

BOARD OF SUPERVISORS BUDGET HEARING December 10, 2012

Minutes of the Pequea Township Board of Supervisors budget hearing held December 10, 2012 at 7:00 p.m. at the Pequea Township Municipal Building, 1028 Millwood Road, Willow Street, PA 17584.

Present at the meeting were:

Board of Supervisors
Jay Reynolds, Chairman
Bill Schall, Vice-Chairman
Harry Lehman, Supervisor

Others present:

Robert Porterfield, Twp. Treasurer/Admin Asst.
Elaine Jones
June Reynolds
Cynthia Evans-Herr
Jackie Johns
Lucille Gillichbauer
Matt Mylin, Snyder & Mylin Excavating

ANNOUNCEMENTS:

- Public Meetings may be both audio and video recorded.
- The purpose of the special meeting held today is for a budget hearing. In addition, other business items needing consideration, discussion and/or official action will be addressed.
- The Pequea Township Supervisors held three workshops on November 1, 7, and 12, 2012 to arrive at the proposed budget for 2013.
- Notice has been properly advertised and a copy of the proposed 2013 Pequea Township Budget was made available at the Township office.

CHANGES TO 2013 PROPOSED BUDGET:

1. Amend the 2013 Pequea Township proposed General Fund Budget – Supervisor Reynolds moved to amend the Pequea Township 2013 General Fund Budget income account number 354.120 titled Emergency Disaster Relief from \$37,069.84 to zero. Supervisor Lehman seconded the motion. All voted in favor, none opposed.
Supervisor Reynolds moved to amend the Pequea Township 2013 General Fund Budget expense account 438.500 titled Repairs Tropical Depression Lee from \$37,069.84 to \$9,000.00. Supervisor Schall seconded the motion. All voted in favor, none opposed.
Supervisor Reynolds moved to amend the Pequea Township 2013 General Fund Budget expense account 410.001 titled Southern Regional Police Department Budget from \$436,637.71 to \$455,126.84. Supervisor Schall seconded the motion. All voted in favor, none opposed.

BUDGET NARRATIVE: Treasurer Porterfield began by reading the Budget narrative (***BASED ON THE "AMENDED" PROPOSED BUDGET***):

Summary Recap of 2012:

The 2012 Adopted Budget was amended on June 20, 2012 to add an expense of \$53,650.00 for the Herrville Road Stormwater Project, this amendment left the budget with a deficit of \$194,051.43.

The township also realized a non-budgeted expense of \$15,462.50 for MS4 (Municipal Separate Storm Sewer System) mapping and reporting.

Offsetting these expenditures in 2012 were 2 onetime events, Earned Income Tax (EIT) and Federal and State Disaster Funds.

Earned Income Tax came in at \$117,899.83 more than budgeted due to prior year reconciliations by LCTCB. Federal and State Disaster Relief of \$104,103.00 for reimbursement, repair and mitigation of infrastructure damaged as a result of Tropical Depression Lee

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Although the projected outlook for 2012 contained deficit of \$194,051.43, 2012 will close with an estimated year end Net Income of \$42,529.66.

Budget Outlook for 2013:

The 2013 Budget proposal is based on our current Real Estate tax rate of 1.70 mills.

The township can expect increased revenue in Real Estate Tax due to an increase in total taxable real estate assessment and an increase in earned income tax collections as a result of Act 32.

The EIT estimated for 2013 is \$482,381.00, an increase of \$88,509.01 from the last year.

Additional expenses budgeted in 2013 include, \$15,000.00 for MS4 work, \$9,000.00 to complete work approved by PEMA for repairs not yet completed from Tropical Depression Lee and \$100,000.00 for road construction and rebuilding.

The revised Pequea Township 2013 Proposed Budget has a projected income of \$1,167,595.56 and projected expenses totaling \$1,356,243.2 resulting in a deficit of \$188,647.64

FINANCIAL STATUS:

Pequea Township General Fund:

2012 beginning equity balance was \$599,732.202. The projected 2012 end of year balance is \$642,236.88. We can attribute increase to both PEMA reimbursements and payments and Earned Income Tax payments from ACT32

ADDITIONAL FUNDS: (PLGIT – Pennsylvania Local Government Investment Trust)

State Highway Aid Fund - This fund designated for the repair and/or replacement of roads, bridges and equipment or materials to complete these. Expenditures from this fund must meet specific guidelines of the PENNDOT Publication 9 (Policies and Procedures for the Administration of the Liquid Fuels Tax Act of 1931). Revenue received annually from Pennsylvania Department of Transportation.

