on sewer fees.

Departmental Financial Results

Exhibit 12.1
Expenditure Results, 2020-2024

	2020	2021	2022	2023	2024
Revenues					
Sewer Fees	\$4,999,116	\$4,920,566	\$5,100,273	\$5,510,691	\$5,654,050
Intergovernmental Revenue	\$101,502	\$0	\$431,309	\$12,194	\$119,894
Interest	\$36,551	\$49,136	\$30,369	\$88,477	\$59,265
Other Revenue	\$98,117	\$32,453	\$33,435	\$27,544	\$32,933
Total	\$5,235,285	\$5,002,155	\$5,595,386	\$5,638,906	\$5,866,142
Expenses					
ALCOSAN Treatment	\$3,771,749	\$3,802,612	\$3,938,816	\$4,300,025	\$3,609,835
Debt Service	\$440,845	\$445,745	\$600,244	\$594,125	\$598,224
Capital Projects & Equipment	\$710,363	\$503,280	\$594,056	(\$14,742)	\$1,095
Engineering	\$122,325	\$194,854	\$125,882	\$131,602	\$372,735
Sewage Refunds	\$0	\$1,662	\$101,312	\$121,233	\$115,773
SHACOG Fees	\$28,600	\$28,600	\$24,200	\$27,500	\$24,200
Materials & Supplies	\$14,574	\$1,397	\$13,764	\$14,946	\$20,760
Sewer Fee Collection	\$5,068	\$8,454	\$10,249	\$12,736	\$12,024
Repairs & Maintenance	\$2,865	\$3,023	\$3,094	\$3,899	\$5,209
Other Expenses	\$3,874	\$3,694	\$2,824	\$3,391	\$1,382,965
Total	\$5,100,263	\$4,993,322	\$5,414,440	\$5,194,714	\$6,142,821
Surplus (Deficit)	\$135,023	\$8,834	\$180,945	\$444,192	(\$276,678)
Ending Fund Balance	\$770,042	\$778,876	\$959,821	\$1,404,013	\$1,127,335

**Exhibit 12.2
Baseline Expenditure Projections, 2025-2029**

	2025 Budget	2026 Projection	2027 Projection	2028 Projection	2029 Projection
Revenues					
Sewer Fees	\$6,065,000	\$6,254,000	\$6,450,000	\$6,651,000	\$6,859,000
Intergovernmental Revenue	\$0	\$44,000	\$44,000	\$44,000	\$44,000
Interest	\$35,000	\$35,000	\$35,000	\$35,000	\$35,000
Other Revenue	\$26,000	\$27,000	\$28,000	\$28,000	\$29,000
Total	\$6,126,000	\$6,360,000	\$6,557,000	\$6,758,000	\$6,967,000
Expenses					
ALCOSAN Treatment	\$5,000,000	\$5,025,000	\$5,050,000	\$5,075,000	\$5,100,000
Debt Service	\$597,000	\$524,000	\$525,000	\$523,000	\$524,000
Capital Projects & Equipment	\$153,000	\$359,000	\$369,000	\$377,000	\$386,000
Engineering	\$180,000	\$189,000	\$198,000	\$208,000	\$219,000
Sewage Refunds	\$110,000	\$113,000	\$116,000	\$118,000	\$121,000
SHACOG Fees	\$29,000	\$29,000	\$29,000	\$29,000	\$29,000
Materials & Supplies	\$0	\$13,000	\$39,000	\$39,000	\$39,000
Sewer Fee Collection	\$50,000	\$51,000	\$53,000	\$54,000	\$55,000
Repairs & Maintenance	\$10,000	\$11,000	\$11,000	\$12,000	\$12,000
Total	\$6,129,000	\$6,314,000	\$6,390,000	\$6,435,000	\$6,485,000
Surplus (Deficit)	(\$3,000)	\$46,000	\$167,000	\$323,000	\$482,000
Ending Fund Balance	\$1,125,000	\$1,172,000	\$1,339,000	\$1,664,000	\$2,146,000

Recommendations

Initiative	SWR01	Assess the Benefits and Feasibility of Transferring Additional Sewer Assets to ALCOSAN			
Responsible Party	Township Commissioners				
Budgetary Impact	2025	2026	2027	2028	2029
	-	-	-	-	-
Target Completion	Ongoing				

As mentioned previously, Scott Township signed a consent decree with the Allegheny County Health Department in 2021, committing to compliance with ALCOSAN’s Clean Water Plan. Implementation of the Clean Water Plan will require \$2 billion in investment over a multi-year period, resulting in upward pressure on sewer fees and an increased burden on ratepayers. In addition, maintaining and regularly inspecting aging sewer assets will require the allocation of Public Works manpower and resources, placing additional pressure on the General and Sewer Funds.

Scott Township should assess the benefits and feasibility of supporting regionalized operations by transferring additional sewer assets to ALCOSAN. Regionalization involves the voluntary transfer of municipal sewers and sewer facilities to ALCOSAN ownership. ALCOSAN’s system currently encompasses 90 miles but anticipates taking ownership and maintenance of 265 miles of sewer to create a streamlined system and reduce excess flow from entering the system.

