

Board of Supervisors' Special Budget Work Session – Tuesday, July 22, 2014

A special budget work session of the Board of Supervisors was conducted on Tuesday, July 22, 2014 commencing at 9:35 AM. After calling the meeting to order, Chairwoman, Ms. Silvernail, announced that the Board met in executive session at 9:00 AM to discuss personnel matters. Present were Supervisor Mr. Taylor and Mr. Greenfield, and the Township's accountant, Mr. Drozd.

The moment of silence and Pledge of Allegiance were waived.

Ms. Silvernail turned the meeting over to Mr. Drozd who stated that the purpose of this work session is to see where the Township stands year-to-date versus the approved budget and to discuss outstanding projects.

Mr. Drozd then highlighted several budgetary items from the Township's General Fund:

- Revenue is up in a number of areas including Act 511, LST, EIT, Real Estate Transfer taxes, and Per Capita taxes.
- Liquid Fuels monies were \$10K more than expected.
- Permit process appears slow; revenue in this area not as much as had been anticipated.
- Miscellaneous revenue is up slightly while trash collection is slightly lower.
- The Police Department has received \$5,300 in additional contribution year-to-date.
- Legal fees are down for the year with liens helping to offset costs
- Payroll is lower in the Administrative area, but Building expenses were higher due to costs associated with the generator, cameras, and lights.
- As would be expected, Road Department costs associated with snow removal and plowing are higher; an additional \$11,700 in expenses in the Road Department budget are associated with higher fuel costs, additional equipment purchased for the backhoe, and new phones.
- The problems with the water line and the bathrooms at Bert Reel Park resulted in an overage in the budget as these items had not been budgeted for.

Discussion turned to pending Capital Projects that were budgeted for 2014. Mr. Drozd stated that the final payment to Cody for the Police Department's information management system and the Road Department's purchase of a new backhoe were among the items for 2014.

In the budget for 2014, \$5K had been budgeted for sealcoating and re-striping of the Municipal Building and Bert Reel parking lots. The Board discussed that professional sealcoating will last about three (3) years and will preserve the integrity of the lots. The Road Department procured a quote from Lancaster Asphalt Systems, Inc. of Lititz for sealcoating and pavement marking in the amount of \$2,809.00 for the Township's Municipal Building and \$3,193.00 for the parking lot at Bert Reel Park.

Ms. Silvernail made a motion, seconded by Mr. Taylor, to accept the quote from Lancaster Asphalt Systems, Inc. With there being no questions from the public, the Board voting "aye", the motion passed unanimously.

The Board then discussed other items included in the Capital Projects budget – a non-color copier, new workstation surge protectors, building surge protector, code recodification, and road work. \$25K had

been budgeted as a contingency for any emergency road work. Per Mr. Simmons, there are a couple of areas that may require attention next year, but nothing this year at this point.

Mr. Drozd stated that during an audit by H.A. Thomson last year, there were a few items that required the Township's attention including relocation of swings, bumper tires at the seesaw, etc. \$20K had been budgeted to address the items in the report and after the water line issue there was \$18K remaining.

Mr. Simmons stated that the basketball court is severely cracked and presents a tripping hazard and that the track needs to be rehabbed. Ms. Silvernail stated that both items could be kept in mind for next year's budget. Mr. Drozd suggested that, at the very least, quotes should be obtained for budgeting purposes and the Board discussed having Lancaster Asphalt Systems, Inc. provide quotes for both the basketball court and the track at Bert Reel Park. The Board also discussed removing the swings at Sadsbury Park/1st Avenue instead of continuing to maintain them in view of the fact that they are rarely used.

Mr. Drozd inquired about the GIS mapping subscription service and related costs. Ms. Silvernail advised that she would inquire with Mr. MacCombie, the Township's Engineer.

The Sadsbury Village Enhancement project status was discussed by Mr. Drozd and the Board. Mr. Drozd was informed that per Mr. MacCombie, it is anticipated for the project to go out to bid in Q4 of 2014.

Mr. Drozd asked that all departments review the 5-Year Capital Plan by early September and get back to him with any changes, edits, revisions, etc. Each department's list should be updated based on best available information prior to the next work session.

Mr. Drozd moved on to the Sewer Fund. Revenue at June 30, 2014 is down again this year and has been declining steadily over the last few years. Expenses have been met, but in addition to the current lien and citation processes, the Board needs to discuss the new/additional tool of a shut-off policy. Ms. Silvernail stated that the Board needs to decide whether the shut-off will be 30, 60, or 90 days. Mr. McClintock, from Lamb, McErlane, is to be setting up a call with Pennsylvania American Water so that details for service termination and reinstatement can be discussed.

