

BOARD OF SUPERVISORS BUDGET ADOPTION HEARING | December 18, 2019 6:30pm

Minutes of the Pequea Township Board of Supervisors Budget Adoption Hearing I held at 6:30 PM on December 18, 2019 at the New Danville Fire Company, 43 Marticville Rd., Lancaster, PA 17603

Present at the meeting were:

Donald R. Purdum, Jr., Chair
Anthony Cazillo, III, Vice-Chair
E. John Hlavacek, Supervisor
K. Scott Edwards, Supervisor

Others present:

Kimberly S. Ulaky, Secretary
John R. Michener, Chief of Police
Michael Pykosh, Solicitor
Sign-In Sheet attached

Cynthia Evans-Herr was not present as she was very ill and hospitalized. Please keep her in your thoughts and prayers.

CALL TO ORDER

Chair Purdum called the meeting to order at 6:35 PM and led the recitation of the Pledge of Allegiance.

ANNOUNCEMENTS

- Public Comments will be heard prior to the final vote to adopt the 2020 Proposed Budgets

PUBLIC COMMENTS

Public comments are encouraged and welcomed from Pequea Township residents and taxpayers, only. Please come to the lectern and limit your comments to three (3) minutes. If the conversation dictates more than three (3) minutes, time may be extended. When your 3 minutes are up, the Chair will tap the gavel to signal that time is up. By having organized public comments, we will be allowing more of our citizens to express their views. Comments for items on the agenda and items not on the agenda will be taken prior to the start of the Business Meeting.

Items on the agenda:

Jackie Johns, Pequea Township: The first thing that I'd like to mention is that between the old and new budget, approximately 85K dollars difference – it's almost worth the part time police coverage. And where on the budget is the 40K dollars appear that was Carter's..... *Chair Purdum interjected that is now actually under, that's a good question, it's actually been put under the Police Full Time Wages 401.112, so it's incorporated into that part of the budget now.* JJ: Thank you. Wouldn't insurance cover that amount; why wasn't that billed to the insurance? *Chair Purdum answered that no, insurance wouldn't pay that, we were on the hook for that one.* JJ: OK, you did check on that? DP: Yes JJ: OK, well I just wondered where that one was. And the second item is – why is there 50K under Park Maintenance Repairs, as very little as we've done in the park, since Tim Weaver was fired? What do you plan to do with that next year with that \$50K dollars? *Supervisor Edwards answered that is where I discussed the asphalt path.* JJ: That's repaving the path? *That's fixing the bastion fixes and the water bank and the path.* JJ: I remember hearing something about that but I didn't realize it was \$50K? *Yes, there are 4*

projects in that amount; that's MS4 stuff. There are 4 separate projects slated for that \$50K dollars. JJ: OK.