Initiative	SWR02	Establish a Fund Balance Policy for the Sewer Fund				
Responsible Party	Township Manager/Finance Director/Commissioners					
Budgetary Impact	2025	2026	2027	2028	2029	
	-	-	-	-	-	
Target Completion	Fourth Quarter 2025, Ongoing					

The Township should adopt a Sewer Fund Policy. By the end of 2025, Sewer Fund reserves are projected to total approximately \$1.1 million, equivalent to about 18 percent of annual operating expenses.

While the Government Finance Officers Association (GFOA) specifically addresses the General Fund in its best practices, its guidance can be applied more broadly. The GFOA recommends that general-purpose governments maintain an unreserved fund balance equal to at least 5–15 percent of annual operating revenues, or one to two months of regular operating expenditures, depending on their unique circumstances.

Although these recommendations pertain directly to the General Fund, they offer a useful benchmark for evaluating other operating funds, such as the Sewer Fund. Historically, the Township has maintained a fiscally sound Sewer Fund, enabling the accumulation of strong fund balance. This plan also recommends ongoing, incremental increases in sewer fees to address rising costs, along with the development of a multi-year Capital Improvement Plan (CIP). These steps will help ensure the long-term financial stability and resiliency of both operating and capital components of the Sewer Fund.

Accordingly, we recommend the Township adopt a policy to maintain a Sewer Fund balance of no less than 15 percent of annual operating expenses. This target should be revisited and adjusted as necessary to reflect capital needs identified in the CIP and any decisions made regarding the transfer of sewer assets to ALCOSAN.

Initiative	SWR03	Incorporate Sewer Needs into the Multi-Year Capital Improvement Plan				
Responsible Party	Finance Director					
Budgetary Impact	2025	2026	2027	2028	2029	
	-	-	-	-	-	
Target Completion	Fourth Quarter 2025					

As outlined in PW01, the Township should utilize STMP Phase 2 funding to expand the existing CIP framework to develop a comprehensive plan. The Plan should include General Fund, Stormwater Fund, and Sewer Fund Assets. The CIP must also establish a funding strategy that includes various funding sources including debt and grants.

Initiative	SWR04	Continue to Increase Sewer Fees to Match the Cost of Service			
Responsible Party	Township Manager/ Commissioners				
Budgetary Impact	2025	2026	2027	2028	2029
	-	-	-	-	-
Target Completion	Ongoing				

Sewer fees account for 96 percent of revenue historically and have increased by 3 percent annually. The Township must continue to increase the sewer fee to match the cost of service, which includes both operating and capital expenses. Operating expenses will be driven by ALCOSAN rate increases associated with implementing the Clean Water Plan. The baseline projection assumes treatment fees increase by \$1.5 million from 2024-2029, aligned with the 7 percent average annual growth rates levied by the ALCOSAN five-year rate structure. As stated above, ongoing capital costs will be impacted by the multi-year assessment of needs recommended in this plan and any decisions made regarding the transfer of sewer assets to ALCOSAN. The adopted fund balance should also inform future sewer rates.

Chapter Thirteen

Fiscal Strategy and Revised Financial Projections

This chapter presents the revised multi-year financial projections reflecting the cumulative budgetary impact of the recommendations described in the preceding chapters. The financial impact of these recommendations is presented through a projection of General Fund operating results and fund balance results for 2025 through 2029. Exhibit 14.1 revisits the baseline projections assuming no corrective action is taken. The baseline projections show mounting deficits and declining cash reserves.

Exhibit 13.1
Baseline General Fund Projections (No Corrective Action)

	2025 Projection	2026 Projection	2027 Projection	2028 Projection	2029 Projection
Baseline Revenue	\$14,278,000	\$14,384,000	\$14,528,000	\$14,675,000	\$14,826,000
Baseline Expenses and Transfers	\$15,044,000	\$15,053,000	\$15,525,000	\$16,044,000	\$16,484,000
Baseline Surplus (Deficit)	(\$766,000)	(\$669,000)	(\$997,000)	(\$1,369,000)	(\$1,658,000)
Ending Fund Balance	\$897,000	\$228,000	(\$769,000)	(\$2,138,000)	(\$3,795,000)
Fund Balance as % of Expenses	6%	2%	-5%	-13%	-23%

Going forward, the Township must implement a coordinated set of initiatives to ensure that Scott can meet fiscal goals, which include achieving and maintaining structural budgetary balance; generating adequate funds to address capital improvement needs; and maintaining adequate cash reserves to manage unanticipated budget challenges. Once the Township's fiscal position is stabilized and there is confidence that deficits will be avoided, it should consider strategic investments to address deferred capital needs and improve services. The strategic investments may place pressure on the Township's operating budget in the short run but will avoid deeper costs in the long term.

This plan recommends an incremental approach to achieving the end goal of structural budgetary balance. This plan should be revisited every year during the annual budget process and adjusted appropriately based on the changing circumstances.

Recommendations

Initiative	STR01	Establish Fund Balance Policy for the General Fund				
Responsible Party	Township Manager/Finance Director/ Township Commissioners					
Budgetary Impact	2025	2026	2027	2028	2029	
	-	-	-	-	-	
Target Completion	Fourth Quarter 2025					

The Township’s 2025 Adopted Budget includes a \$1.7 million net negative impact that would almost entirely deplete cash reserves, if revenues and expenses perform to expectations.