Liquid Fuels Estimated Allocation for 2013 is \$ 140,850.64
PLGIT Account Estimated Balance: 57,754.13

PLGIT Plus Account - This interest bearing account is for W. Penn Grand Road Bridge - This fund was created with \$50,000 from SLSA when building the pumping station on W. Penn Grant Road and is specifically designated for replacement and/or repair of this bridge.

PLGIT Plus Account Estimated Balance: \$ 71,304.54

Bridge Replacement Fund - used for Bridge Replacement of Silver Mine Road Bridge and repair of the Indian Hill Road Bridge. These funds may be used on other necessary bridge work or transferred to the General Fund by Resolution.

PLGIT Account Estimated Balance: \$ 24,627.83

Park & Recreation Fund – This is the active account for operation of the Silver Mine Park. \$12,549.00 is to be transferred year 2012 from the General Fund.

PLGIT Account Estimated Balance: \$ 4,750.16
PNC Account Estimated Balance: \$ 8,806.81
Total Estimated Balance \$ 13,556.97

Park Donation Fund – This account is used for Park Projects and operates solely from donations.

PLGIT Account Estimated Balance: \$ 4,655.47
PNC Account Estimated Balance: \$ 1,608.37

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Total Estimated Balance	\$ 6,263.84
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Street Light Fund – The account used for operation of street lights in Manchester and Westwood Village and overhead lights at intersections. Residents are taxed each year to pay for costs of street lighting in the developments. This tax is .74 cents per front foot of property. \$2,000.00 is to be transferred year 2012 from the General Fund to pay for overhead lights at intersections.

\$2,000.00 is to be transferred year 2012 from the General Fund.

PLGIT Account Estimated Balance:	\$ 2,029.52
<u>PNC Account Estimated Balance:</u>	<u>\$ 2,040.86</u>
Total Estimated Balance	\$ 4,070.38

Firemen's Relief Fund – This account is a holding account for foreign fire insurance tax money that is allocated to volunteer fire companies through the municipalities. This check is issued to Pequea Township once annually and is transferred directly to the volunteer fire companies.

Pequea Township divides this amount equally between New Danville and West Willow Fire Companies.

PLGIT Account Estimated Balance:	\$ 44.65
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** The Fireman's Relief fund is estimated to remain at or near the 2012 distribution of approximately \$31,000.00 as per the Municipal Pension and Fire Relief Bureau

Pension Fund - Holding account for State Aid received from the Commonwealth of Pennsylvania for the Southern Regional Police Department's defined benefit pension plan. This check is issued annually to Pequea Township and is forwarded directly to the Police Department.

PLGIT Account Estimated Balance:	\$ 109.05
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Debt Payments:

Silver Mine Park:

Yearly Payments of \$18,420.00 to be paid off June 2015	
December 1, 2012 principal balance equals:	\$48,391.23

2013 Ferris mower: 36 mo/0% interest loan to Yard Card Plus
Monthly Payments of \$446.56 to be paid off April 2015

PUBLIC COMMENTS ON PROPOSED 2013 BUDGET:

Jackie Johns asked questions about the former Treasurer's wages, the Township Administrator wages, and if the Board would be hiring both positions.

Supervisor Reynolds said the Board budgeted for professional management and the Board has not made a decision.

Supervisor Lehman responded that if we would hire someone as a full-time Treasurer the wages would be determined at that time.

Ms. Johns asked if there would be yearly software upgrades and if the office software applies to the road crew.

Supervisor Reynolds said the yearly software upgrade is just a budgeted item in case needed.

Supervisor Schall clarified the Data Processing budgeted amounts stating that the road crew portion is for hardware.

BOARD DISCUSSION:

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Supervisor Schall said in Planning and Zoning 414.101 the Zoning Officer's budgeted amount should be increased due to the enforcement of the Nuisance Ordinance.

Supervisor Lehman responded that we have room in other areas.