Then I saw the real estate transfer taxes were 90K dollars, when real estate sales were in the paper, there were 5 of them last week and then the Barley property was just sold, so I would imagine that would be quite a bit of real estate taxes? So it was only increased by 24K despite all the new growth and people selling houses – you think that's enough? *Chair Purdum answered that based on the projections and the numbers we were given, it is. You know, as Cynthia said in that meeting, sometimes this stuff is just a shot in the dark, because you can't project what people are going to buy and sell in a 12 month period.* JJ: OK. I also noticed that the governing body increased by 21K since 2018, I guess that's due to the 5 member board? The other thing is the office staff. Back when we had one full time and one part time the amount was 71, 345 dollars and about 13K in benefits for the full time. Now the next budget it's 95K dollars, so that's 10K dollars more for so much less coverage. We had one full time person 5 days a week, full time. Now we have one part time and I know you're going to hire another part time, but I saw in the budget that you're going to hire another part time, so that's 3 part time people; are you trying to find 2 more part time? *Chair Purdum answered, no just 1.* JJ: So that's in addition to the one you're hiring tonight, so you'll have 3 total or 2 total? *Yes in January we would expect to have 3.* JJ: part time? *Yes.* JJ: But still, it was cheaper to have one full time and one part time. OK, on page 4 of the Profit and Loss, check the net income, total equity \$933, 973 dollars against the previous report; so how does that not go with having a full time police dept.? *Chair Purdum stated that he doesn't have all the details on that, but he believes that all the expenses have not yet been entered for this year.* JJ: Nor the income! *Most of the income should be in there now, but the income has dropped off significantly after November.* JJ: But 900K dollars? *I know that all of the expenses have not been entered into the system yet.* JJ: Yeah, but they're not \$900K. *Well, if you figure that at the end of last year we had about 500K and in January we were at 350K to 380K (roughly), that number is lower than what is projecting on that balance sheet right now because all of the expenses haven't been entered in yet.* JJ: It's always lower in January. *Well, it will start going up in late March and then with the property tax money starts coming in April and particularly in May, that's when you get the biggest cash in-flux.* JJ: So if we have a couple hundred thousand extra, is there any chance we can go back to a full time police department? *No.* JJ: Why? You said it was because of budget. *I just told you about how the expenses have not all been entered so the figures on that balance sheet are not completely accurate at this tim, because all the expenses have not been entered for the balance sheets.* JJ: You're not being very transparent. *I'm being as transparent as I can be by telling you what I know.*

Tim Weaver, Baumgardner Rd.: I have a few more comments, probably more than I should say. For one thing, Cynthia did ask me to relay to you gentlemen, that she cannot support the budget, because she feels the numbers are contrived to justify the fact that the police depart is going to not be full time. I as a citizen, would much rather see going to a part time road crew, than a part time police department. The Police Department is way more important to public safety of this township, with the increase in crime, over what the road crew is doing..What is the road crew doing; I'm not sure, I don't see too much road work going on. The other thing is that I'd like to take a moment to thank Cynthia Evans-Herr for all the years of service she's given to this township; as a supervisor, as a secretary for the park board, as a park volunteer, who worked with me on many projects, and as a friend. I've never worked with anybody better.

Roger Killian, 2300 block of New Danville Pike: Back to the police thing....With the growing population and the growing need for the police, cuts are not an option, with police I think as a supervisor, you need to take a good look at yourself and reflect on the past 6 months and think about why you became a

supervisor for the people of this township, not for having thousands of dollars in a bank account. You have to have a balanced budget, but the budget has 62 – 68K dollars plus and all the projects are “what ifs”...If we decide to do this, if we decide to do that. I was at the budget meetings and there was a lot of that “if we decide to do this and if we decide to do that”, so that’s where we are with that.

Keith Haun, 16 Cobblestone Dr.: If the numbers are up in the coming year, why wouldn’t you entertain adding another police officer and going back to the full time 24/7 police department? *Chair Purdum answered that we’ll be getting into those particulars in a bit here in the general fund budget and you’re going to see that number, due to some of the things that we’ve learned in the last couple months, since we passed that, some of the required road work that needs to be done are going to put this budget negative, ultimately. And then with having cut those 2 police officers which was in excess of 200K dollars in costs there. The fact of the matter is that we made the decision that, from my point of view, was in the best interest for not just one department but the entirety of the township.* KH: So what happens if the PA State Police (PSP) are handling another area crisis during the time that they are covering the township, and a crisis occurs in Pequea Township, that they can’t respond? With having extra money, we could have had added an officer to make a full time police department, what would your response then be to that question? DP: *I’m not going to get into hypotheticals; does anyone else on the board want to answer that?* Supervisor Edwards: *I’ve said it before and I’ll say it again, we should be regionalized right now and through all of next year. I know a lot of folks don’t want to hear about the past – KH: that doesn’t matter – but it does matter, as it’s a couple million dollars that we don’t now have, that’s a lot of money.* KH: *But at the end of the day you can’t change the past; so it’s how you move forward that matters.* Chair Purdum: *Well you’re absolutely right in that when you budget zero dollars for four years on any road work or infrastructure and over the course of two years, you spend a million dollars of a 1.8 million dollar budget that you wouldn’t have otherwise spent, that’s almost ½ of your budget in two years, there’s a lot of catch up that needs to occur. So that’s the position that I’ve taken and I think that’s the position Scott has taken.....* Supervisor Edwards: *With all the homework I’ve done, all you have to do is read it and then when you get into the other particulars, like where’s the fund for vehicle replacement? The answer is zero, there is none. When you have to start buying new dump trucks and plows that cost 150K dollars plus a piece, you can’t start at zero dollars, unless you go into debt. You can’t just go into debt, because you need a new piece of expensive equipment, you have an account built up like your regular checkbook. It’s the same as the pre-planning that went into where is the Pequea Township Police Department going to be housed? None of that was done. Are you familiar with the Inter-municipal Agreement, have you read that and what does that tell you? What did you get out of that document, what happened?* KH: *Again, you’re going back to the past....* SE: *Show me where the money went?* DP: *But you do have to look at the past when you’re planning to see how you got to where you are and where you want to go or you end up doing worse planning than what you would have done otherwise. So you do have to understand the past, we want the public to understand where we’re at. So, you have to look back to understand how you got to where you are and how to move forward. That’s the only reason we’re bringing it up so everybody understands what our mindset is.* Jackie Johns interjected that she wished Cynthia was able to be here, because she knows that there was money budgeted for road work, but the work just wasn’t done.