The Government Financial Officers Association recommended best practice states that “the adequacy of unreserved fund balance in the general fund should be assessed based upon a government’s own specific circumstances. Nevertheless, GFOA recommends, at a minimum, that general-purpose governments, regardless of size, maintain unreserved fund balance in their general fund of no less than 5-15 percent of regular general fund operating revenues, or of no less than one to two months of regular general fund operating expenditures.”

The Township should establish a policy requiring fund balance levels of at least 15 percent of General Fund revenues, which is between \$2.2 to \$2.5 million. This is likely infeasible in the short-term and may need to be implemented over two or three years.

The Township should also adopt fund balance policies for other key funds, including the Sewer Fund and the Storm Sewer Fund recommended below. The Sewer Fund cash reserves are formidable and safely above the 15 percent of expenses benchmark. Many municipalities maintain relatively high cash reserves in the Sewer Fund for capital planning purposes.

Initiative	STR02	Assess the Impact of Implementing a Stormwater Fee				
Responsible Party	Township Manager/Director of Public Services/Stormwater Task Force					
Budgetary Impact	2025	2026	2027	2028	2029	
	-	\$65,000	\$130,000	\$135,000	\$140,000	
Target Completion	Second Quarter 2026					

Stormwater management is regulated by the federal, state, and local governments. The Clean Water Act, which is managed by the U.S. Environmental Protection Agency and the Pennsylvania Department of Environmental Protection, requires municipalities located in urbanized areas to obtain a Municipal Separate Storm Sewer System (MS4) permit. These plans are designed to reduce pollution associated with stormwater. Municipalities are responsible for the costs of implementing these plans; thus, stormwater management is an often-costly government mandate. Scott Township is required to obtain an MS4 permit.

Municipalities have limited options to fund the various projects and reporting required to comply with storm sewer management programs. The Township currently funds storm sewer activities with General Fund transfers and other resources supported by the General Fund. Alternatively, some communities have decided to implement storm sewer fees. Over 20 municipalities across the Commonwealth have established storm sewer management fees, including eight in Allegheny County.

Scott should take steps to implement a Storm Sewer fee. The Township should form a **Storm Sewer Taskforce** that would be charged with evaluating the fee structure, billing and collecting processes, and other administrative aspects of the fee.

To implement a Storm Sewer fee, first-class townships must establish an authority in accordance with the Municipal Authorities Act. The Township may not impose the fee on its own. Once an authority is established for the fee, a resolution must be adopted to provide the legal authority to collect the fee. The resolution will outline the details of the program, including fee structure, credit options, and appeals.

One of the issues that the Taskforce should consider is how to structure the Storm Sewer fee. Structures have varied across communities, including charging based on Equivalent Rate Unit (ERU), Intensity of Development (ID), Residential Equivalent Factor (REF), or a flat fixed rate.

The most common structure is charging by ERU, which is calculated by the municipality for single-family residences. The ERU value is extrapolated and used as a multiplier for non-residential properties. An ERU is the average impervious area of a resident parcel.

It is difficult to project the full cost of implementing the MS4 initiative. Storm Sewer activities are currently supported with General Fund resources directly and indirectly. The Taskforce will be charged with analyzing the Storm Sewer budget and structuring a sufficient fee. For this plan, we assume the Township implements a fee that results in \$400,000 of annual revenue beginning on July 1, 2026. This amount is based on the annual payments required for the Storm Sewer portion of the Series 2021 debt service, plus ongoing costs related to MS4 compliance, including engineering, public works, and general program management activities. Assuming approximately 6,036 residences in Scott (according to Township data), simply dividing the \$400,000 in target revenue by the number of households results in a fee equal to about \$65, which would be lower than other communities that impose the fee. However, non-residential households would also be subject to the fee, so the level would be even lower. Some communities have opted to bill Storm Sewer fees quarterly as a part of utility bills. Again, the Taskforce will have the responsibility of determining the rate structure, fee level, and billing structure. The final fee per household will vary.

Storm Sewer related activities would be accounted for in a new Storm Sewer Fund. The plan assumes that the fund covers Storm Sewer activities that are currently funded by the General Fund, including 5 percent of General Administration and Public Works personnel costs (about \$130,000 annually). In addition, the Storm Sewer fee would also cover the Storm Sewer portion of the Series 2021 annual debt service, which is about \$170,000 in the coming years.

This plan applies these assumptions for discussion and general planning purposes only. The Storm Sewer Taskforce would undertake a more thorough analysis once detailed budget information is available and recommend an appropriate fee structure.

Initiative	STR03 (PW01)	Seek STMP Phase 2 Funding to Develop a Multi-Year Capital Improvement Plan			
Responsible Party	Finance Director				
Budgetary Impact	2025	2026	2027	2028	2029
	(\$15,000)	-	-	-	-
Target Completion	Fourth Quarter 2025				

As noted in recommendation PW01, the Township should pursue STMP Phase 2 funding to expand its existing CIP framework into a robust plan. The existing projects listing identifies about \$3.5 million in capital needs for 2026 and 2027, including \$2 million for critically needed police facility expansion and improvements. The Township must have a more defined set of needs and fiscal implications so funding sources can be identified, and administrators can plan appropriately. See PW01 for more details on the development of a CIP.

