

Board of Supervisors Special Budget Work Session Monday, December 31, 2012

A special budget work session of the Board of Supervisors was conducted on Monday, December 31, 2012 commencing at 9:00 a.m. Chairwoman, Mrs. Silvernail called the meeting to order. Present were Supervisors Mr. Greenfield and Ms. Horan, Township Auditor, Mr. Drozd, and members of the community.

The moment of silence and pledge of allegiance were waived.

Ms. Silvernail announced the Board of Supervisors met in Executive Session on December 19, 2012 at 9:00 a.m. and on December 27, 2012 at 1:00 p.m. to discuss personnel matters.

Payment of Bills:

Ms. Silvernail made a motion, seconded by Ms. Horan, to pay the December invoices in the amount of \$85,618.10. With there being no questions from the public, the Board voting "aye", the motion passed unanimously.

Ms. Silvernail made a motion, seconded by Ms. Horan, to pay the December Sanitary Sewer invoices in the amount of \$34,042.48. With there being no questions from the public, the Board voting "aye", the motion passed unanimously.

General Fund:

Mr. Drozd stated that the property transfer taxes for 2012 brought in more revenue than budgeted for and expenditures in the general fund were less than budgeted for. Mr. Drozd stated that in order for the budget to be equal to the expenditures, transfers will have to be made within the General Fund. Mr. Drozd asked the Board to approve transfers of \$500.00 from General /government-General, \$13,000.00 from General/government-Financial, \$32,000.00 from General/government Engineering, \$16,000.00 from Public safety Police, and \$18,000.00 from Public safety Code, for a total transfer of \$79,500.00.

Ms. Silvernail made a motion, seconded by Mr. Greenfield, to transfer \$79,500.00 within the General Fund for \$500.00 from General/government-General, \$13,000.00 from General/government-Financial, \$32,000 from General/government Engineering, \$16,000.00 from Public safety Police and \$18,000.00 from Public safety Code per Mr. Drozd's recommendation. With there being no questions from the public, the Board voting "aye", the motion passed unanimously.

Ms. Silvernail made a motion, seconded by Ms. Horan, to make a budget transfer from 430 (Liquid Fuels) of \$55,908.98 to the General Fund per Mr. Drozd's recommendation. With there being no questions from the public, the Board voting "aye", the motion passed unanimously.

Ms. Silvernail made a motion, seconded by Ms. Horan, to make a budget transfer from 410.22 (Public Safety/Capital Purchases) of \$4,712.42 to the General Fund to reimburse expenses per Mr. Drozd's recommendation. With there being no questions from the public, the Board voting "aye", the motion passed unanimously.

Ms. Silvernail made a motion, seconded by Mr. Greenfield, to make a budget transfer from the Sewer Fund to the General Fund of \$20,074.45 to reimburse expenses per Mr. Drozd's recommendation. With there being no questions from the public, the Board voting "aye", the motion passed unanimously.

Mr. Drozd stated that because of some budget changes with revenue and expenses, he recommends the millage for the tax rate increase should be .75 mills. Mr. Drozd stated that more collections of money coming into the Township had an effect on the proposed millage increase of .90. The tax increase is targeted for the police department's increased hours and increased coverage time, which is not yet at 24/7 but close. It also included a full-time Chief of Police.

Mr. Richard Felice of Quarry Ridge stated he believes it is feasible that there will be another tax increase in the year 2014. Mr. Felice stated he respects the police and what they do. Mr. Felice stated he calculated data from all the police reports done at the meeting by the past chief and could not find that crime in the Township increased. Mr. Felice stated his graphs indicated no change in activity. Mr. Felice stated he wants to make the point that he respects law enforcement officers, but on the standpoint of being on a fixed income, he is afraid taxes will double or triple because the Township could be opening the door for things that will happen; because growth in the Police Department would include pensions and that would put Sadsbury Township in line with bigger Townships.