Jeff Kreider, Newswanger Rd.: You guys sat here and got beat up on this police issue, over and over again. Bottom line is we were bloated when this regional agreement broke up. We were bloated with police and I don’t think we needed that and you guys have 100% of my support on that. I’m sick and tired of hearing all this stuff that we’re going to get eaten up; we’re not going to get eaten up here, it’s just not happening. And the police don’t stop the crime, they just investigate after it happens, so you’re

not any safer when you have a bloated police department. They don't stop the crime, that's the bottom line. Love the police but that's the cold hard facts. Supervisor Hlavacek said there's a lot of energy around police, and if I could address the issue. The reason that there needed to be a change is that the police took too big of a percentage of the budget. Now when we were two townships, and working together, everything was fine. But the other township bailed out and stuck us with the bill. If you look throughout PA, you'll see that not many townships have their own police; a lot of townships are regionalized and that's a good thing and maybe we can do that again, but it just didn't work out now to do that. We were given guidelines on budgets and about 1/3 of a budget should be allocated for police. We're much closer to that now; before we had about 50% allocated for police and that caused problems with roads. There are issues with roads. You don't see the road crews when they get 5 tons of cold patch, going around patching potholes or fixing sink holes; those are serious problems. You have a sink hole and you can break an axle or it could literally be a life and death situation. We have serious issues all over the township with the roads that the road crew has to take of but some of the things are too big for the road crew. We have a pipe running under Penn Grant Rd that is in sections, 8 sections that are about 54" in diameter and 6 feet long and those sections are spreading apart. Every winter they spread apart a little more. Eventually, it would cause a sink hole that a tractor trailer could fall into. It's going to cost \$70K for us to fix that, so that's something we have to plan for in the future. Another item is that we have a salt shed that is located on the back end of the property behind the twp. building where most people don't see it – it is ready to fall down and we have to have money to fix it if that shed falls down. And as Scott already mentioned, our equipment is aging and we could have high impact with equipment failures and then no money to pay for it. So even though I didn't support a cut of as much as was cut for the police, we did need to get down to 1/3. Supervisor Edwards: Conestoga Township didn't get out of the agreement, Pequea Township allowed them to get out of the agreement. Do you realize that and what that cost this township during that time frame? Does everyone follow me on that? I'm not fond of either, but.....