Initiative	STR03-A	Establish Capital Improvement Priorities			
Responsible Party	Capital Committee				
Target Completion	Fourth Quarter 2025				

Capital needs and requests will often exceed funding capacity. Though the Township plans to pursue a variety of funding streams, such as grants, it is likely that General Fund capacity will be insufficient to support all desired projects on a pay-as-you-go basis. As a result, the Township must evaluate and prioritize capital needs or defer non-essential initiatives to reduce the overall CIP cost. The projects must be prioritized and paced over time in a fiscally responsible way.

Initiative	STR03-B	Reassess the CIP Funding Strategy and Reduce the General Fund Transfer to the Capital Projects Fund			
Responsible Party	Township Manager/Township Commissioners				
Budgetary Impact	2025	2026	2027	2028	2029
	-	\$700,000	\$700,000	\$700,000	\$700,000
Target Completion	Ongoing				

The Township currently dedicates the equivalent of one mill of Real Estate tax revenue, about \$950,000, to capital needs through a transfer to the Capital Projects Fund. While this strategy has enabled Scott to avoid deferred capital maintenance and address key infrastructure needs, the transfer is a significant burden to the General Fund. The Township should focus on stabilizing the General Fund and reducing the ongoing transfer to the Capital Projects Fund. This plan assumes

that the Township, at least temporarily, reduces the ongoing Capital Projects Fund transfer from \$950,000 to \$250,000, which would result in \$700,000 in recurring General Fund relief.

The future funding strategy should be informed by the Township’s forthcoming comprehensive multi-year capital improvement plan. As noted above, preliminary planning identifies \$3.5 million in near-term needs. The project listing and estimated costs should be estimated and prioritized. The Township should assess the feasibility of reducing the project scale if the desired scope is not fiscally feasible.

The new funding strategy should focus on securing grant awards to offset project costs, especially for the police facility improvements. The Township should also consider the responsible use of debt funding.

Initiative	STR03-C	Consider Long-Term Debt Strategy to Finance Large Capital or General Improvement Projects
Responsible Party	Township Manager/Township Commissioners	
Target Completion	Fourth Quarter, 2025, Ongoing	

Financing all Township capital needs on a pay-as-you-go (cash) basis, especially the police facility improvements, is likely unworkable. The Township should consider strategically borrowing funds for a portion of its capital improvement program. The Township is experienced with issuing long-term debt to finance capital needs and has established a track record of responsible borrowing.

Borrowing offers several advantages over pay-as-you-go financing. Long-term borrowing spreads the payments out over a number of years, making the annual obligations easier to manage than planning for a large upfront cash reserve outlay. In addition, since the payments are spread over a longer period of time, the debt service burden is also more equitably distributed across the users that benefit from the improvements. These advantages must be weighed against the extra interest costs incurred through a debt issuance.

Scott should strongly consider hiring an independent financial advisor, registered with the Securities and Exchange Commission and Municipal Securities Rulemaking Board, to guide the Township through the debt issuance process and evaluate financing alternatives. A financial advisor can advise the municipality on different debt instruments, debt sizing, issuance methods (private vs. public, competitive vs. negotiated), interest rates, and other loan terms.

Initiative	STR04	Increase Revenue Through a Change in Trash Fee/Real Estate Tax Rate Mix			
Responsible Party	Township Manager/Township Commissioners				
Budgetary Impact	2025	2026	2027	2028	2029
	-	\$500,000	\$650,000	\$800,000	\$850,000
Target Completion	Fourth Quarter 2025				

Despite the significant increase in the Real Estate Tax millage rate in 2024, the Township faces budget deficits unless corrective action is implemented. As part of the deficit elimination strategy, the Township should consider implementing a Trash Fee. Once the Trash Fee is implemented, the Township should also consider offsetting reductions in the Real Estate Tax millage rate that result in net additional revenue to the General Fund that is sufficient to meet its priority needs.

All else equal, if the Township completely offsets the cost of Trash and Recycling service with a Trash Fee, the General Fund will realize significant new revenue and achieve surpluses. The Township should apply those surpluses based on its priority needs. The Township’s priority should be establishing a credible plan to build the General Fund's unrestricted cash reserve level to 15 percent of General Fund expenses within a two-to-three-year period.

Next, the Township should prioritize the needs identified in this report, including recommended staff additions, capital needs, and real estate tax millage rate reductions. The five-year plan recommends new revenue strategies, including a Trash Fee, Storm Sewer Fee, and dedicated Fire Millage to fund the ongoing cost of services. These new taxes and fees would be implemented not long after the Township imposed a significant real estate tax millage rate increase. The recommended taxes and fees will generate an operating surplus. Rather than applying the surpluses in full towards new spending, the Township should consider a combination of Real Estate Tax millage rate reductions and strengthening services/capital investment.

The table below shows the net revenue impact of implementing a Trash Fee that fully offsets the cost of service and a 1.5 mill real estate tax rate reduction. These net revenues would be sufficient to pursue all the recommendations in this plan.