Ms. Silvernail stated that the police department is union and does not have a pension plan, but contributes to an IRA plan. The Township matches their contribution up to 3%. This 3% match is set by the Federal Government and cannot be changed by the Township. Ms. Silvernail also stated that there is a House Bill 1500 proposed in the past few years that would allow the state to charge a per capita tax for State Police coverage if a Municipality either does not have a police department or has a part-time department. Ms. Silvernail stated that this is the first time in 8 years that Sadsbury Township has raised taxes and it was not done on a whim. All the Supervisors reside in Sadsbury Township and look at budget items carefully and do not make decisions lightly.

Mr. Felice stated he was told the reason for the increase was because crime was running out of control in Sadsbury Township.

Ms. Horan stated that there is a lot of work and time to investigate when a crime is committed and also now that the District Court has been changed to Honey Brook; it will take more time in transit. Chief Ranck is in the office more and there is a need to have police out in the public. Ms. Horan stated the Board is well aware of pensions being a

burden. Mr. Felice asked if there is a law for the amount of police officers hired to have a mandatory pension plan in place? Ms. Silvernail stated the Board knows about laws for pensions.

Ms. Horan asked Mr. Drozd the amount of revenue increase the tax rate of .75 mills will bring to the Township. Mr. Drozd stated the increase will be \$110,000.00 for police payroll.

Mr. Felice asked if the Board could table the adoption of the budget until the January Board of Supervisors meeting so it could be discussed more at that time.

Ms. Silvernail stated the Board started the budget procedure in July and has been holding budget meetings since then. The meetings have all been advertised and open to the public. There has been no one in the audience for any of the budget meetings. Ms. Horan stated the law dictates that the budget is adopted by the end of the year.

Chief Ranck stated that he did not give the monthly reports at the past meetings. There is more data on incidents that was not included in past reports.

Sewer Fund:

Mr. Drozd stated that due to a 19% increase by Pennsylvania American in 2013, there will be a higher cost involved for treatment of Sadsbury Township sewer in Pennsylvania American's treatment plant. Mr. Drozd recommends keeping the flat rate at \$360.00 per year and raising the usage rate from \$9.50 per 1,000 gallons of usage to \$12.00 per 1,000 gallons of usage.

Ms. Silvernail stated that Pennsylvania American expanded their treatment plant in Coatesville because they were scrambling for more capacity. The housing market tanked but their Bond still has to be paid. The PUC approved a large rate increase for all bulk users and customers. The Board of Supervisors joined other bulk user municipalities and fought the rate increase. The impact was minimized by getting the rate increase in phases.

Ms. Silvernail made a motion, seconded by Mr. Greenfield, to adopt the 2013 General Fund Budget. With there being no questions from the public, the Board voting "aye", the motion passed unanimously.

Ms. Silvernail made a motion, seconded by Ms. Horan, to adopt the 2013 Sanitary Sewer Budget. With there being no questions from the public, the Board voting "aye", the motion passed unanimously.

Ms. Silvernail made a motion, seconded by Mr. Greenfield, to close the books for the year 2012. With there being no questions from the public, the Board voting "aye", the motion passed unanimously.

Public Comment:

Mr. Brown from Quarry Ridge asked what the impact of the tax increase will have on homeowners.

Ms. Silvernail stated that a mill represents 1 dollar per \$1,000 of assessed real estate value. With a millage rate of .75 a home with an assessed value of \$100,000 would be taxed \$75.00 per year.

Mr. Brown stated he was under the impression it was a much higher tax increase.

Chief Ranck thanked the Board of Supervisors for hiring a full time Chief for the Township. He stated that Sadsbury Township was the only township in Chester County to have a part-time Chief.

Mr. Felice asked when to expect sewer bills from the Township. Courtney Sarbaum stated the bills will come out in January. Mr. Drozd stated that since Pennsylvania American billed for October, the January billing from the Township will be for November and December; not a full quarter.

Robert Silvernail thanked Mr. Felice for coming to the Budget meeting and commended him on doing all the work he did with the data from the police reports from past meetings, and showing an interest in the process. Mr. Silvernail stated he cannot remember anyone coming to the meetings in the past.

With there being no further business, Ms. Silvernail made a motion, seconded by Mr. Greenfield to adjourn the Budget Meeting. With there being no questions from the public, the motion passed unanimously.

Respectfully Submitted,

Linda Shank
Assistant Secretary