Meredith Cooke, 15 Lark Ln. and Wren and whoever she is talking to ☺: E. John, that is the most you've talked at a meeting since I've been back. Thank you so much for all that information and we just need more information. Literally that was an excellent rendition of what's going on and please continue to do that. I/we understand the problem but we don't like the solution, which was cutting the police department and you've already done that. You obviously have no intention of reverting even if you get more money, you don't want to do it, we got it. But we do need to do something a little bit better. I'm committed to making 2020 a better year, a more cordial year moving forward. But there are some things we do need to know. So if the roads are very clearly your priority and the equipment, because they were the lesser and missing their due in the budget, then let's get some basic information. What does the average mile of road cost to be paved in Pequea Township? Supervisor Edwards answered that .6 of a mile is about \$110K, that's paving. MC: And we have how many miles of roads do we have in Pequea Township? 37 miles. And what do you allocate for re-paving per year? What would you like to allocate for re-paving per year? Is that something that you're ever going to do? Chair Purdum answered Let's state it this way, the road foreman and the township engineer both confirmed to me back in December/January of last year, that if we tried to fix every single problem that we knew about, it would run anywhere from 5 to 6 million dollars. Of course, we're not going to fix every problem at once, but I wanted to articulate that to show that we have to systematically plan and prepare for so we can address those issues. So, tonight as we/Scott has learned over the last month or so, Scott will be requesting some items for the board to consider adding to the budget for additional roadwork that needs to be done. So we'll get into that when we get back into the general fund. And we're still in a hearing,, so comments and questions are still able to be heard as we go through this process. We're going to make

amendments to it tonight. MC: I agree that all along there should have been little pockets of money put all over the township, which is what should have been happening all along. And E John has said that the pocket of money for the police was too large – I understand that – my challenge to you in the very beginning was to find a way and figure out how to do it all. And you guys, didn't come up with any solutions, you just slashed the police budget, which was not bloated by any stretch of the imagination. So you slashed it and then are now putting that money in for the roads, so clearly this board feels that roads are more important than the police? *Supervisor Cazillo said that both roads and police are important, but we had to make a tough decision.* MC: So percentage wise, what percentage do you want to be in roads? AC: *That I don't really know. I know police are largely structural; if you have 5, 6 or 4 officers, you can plan that. The cost driver there is labor and hours. But for roads, there are many variables on planning what will be done each year – was there a sinkhole we didn't know about, did we have an unusually hard winter, where you budgeted for 35-40K for salt and much more was needed so it ends up costing 70-80K, and that does happen.* MC: Well after you all make your call to PSATS, then you should look back historically at what's been done for 20 years, aggregate exactly what that is, divide it by 20 and figure that amount into the budget from there. I don't know when there is ever going to be 72 sinkholes in Pequea Township, but..... AC: *I'm not saying that, but what we've been doing for the last 4-5 years is skating by with what we have.* MC: It sounds like we've been skating by on everything. AC: *We've had a full time police department for the past few years, and we've been paying for all of it. If we had a windfall of money, I would be foolish not to consider the police as a place where that could go. Police are a good thing; I wish we had a full time police department. I also wish all of our road were good; unfortunately, we had to make a tough decision because the money is finite.* MC: That is what you are tasked with and you are about to be a new board in 2020 and we are all paying attention to both the lesser police department and the increase of what we'll do with roads and we will be watching and we will continue to do that. Thank you.

Supervisor Edwards had some information to pass on to Meredith: Concerning some of the police numbers, I'm going back to December of 2017. "Mr. Adams asked for the number of full time officers budgeted and on the payroll. Vice chair Evans-Herr responded that 5 will be employed, not including the officer on the Drug Task Force, whose wages will be reimbursed by the County. Mr. Adams followed that question by asking how many full time officers are on the Southern Regional Police Commission in 2017? Vice-Chair Evans answered 7. We should have employed 5 the whole time and the number was escalated these past 2 years. They've been living on Highway Aid money since 2016. We currently have 5 officers for the next week or 2; until 1/1/2020. Two townships, \$350K from them and \$565K from us.