	2025	2026	2027	2028	2029
Trash Fee	\$0	\$1,900,000	\$2,050,000	\$2,200,000	\$2,250,000
Real Estate Millage Reduction (1.5 mills)	\$0	(\$1,400,000)	(\$1,400,000)	(\$1,400,000)	(\$1,400,000)
Net Revenue Impact	\$0	\$500,000	\$650,000	\$800,000	\$850,000

As in the past, the Township Commissioners should thoroughly review the advantages and disadvantages of a Trash Fee versus higher Real Estate Tax rates, which are discussed in detail in Chapter Eleven. If the Township does not move forward with a Trash Fee, then it will need to consider another mix of Real Estate Tax millage increase, staff reductions, and/or deferring critical projects such as the police facility improvement.

Initiative	STR05	Consider Pursuing a Home Rule Charter and Seek STMP Phase 2 Funding to Support the Process			
Responsible Party	Township Commissioners				
Budgetary Impact	2025	2026	2027	2028	2029
	-	-	-	-	-
Target Completion	Fourth Quarter 2025				

Pennsylvania allows municipalities to determine the structure and authority of the local governments. Most first-class townships, like Scott, are governed by the First-Class Township code, which was enacted by the Pennsylvania General Assembly and defines the powers, structure, and limitations of township governments.

Pennsylvania municipalities have the option to adopt a “Home Rule” charter, which allows municipalities to act anywhere except where specifically prohibited by the state constitution, the General Assembly, or the charter itself.

There are several benefits to adopting a home rule charter, including increased flexibility to adjust the mix of taxes and tax rates. For instance, state law currently limits the Township’s earned income tax rate to 1 percent (combined municipal and school district portion). Since Scott residents already pay a 1 percent EIT, the Township is prohibited from increasing the rate, which limits the Township’s revenue-raising ability.

Because EIT burden is based on income level, EIT is generally considered more equitable than Real Estate Tax. Retirees, lower income individuals, and those living on a fixed income are likely to benefit from a transition to a higher EIT rate and a corresponding reduction in the real estate tax millage rate. In addition, EIT collections increase as incomes grow. Thus, unlike Real Estate Taxes, EIT revenue growth is not solely dependent on rate increases. With the EIT, the Township will benefit from increasing EIT collections over time without being forced to vote for a rate increase, which often meets resistance from the community.

Other Pennsylvania municipalities have recently adopted home rule charters and amended them to allow for earned income tax rates that exceed the level allowed by state law. As outlined in Chapter 2, several municipalities in Allegheny County, including Mt. Lebanon, O’Hara, and Penn Hills Townships, have adopted home rule charters and have resident EIT rates above the statutory maximum. These municipalities have found the resident EIT to be a more efficient revenue source than heavy reliance on real estate taxes.

In addition to the EIT, home rule charter communities are permitted to raise other tax rates above the statutory limit including the Realty Transfer tax. Other Allegheny home rule communities have Realty Transfer tax rates above 1 percent limit for non-home rule charter municipalities.

In addition to increased taxing authority, home rule charter municipalities have other benefits including choosing governing form and structure. Most home rule government study commissioners have recommended either the council-manager or strong-mayor forms of government, though there are potential forms. A home rule charter can also describe the size and method of election of the governing body. Most municipal governing bodies are made up of 5, 7, or 9 elected officials. In most municipalities, governing members are elected “at-large” though the charter can prescribe elections by district or a combination of at-large and district members.

Other structuring matters in the charter include how executives are elected or designated, requirements for appointed executives/administrators, the types of executives, auditing functions, appointed officers, required departments, term limits for elected officials, mandated boards/commissions, municipal authorities, personnel systems, among other considerations. A

home rule charter allows a community to design its government to fit its particular needs without all of the limitations of the municipal code.

Home rule charter communities also have more options regarding fiscal procedures charters including budgeting, capital programs, fiscal control, disbursal procedures, auditing, tax collection, purchasing, borrowing and investment. Scott's fiscal procedures and requirements are currently constrained by the municipal code. However, under home rule, the Township can outline its own requirements for public hearings, public inspection, and certain budget deadlines.

Twenty Allegheny municipalities have already adopted home rule charters, including five first-class townships. Most of these municipalities adopted charters in the 1970s, but one (Braddock Borough) adopted its home rule charter as recently as 2021. Outside of Allegheny County, five municipalities have adopted home rules charters since 2020, including Lancaster City on January 1, 2025.

The Township should form a committee to evaluate the costs, benefits, and requirements to adopt a home rule charter. Under home rule, the authority to act in municipal affairs is transferred from the state to Scott as outlined in a local charter adopted and amended by the voters. Home rule would allow the Township to structure its government and outline its authority and limitations based on its special needs. Local governments with home rule may act anywhere except where specifically limited by state law, whereas local governments without home rule may only act where specifically authorized by state law.

The home rule charter process, which is outlined in the Home Rule Charter and Optional Plans Law, is long and rigorous and requires careful consideration. The process includes electing a government study commission to study the existing form of government and whether or not to recommend a change. If the commission decides to recommend home rule, it drafts a charter that is presented to the voters for their consideration. Home rule charter adoption only results after the charter is approved by a majority in a voter referendum.

If the Township decides to pursue a home rule charter, it should seek an STMP Phase 2 grant to hire a third-party expert to advise on the process and guide Scott through implementation.

Revised General Fund Projections

Exhibit 14.2 presents the operating results adjusted for the anticipated budgetary implications of the recommendations outlined in this report and the policy recommendations included above. The following is a summary of the recommendations and hypothetical policy implications.