The expansion of the pump station and the flow meter/pit at Stottsville will need to be discussed with Mr. MacCombie.

The Board then discussed the generator service options provided by Modern Group and presented by Mr. Simmons. There are several options for major and minor services for both the generator at the Township Municipal Building and at the Stottsville pump station. The current agreement that is in place is up for renewal. Based on the options and the recommendations from Modern, Mr. Simmons asked the Board to consider the plan that includes two (2) major services at the pump station and one (1) major service for the Township building and five (5) total minor services at a cost of \$2,590.00.

Ms. Silvernail made a motion, seconded by Mr. Greenfield, to accept the renewal quote from Modern Group for a total of three (3) major and five (5) minor services for both generators. With there being no questions from the public, the Board voting "aye", the motion passed unanimously.

Mr. Drozd inquired if the Board still anticipated making the \$20K annual contribution to Sadsburyville Fire Company that is typically paid-out in the month of September. Ms. Silvernail stated that Keystone Valley is looking for additional territory – an issue discussed at their last meeting. She went on to explain that a territory expansion could mean institution of a fire tax. Mr. Greenfield stated that it was his opinion to leave the contribution as is for now and the issue could be revisited should Sadsburyville decide to or not to merge with Keystone. He also asked how much a fire tax would be and Ms. Silvernail advised that it would be a ½ mil. After some additional discussion, the Board agreed to the funds distribution in the month of September.

The Board discussed Resolution #2014-10 for the DCED Sewage Facilities Grant Application. The resolution is a required part of the application process and the grant could allow the Township to recoup some of the engineering costs associated with the Act 537 Plan.

Ms. Silvernail made a motion, seconded by Mr. Greenfield, to execute/approve Resolution #2014-10 for the grant application. With there being no questions from the public, the Board voting “aye”, the motion passed unanimously.

The discussion then turned to the issue of payment plans offered to Township residents with delinquent/past due accounts. Historically, payment plans have been open-ended and in some cases the delinquencies are never brought current because of low monthly payment amounts and the length of time payments are made. The Board discussed several options and how payment plans are handled by Lamb, McErlane once liens are filed. It was agreed that there should be a finite timeframe in which residents need to become current. The new policy should be a three (3) month plan requiring 50% of the debt at the inception of the payment plan and then 25% in the second month and 25% in the third/final month. Should anyone want to make other arrangements, they will need to discuss with the Board – Administrative staff will not be in a position to make any adjustments to the new policy without approval from the Board of Supervisors.

Ms. Silvernail asked everyone to check their calendars so that a date for the next budget work session could be scheduled and advertised. It was determined that the next meeting will be on Tuesday, September 23, 2014 at 9:00 AM.

Sergeant Imhoff asked Mr. Drozd how far under budget the Police Department was year-to-date. Mr. Drozd responded that they are under budget by \$38,000. Sergeant Imhoff then inquired about moving from a monthly payroll to a bi-weekly payroll. Mr. Drozd stated that changes to the payroll cycle would result in additional work for Township staff and that there would also be issues to consider including payment of payroll taxes and other liabilities. The Board advised that they would discuss it further and consider moving in that direction.

Sergeant Imhoff stated that another issue he had was fueling the police vehicles at Zeke's. There have been two recent occasions when the pumps at Zeke's were out of service. He said that they can no longer rely on the pumps being functional and wanted the Board to consider a fleet card program under COSTARS. Mr. Drozd asked if the program would provide the requisite information for liquid fuels reporting? It was determined that Mr. Drozd would review the application and the reporting/exemption details to make sure that the Township would be able to meet all of the requirements of the liquid fuels

program. The Board agreed that if Mr. Drozd was satisfied with the program after his review, the application process could begin.

Chief Ranck then advised the Board that the Police Department wants to hire another full-time police officer and that they want to participate in the PMRS plan. Sergeant Imhoff stated that they want to explore the option as the Board had asked them to wait until mid-2014 to revisit the issue.

Mr. Drozd stated that during the first two (2) years of the PMRS program there is no state money and the unfunded liability could cost as much as \$50,000 per year.

Ms. Silvernail stated that kind of liability would require a 2-3 mil tax increase. Taxes were raised last year to increase the Police Department's budget and they have made a great deal of progress over the last couple of years. Mr. Drozd said that he would look at the numbers from last year's actuarial reports and would review with the Board at the next budget meeting.

With there being no residents in attendance, there were no comments from the public. Ms. Silvernail made a motion, seconded by Mr. Greenfield, to adjourn the meeting.

Respectfully Submitted,

Courtney Sarbaum
Assistant Secretary