Tim Weaver had just one more comment/question: He wondered if the Board had heard anything about Martic Township wanting to regionalize a police department with their township. He mentioned that he had heard from some citizens in Martic Twp that they were hoping this might occur. *Chair Purdum said that he had not heard anything from the Martic Twp. Supervisors regarding this.*

Now moving into the business portion of our budget adoption hearing if there are no more comments:

NEW BUSINESS: (Comments and Discussion prior to vote)

1. Consider adopting the 2020 Proposed Budget

1a. Consider adopting the 2020 Proposed Recreation Fund Budget

The only thing that Chair Purdum recommended changing was – On Line 30 & 31 the numbers for those line items were transposed from the work sheet to the final proposed budget document. The amount of \$1000.00 needs to go under line 30 “Conferences and Continuing Education” and the amount \$22,500.00 for a new mower needs to go under line 31. Other than that, does anyone have any other changes?

1b. Consider adopting the 2020 Proposed Highway Aid (State Highway) Fund Budgets

We’ll move on to the Highway Aid (State Highway) Fund Budgets; we think these are the same funds and we’ll be getting more clarification on these two funds in the coming weeks as to why we have both when they appear to be the same from prior years, as well. Supervisor Edwards has some items that he would like to address:

Supervisor Edwards moved to add \$56,000.00 dollars to GL# 438.000 - “Maintenance and Repairs, Roads and Bridges” in the Highway Aid (State Highway) Fund(s). It was seconded by Vice-Chair Cazillo. Supervisor Edwards gave the details for the addition of funds to that line item – that would be for the “Wing Wall” Project for the Silver Mine Rd. Bridge. The 40K that was there last year needs to be shown that we did budget that amount for last year and it carried to 2020 and now I’m asking for \$16k more dollars. Vice Chair Cazillo mentioned that we’d be adding that \$40K into the “Notes”. The motion to add that total amount of \$56,000.00 passed with all Supervisors voting in favor; none opposed.

Vice Chair Cazillo questioned if we had a motion to approve the Recreation Fund and Chair Purdum said that we’re not voting on the approval of any of the budgets at the moment. This motion to add the money was to document that there was a request made and it was approved by the Board. We’ll be voting after any changes or comments on all the budgets are complete; then we’ll vote on each individual budget fund.

Supervisor Hlavacek mentioned that he wanted to comment on something in the Recreation Fund – he stated that we have 3 mowers; 2-Zero Turn and 1-King Cutter and he doesn’t believe that we need to buy another new mower. Supervisor Edwards noted that we will trade one of the mowers as we’ve done in the past. Supervisor Hlavacek commented on keeping the old mower for parts vs. trading it in and Supervisor Edwards commented that this is just a budget; we don’t have to buy a mower. Supervisor Hlavacek re-iterated that is a lot of money to spend while a resident mentioned that if we didn’t mow so much, we wouldn’t have to spend so much. Supervisor Edwards stated that it’s a park, not a reserve and the conversation came up via Supervisor Hlavacek that there was an agreement with a fellow who grew hay for horses in an area of the park that wouldn’t have to be mowed. A resident added that the gentleman growing hay for the horses was politely asked to leave by Harry Lehman. Supervisor Hlavacek said that he didn’t remember the gentleman’s name but we could and should set up those kinds of things to lessen the amount of areas that would need to be mowed and it would beat spending \$20K on a new mower. Supervisor Edwards stated that the 3 mowers in the park are pretty beat up and that the budget is just a guideline for spending but the spending doesn’t have to occur. Supervisor Hlavacek questioned if the voting would be on each individual budget and the answer is yes.

Chair Purdum said we'll move on to the General Fund.

1c. Consider adopting the 2020 Proposed General Fund Budget

Supervisor Edwards moved that we add on \$100,000.00 to G/L# 439.610, "Road Construction and Re-building" First part would be the shoulder base work that needs to be done on Baumgardner Road from 272S to Rawlinsville Road. Second would be Stoney Lane from New Danville Pike to the Township line. Again, that is shoulder base work that needs to be done.

Then I'll move into "Other Paving" – Newswanger Road to Schultz Road and Newswanger Road Intersection 400 feet east of Schultz Road.