**Exhibit 13.2
General Fund Projections with Corrective Measures**

	2025 Projection	2026 Projection	2027 Projection	2028 Projection	2029 Projection
Baseline Revenues	\$14,278,000	\$14,384,000	\$14,528,000	\$14,675,000	\$14,826,000
Baseline Expenses and Transfers	\$15,044,000	\$15,053,000	\$15,525,000	\$16,044,000	\$16,484,000
Baseline Surplus (Deficit)	(\$766,000)	(\$669,000)	(\$997,000)	(\$1,369,000)	(\$1,658,000)
Initiatives	(\$67,500)	\$1,408,000	\$1,504,500	\$1,726,000	\$1,824,000
Revised Surplus (Deficit)	(\$833,500)	\$739,000	\$507,500	\$357,000	\$166,000
Starting Fund Balance	\$1,662,000	\$828,500	\$1,567,500	\$2,075,000	\$2,432,000
Ending Fund Balance	\$828,500	\$1,567,500	\$2,075,000	\$2,432,000	\$2,598,000
Fund Balance Target (15%)	\$2,256,600	\$2,257,950	\$2,328,750	\$2,406,600	\$2,472,600
Difference	(\$1,428,100)	(\$690,450)	(\$253,750)	\$25,400	\$125,400

Per the recommendation in this plan, the Township should maintain a **General Fund balance equal to at least 15 percent** of operating expenses, which ranges between \$2 million to \$2.5 million over the projection period.

Scott Township Commissioners should review and discuss these projections and their assumptions before final implementation. One of the purposes of this model and its underlying principles is to set fiscal parameters for the Township. Scott’s elected officials may choose a different combination of tax rate/fee level changes, staff level adjustments, and pace of implementation of recommendations that fit within the established parameters.

The Township’s performance compared to the Plan must be revisited annually as part of the budget process. If the recommended incremental revenue or expense reductions do not materialize, Scott Township must identify additional corrective action or consider other adjustments to tax rates or fee levels. Similarly, if the General Fund outperforms the projections, the Township may slow the pace of rate increases or accelerate new projects.



Summary of Recommendations

Initiative		Responsible Party	Budgetary Impact					Target Completion
			2025	2026	2027	2028	2029	
WF01	Implement a Multi-Faceted Workforce Strategy to Achieve Overall Workforce Spending Targets	Township Manager	-	\$250,000	\$250,000	\$275,000	\$300,000	Ongoing
WF02	Control Key Workforce Expenses	Township Manager	-	-	-	-	-	Ongoing
WF02a	Control Wage/Overtime Costs	Township Manager	-	-	-	-	-	Ongoing
WF03b	Control Healthcare Costs	Township Manager	-	-	-	-	-	Ongoing
WF03c	Control Pension Costs	Township Manager	-	-	-	-	-	Ongoing
WF03d	Control Other Employee Benefits Costs	Township Manager	-	-	-	-	-	Ongoing
WF04	Enhance Collective Bargaining Negotiation Approach	Township Manager	-	-	-	-	-	Ongoing
ADM01	Hire an Assistant Township Manager	Township Commissioners	-	(\$125,000)	(\$130,000)	(\$135,000)	(\$145,000)	First Quarter 2026
ADM02	Conduct Regular Employee Evaluations	Township Manager	-	-	-	-	-	Fourth Quarter 2025, Ongoing
ADM03	Engage Labor Counsel for Union Contract Negotiations	Township Manager	(\$20,000)	-	-	-	-	Ongoing
ADM04	Include Finance Director in Planning for Union Contract Negotiations	Township Manager	-	-	-	-	-	Ongoing



Initiative		Responsible Party	Budgetary Impact					Target Completion
			2025	2026	2027	2028	2029	
ADM05	Pursue STMP Phase 2 Funding to Develop a Records Management Policy and Implement a Program	Township Manager	(\$12,500)	(\$5,000)	(\$5,000)	(\$5,000)	(\$5,000)	Fourth Quarter 2025
ADM06	Seek STMP Phase 2 Funding to Develop a Financial Policies and Procedures Manual	Third-Party Consultant	(\$5,000)	-	-	-	-	Fourth Quarter 2025
ADM07	Enhance Internal Financial Reporting	Finance Director	-	-	-	-	-	Third Quarter 2025
ADM08	Include Additional Workforce Expenses Information in Annual Budget	Finance Director	-	-	-	-	-	Fourth Quarter 2025, Ongoing
PW01	Seek STMP Phase 2 Funding to Develop a Multi-Year Capital Improvement Plan	Finance Director/Director of Public Services	(\$15,000)	-	-	-	-	Fourth Quarter 2025
PW02	Separate the Accounting of Storm Sewer Management Related Activities from the Capital Improvement Fund	Finance Director	-	-	-	-	-	First Quarter 2026
PW03	Assess the Impact of Implementing a Stormwater Fee	Township Manager/Director of Public Services/Stormwater Task Force	-	-	-	-	-	Second Quarter 2026
PW04	Consider Developing Formal Performance Measures	Director of Public Services	-	-	-	-	-	First Quarter 2026
REC01	Formalize a Maintenance Program	Director of Public Services	-	-	-	-	-	Fourth Quarter 2025



