

Board of Supervisors Special Budget Work Session held Monday December 1, 2008

The Board of Supervisors conducted a special budget work session on Monday December 1, 2008 commencing at 9:00 a.m. Chairwoman Ms. Silvernail called the meeting to order, present were Supervisors Ms. Horan, and Mr. Hensel, Joe Drozd Township CPA and members of the community.

Ms. Silvernail stated that the purpose of the meeting is to continue the 2009 budget discussions.

Mr. Drozd stated the following items were amended from last budget work session meeting:

- Increase in park rental fees
- Decrease in the highway department from \$190,000 to \$81,000
- Health Insurance increase from \$18,100 to \$22,000
- Life Insurance decrease from \$1,000 to \$700
- Police department \$10,000 grant award for video cameras will not be received until 2009

Mr. Drozd stated that the Board could consider a decrease in health insurance by moving up to the next level of deductibles. Mr. Hensel questioned since the Board is currently in negotiations with the police union and agreed to keep coverage the same; they should call the lawyer to make sure a change could be made. Ms. Silvernail stated that the savings would not be that much and maybe not worth rocking the boat to make any changes at this point. The Board agreed to call Mr. Morris and question if a change can be made, if not keep the coverage with the same deductibles this year and look at it again next year.

Mr. Drozd did some research on the 4 day work week and calculated that a savings in electric would be approximately \$500.00 a year.

Ms. Silvernail asked Mr. Turner if he did research on the new vehicle. Mr. Turner stated he contacted several dealerships that give quotes under the state contract and the 2009 F550 gasoline engine is not available until September 2009, The 2009 that is available and on the lot now could be ready in 4 weeks. The cost for the diesel is \$66,000 and \$58,000 for the gasoline model. The Board discussed the gasoline engine verses the diesel and found the diesel is better on fuel and a stronger truck. Mr. Drozd stated that the truck will be purchased with liquid fuels money, currently the budget allows for \$58,000; Mr. Drozd said he can add \$8,000 from the capital reserve which would not affect the general fund balance. Mr. Hensel said with the economy bad right now, the Township may get a better price if they put the truck out to bid. The Board stated that they will put this item on the January agenda for discussion.

Mr. MacCombie stated that he has prepared calculations for the 2009 sanitary sewer budget for the Boards discussions. Mr. MacCombie said his calculations will increase the flat rate from \$60.00 to \$90.00 a year and to raise the usage rate from \$6.00 to \$8.00.

Mr. MacCombie stated that these calculations represent a 35.34% increase. Pennsylvania American Water Company's increase for 2009 is 77%. Mr. MacCombie also suggested that all Act 537 costs be charged to the Conditional Use process, this would save the budget.

Mr. MacCombie completed a cost analysis for phase 4, the calculations for the annual debt service for 15 years is \$20,151.00 for a loan from Delaware Regional Finance Authority. The Township would place an application for \$550,000 for Phase 4 consisting of 46 EDU's with 25 being industrial development with total tapping fees being \$116,286. The Board asked Mr. Drozd if the Township borrowed the money is the budget healthy enough to pay it back? Mr. Drozd answered the Township would have to raise the rates and be willing to use the reserve if need be. Mr. Hensel said he is agreeable for the loan for the Township to move forward with the commitment they made years ago. Ms. Horan stated she has no problems with it as long as the Township can pay it back, but worries that the Township will take a loan to pay back money that they have no control of. Mr. Hensel stated that the Township may get good construction proposals with the economy the way it is right now. Mr. MacCombie stated that if the bids come in and the Board doesn't like the prices the project can be held off for a year. The Board discussed in length on whether or not to move forward with the project and apply for the loan, Mr. MacCombie said that the Township can apply and get approved, but can back out if they are not comfortable in moving forward. Mr. MacCombie also said the Township can apply for grant money. The Board agreed to move forward and apply for the loan.

Ms. Horan asked how the residents will know about the rate increase. An idea is to send a memo with the fourth quarter billing informing them of the changes.

Ms. Silvernail made a motion, seconded by Ms. Horan, to authorize the advertisement to have the 2009 budget available for public view for the next 30 days and to advertise the close of the 2008 books and adoption of the budget to be scheduled on December 31, 2008 at 9 am. With there being no questions from the public, the Board voting "aye", the motion passed unanimously.

With there being no further business Ms. Silvernail motioned to adjourn the budget work session, seconded by Ms. Horan, with there being no questions from the public, the Board voting "aye", the motion passed unanimously.

Respectfully Submitted,

Lisa Myers
Secretary/Treasurer