Supervisor Schall asked about the Bridge Replacement fund.

Supervisor Lehman said the fund is set aside for repairs that PennDOT may require as a result of their annual inspections.

Supervisor Schall said the Township Administrator item can be removed or adjusted and suggested increasing the budgeted amount for the Treasurer.

Supervisor Lehman said he would like to hire a full-time person to replace the previous Treasurer.

Supervisor Lehman also said he would like to table the Township Administrator position for a year, but keep the amount in the budget until a decision is made.

The Supervisors discussed adjusting the Real Estate millage.

Supervisor Schall moved to increase the millage rate for Pequea Township by .25 mills to bring the total millage rate to 1.95 mills. Motion died for lack of a second.

Supervisor Lehman stated that he might be inclined to compromise for an increase of .20 mills.

Discussion followed and as a result the budget was amended and the taxes levied as follows:

1. Supervisor Reynolds moved to amend the Pequea Township 2013 General Fund Budget income account 301.100 (Real Estate Taxes – Current) from \$495,000.00 to \$555,370.00. Supervisor Schall seconded the motion. All voted in favor, none opposed.
This amended change resulted in a Total Taxes income of \$1,107,338.56 and a Projected Outlook deficit of \$128,277.64.
2. Adopt the 2013 Pequea Township Budget – Supervisor Reynolds moved to adopt the Pequea Township 2013 Budget as amended. Supervisor Schall seconded the motion. Supervisor Lehman stated he is in favor of the Recreation Fund Budget and the State Highway Fund Budget. Supervisor Reynolds and Schall voted in favor, Supervisor Lehman voted “nay.”
3. **Resolution # ___-2012** Levy Tax for 2013 – Supervisor Reynolds moved to adopt Resolution #368-2012 to set the tax rates for 2013. Supervisor Schall seconded the motion. All voted in favor, none opposed. The rates levied are as follows:
Real Estate Tax 1.90 mills, Earned Income Tax at ½ of 1%, Street Light Tax at the rate of \$.74 per front foot of improved property and \$.10 per front foot of unimproved property, and Admission Tax at 10%.

Supervisor Lehman clarified that he was not in favor of the General Fund Budget because of the Administrative Assistant position budgeted amount and not knowing the wage guideline for the Treasurer position.

OLD BUSINESS:

1. Rules and Regulations Ordinance for the Use of Township Property **Ordinance # ___-2012** – Supervisor Lehman moved to pass Ordinance #172-2012 an ordinance of the township of Pequea, Lancaster County, PA to repeal Pequea Township Ordinance No. 96-1995 as previously amended by Ordinance No. 148-2007 and Ordinance 151-2007 and to enact a new ordinance establishing the rules and regulations for the use of township property, including, but not limited to the Silver Mine Park. Supervisor Schall seconded the motion. All voted in favor, none opposed.
2. Herrville Road – Supervisor Reynolds explained that a problem needed to be corrected and repaired on Herrville Road and said the Board of Supervisors held Executive Sessions to consult with Mark Deimler and Matt Crème the Solicitor on November 23, 2012 at 8:00 a.m. and

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December 3, 2012 at 8:00 a.m. for the purpose of fact finding concerning potential litigation regarding the Herrville Road stormwater issue. No action was taken at those Executive sessions. The contractor agreed to forego the \$2,850.00 for lost time, therefore Supervisor Reynolds moved to pay Snyder & Mylin Excavating, Inc. the balance on the contract and the additional charge of \$375.00 for a truck driver to go to Carlisle for a total payment of \$49,700.00. Supervisor Schall seconded the motion. All voted in favor, none opposed.

The Treasurer was instructed to release the final payment to Snyder & Mylin Excavating, Inc. with a letter reiterating the motion.

Supervisor Lehman moved that we do not accept Jack Mcsherry's offer to reimburse Pequea Township for \$2,850.00. The motion was withdrawn.

The Secretary was directed to compose a letter to Jack McSherry to inform him that the Supervisors decided not to accept his offer to pay the \$2,850.00.

PUBLIC COMMENTS:

Mr. Mylin complained about the engineering on the Herrville Road project.

MEETING ADJOURNED at 8:22 p.m.

Respectfully submitted,



Connie Kauffman, Township Secretary