Ballpark figure for the work stated above is roughly \$90K plus – we don't know exactly what it will cost yet; this is just an estimation. This work is basically just to save the road since it is a main thoroughfare.

Chair Purdum asked Chief Michener to share the item that he wanted to make a change on: Chief Michener: He respectfully requests to add \$4,000.00 dollars to the "Part Time Police Officers Salary" amount currently at \$16,000.00 to make a total of \$20,000.00 to be used if necessary. As I started to put the 2020 roster together, I realized some of the impact that vacation time and training time would have on scheduling. The \$16K is going to be very very close, so I'm a little worried that it might not be enough so the addition of \$4K to round it out to \$20K is requested, in case it is needed. I hope not to have to use it, but having that little bit of cushion there would certainly make it easier, if it is needed.

Are there any other questions or comments before we as a board pass these tonight? Supervisor Edwards mentioned that G/L# 433.50 "Traffic Signal Maintenance", line item # 205, will stay the same at \$4500.00, but what was in there previously as I crossed it out? Chair Purdum stated that it was just a note that was in there, so it's good.

Does anyone else have any questions or comments before we vote on these 4 budget funds? Please come to the lectern:

Rob Reidenbach, Pleasantview Dr.:

This question is for Scott Edwards – What is your assessment of Baumgardner Rd., between 272N and 272S? Supervisor Edwards asked – the short section is what you're talking about? Yes. Well, that section is done. That was done about a year to year and a half ago by Longs Paving. They did everything on that job, base course, leveling, the whole job!

With that, we will now vote on the 2020 proposed budget funds:

1. Consider adopting the 2020 Proposed Budget

1a. Consider adopting the 2020 Proposed Recreation Fund Budget

Chair Purdum made a motion to adopt the 2020 Recreation Fund budget. It was seconded by Supervisor Edwards. The motion passed with Chair Purdum, Vice Chair Cazillo and Supervisor Edwards voting in favor. Supervisor Hlavacek was opposed; Supervisor Evans-Herr was not present to vote.

1b. Consider adopting the 2020 Proposed Highway Aid (State Highway) Fund Budgets

Chair Purdum made a motion to adopt the 2020 Highway Aid (State Highway) Fund budget. It was seconded by Vice Chair Cazillo. The motion passed with all voting in favor; none opposed. Supervisor Evans-Herr was not present to vote.

1c. Consider adopting the 2020 Proposed General Fund Budget

Chair Purdum made a motion to adopt the 2020 General Fund Budget. It was seconded by Vice Chair Cazillo. The motion with all voting in favor; none opposed. Supervisor Evans-Herr was not present to vote.

2. Consider a motion to adopt a Resolution 531-2019 to establish the 2020 Tax Levy

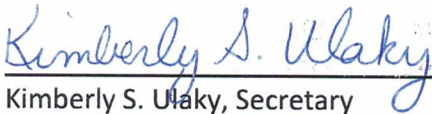
Chair Purdum made a motion to adopt Resolution 531-2019 "to establish the 2020 tax levy (rate)". We will not raise the tax rate for the year 2020. The motion was seconded by Vice Chair Cazillo. The motion passed with all voting in favor; none opposed. Supervisor Evans-Herr was not present to vote.

ADJOURNMENT

Chair Purdum adjourned the meeting at 7:15 PM.

We will take a 5 minute recess and then move into the regular monthly Business Meeting.

Respectfully Submitted,



Kimberly S. Ulaky, Secretary

Pequea Township Board of Supervisors Mtg - 7pm
and Budget Adoption Mtg - 6:30pm

Rob Reidenbach

December 18, 2019
Sign-in sheet

Bob DeMarco

Jackie Johnson

Tim Wynn

Tom Killion

Jeff & Della Kreider

Elaine Jones

Meredith Cooke

Ann Miller

Eric Lucas

Bonnie Lucas

Mary Brugg

B. Shank

Keith Hawn

Wren Cooke