Initiative		Responsible Party	Budgetary Impact					Target Completion
			2025	2026	2027	2028	2029	
REC02	Utilize Grant Funding to Support Park System	Finance Director/ Assistant Manager	-	-	\$25,000	\$50,000	\$50,000	Fourth Quarter 2025
REC03	Continue Annual Pool Related Fee Increases That Match Rate of Operating Expense Increases	Finance Director/ Assistant Manager	-	\$5,000	\$7,500	\$10,000	\$15,000	Ongoing
REC04	Track Annual Pool Visits	Finance Director/ Assistant Manager	-	-	-	-	-	Summer of 2025
REC05	Seek Sponsorships for Recreational Programs	Finance Director/ Assistant Manager	-	-	\$5,000	\$10,000	\$20,000	Ongoing
PD01	Upgrade Agency Physical Plant	Police Chief/ Township Manager	TBD	TBD	TBD	TBD	TBD	TBD
PD02	Create a Police Foundation	Police Chief	-	-	-	-	-	First Quarter 2026
PD03	Enhance Social Media Presence	Police Chief	-	-	-	-	-	First Quarter 2026
PD04	Establish a Vehicle Replacement Program	Police Chief	-	-	-	-	-	First Quarter 2026
PD05	Create a Detective Sergeant Position to Oversee the Detective Function	Police Chief	-	-	(\$140,000)	(\$145,000)	(\$155,000)	2027
PD06	Create a Records Clerk Position	Police Chief	-	-	(\$26,000)	(\$27,000)	(\$29,000)	2027
PD07	Create a Co-Responder Position	Police Chief	-	-	-	-	-	2027
FD01	Implement a Dedicated Fire Tax Millage and Establish a Fire Service Fund	Township Commissioners	-	\$20,000	\$40,000	\$60,000	\$85,000	Budget Year 2026
FD02	Develop a Comprehensive Fire Service Infrastructure and Resource Plan	Township Commissioners	-	-	-	-	-	Budget Year 2026



Initiative		Responsible Party	Budgetary Impact					Target Completion
			2025	2026	2027	2028	2029	
FD03	Enhance Volunteer Recruitment and Retention in the Township	Township Manager/Fire Chief	-	(\$2,000)	(\$2,000)	(\$2,000)	(\$2,000)	2026, Ongoing
CD01	Succession Planning and Staff Training	Codes Director / Township Manager	-	-	-	-	-	Ongoing
CD02	Create an Inventory List of Housing Improvement Programs	Codes Director	-	-	-	-	-	Ongoing
CD03	Incorporate Fleet Needs into Township-Wide Capital Improvement Plan	Codes Director/Finance Director	-	-	-	-	-	Ongoing
CD04	Develop Performance Measures for Code Enforcement	Codes Director	-	-	-	-	-	Fourth Quarter 2025
CD05	Continue to Regularly Update Ordinances	Township Manager	-	-	-	-	-	Ongoing
CD06	Incorporate a Blight Remediation Strategy in Code Enforcement Activities	Codes Director	-	-	-	-	-	Fourth Quarter 2025
TRSH01	Reconsider a Trash Fee	Township Manager/Commissioners	-	\$1,900,000*	\$2,050,000*	\$2,200,000*	\$2,250,000*	2026 Budget Process, Ongoing
TRSH02	Establish a Trash Fund	Township Manager/Commissioners	-	-	-	-	-	2026 Budget Process
SWR01	Assess the Benefits and Feasibility of Transferring Additional Sewer Assets to ALCOSAN	Township Commissioners	-	-	-	-	-	Fourth Quarter 2025
SWR02	Establish a Fund Balance Policy for the Sewer Fund	Township Manager/Finance Director/Commissioners	-	-	-	-	-	Fourth Quarter 2025, Ongoing



Initiative		Responsible Party	Budgetary Impact					Target Completion
			2025	2026	2027	2028	2029	
SWR03	Incorporate Sewer Needs into the Multi-Year Capital Improvement Plan	Finance Director	-	-	-	-	-	Fourth Quarter 2025
SWR04	Continue to Increase Sewer Fees to Match the Cost of Service	Township Manager/Commissioners	-	-	-	-	-	Ongoing
STR01	Establish Fund Balance Policy for the General Fund	Township Manager/Finance Director/ Township Commissioners	-	-	-	-	-	Fourth Quarter 2025
STR02	Assess the Impact of Implementing a Stormwater Fee	Township Manager/Stormwater Task Force	-	\$65,000	\$130,000	\$135,000	\$140,000	Second Quarter 2026
STR03	Seek STMP Phase 2 Funding to Develop a Multi-Year Capital Improvement Plan	Finance Director	(\$15,000)	-	-	-	-	Fourth Quarter 2025
STR03-A	Establish Capital Improvement Priorities	Capital Committee	-	-	-	-	-	Fourth Quarter 2025
STR03-B	Reassess the CIP Funding Strategy and Reduce the General Fund Transfer to Capital Projects Fund	Township Manager/Commissioners	-	\$700,000	\$700,000	\$700,000	\$700,000	Ongoing
STR03-C	Consider Long-Term Debt Strategy to Finance Large Capital or General Improvement Projects	Township Manager/Commissioners	-	-	-	-	-	Fourth Quarter, 2025, Ongoing
STR04	Increase Revenue Through a Change in Trash Fee/Real Estate Tax Rate Mix	Township Manager/Commissioners	-	\$500,000	\$650,000	\$800,000	\$850,000	Fourth Quarter 2025



Initiative		Responsible Party	Budgetary Impact					Target Completion
			2025	2026	2027	2028	2029	
STR05	Consider Pursuing a Home Rule Charter and Seek STMP Phase 2 Funding to Support the Process	Township Commissioners	-	-	-	-	-	Fourth Quarter 2025
Net Impact			(\$67,500)	\$1,408,000	\$1,504,500	\$1,726,000	\$1,824,000	

* Budgetary implications of the Trash Fee (TRSH01) reflect a fee level adequate to offset the cost of providing service. For the purposes of this five-year plan, these amounts are not included in the “Net Impact” totals in the chart above. Rather, the net implication of a Trash Fee is reflected in STR04, which accounts for net additional revenue from a change in the Trash Fee/Real Estate Tax millage mix.



Appendix A

STMP Implementation Phase Recommendations

This report identified several areas that warrant strong consideration for STMP implementation phase grant support. Though the recommendations are listed individually, several are linked and may be implemented simultaneously under the same grant project. The financial implications included in the table below are preliminary estimates and reflect the Township’s portion under a 50 percent grant match scenario. The Township should refine the project budget and include any necessary adjustments upon grant application submission.

Initiative		Responsible Party	Budgetary Impact					Target Completion
			2025	2026	2027	2028	2029	
ADM05	Pursue STMP Phase 2 Funding to Develop a Records Management Policy and Implementation Program	Township Manager	(\$12,500)	(\$5,000)	(\$5,000)	(\$5,000)	(\$5,000)	Fourth Quarter 2025
ADM06	Seek STMP Phase 2 Funding to Develop a Financial Policies and Procedures Manual	Third-Party Consultant	(\$5,000)	-	-	-	-	Third Quarter 2025
PW01/ STR03	Seek STMP Phase 2 Funding to Develop a Multi-Year Capital Improvement	Finance Director	(\$15,000)	-	-	-	-	Fourth Quarter 2025
STR05	Consider Pursuing a Home Rule Charter and Seek STMP Phase 2 Funding to Support the Process	Township Commissioners	-	-	-	-	-	Fourth Quarter 2025

Appendix B

Community Survey

Overview

As part of its multi-year financial planning process, Scott Township launched a community survey to assess public perception of Township services, infrastructure, public safety, and fiscal priorities. The goal of the survey was to identify the needs and preferences of residents and provide guidance for elected officials and staff in the development of strategic and financial plans.

The survey was conducted through the SurveyMonkey platform and advertised on the Township's website, social media, and through community networks. The survey was open during early 2025 and received a total of 345 responses, including 9 non-residents. Most questions had between 280 and 345 responses.

Respondent Profile

The community survey received 345 total responses. Of those, 336 were from Township residents. The majority of respondents—nearly 80 percent—have lived in the Township for more than 10 years. Homeownership is high among survey participants, with approximately 96 percent identifying as homeowners and only 3 percent identifying as renters.

Responses were received from each of the Township's nine voting wards. Ward 2 (Lindsay Road area) had the highest number of responses at 52, followed by Ward 4 (Somerville/Sillview area) with 44. Other wards had between 17 and 44 responses each.

Survey respondents were generally well-educated. Nearly 60 percent reported holding a bachelor's degree or higher, with an additional 27 percent having some college, vocational, or associate's-level education. Only 12 percent reported high school or equivalent as their highest level of education.

In terms of household income, more than 85 percent of respondents reported earning \$50,000 or more annually, with over 60 percent reporting income above \$100,000. Only a small share—less than 1 percent—reported household income under \$15,000.

Township Service Opinion

Respondents provided feedback on a range of Township services. Overall, public safety services including Police and Fire were viewed positively. More than 70 percent of respondents rated Police services as Good or Excellent. Fire services received particularly high marks, with over 80 percent rating them positively. However, feedback on the level of police presence was mixed, with about 15 percent rating presence as Poor.

Trash and recycling, along with snow removal, were also viewed favorably. However, road maintenance was rated relatively poorly and identified as the most important area for

improvement. Parks, recreation facilities, and community programming received positive feedback, while zoning and property maintenance enforcement received lower marks.

Township communication was rated as Fair or Good by approximately three-quarters of respondents, indicating room for improvement.

Improvement Priority

Residents identified Streets and Highway Maintenance as the top priority for improvement, followed by Police Service and Public Safety. To a lesser extent, respondents also pointed to improved Local Business Options and Communication with Residents as areas needing attention. Fewer residents felt that Community Events and Programs required change.

Fiscal Condition

When asked about the fiscal condition of the Township, responses were mixed. A majority rated the condition as Average, while the remaining responses were evenly split between Above Average and Below Average. Approximately 20 percent of respondents indicated they were unsure.

Overall Township

Survey respondents were largely optimistic about the direction of Scott Township. Over half of all responses characterized the Township's trajectory as Progressing, with about 36 percent describing it as Stagnant. Fewer than 10 percent of participants viewed the Township's direction as Declining.