

EAST FALLOWFIELD TOWNSHIP

BUDGET MEETING

October 28, 2014 Approved minutes
5:34 PM

Members Present

Joe Pomorski, Chairman
Steve Herzog, Vice Chairman
Charles Kilgore, Member
Ed Porter, Member

Township Staff Present

Lisa Valaitis, Township Secretary
Rosemary Moore, Township Treasurer

Township Solicitor

Vince Pompo

1. Call to order, moment of silence, and pledge of allegiance.

Chairman Joe Pomorski called the meeting to order at 5:34 pm.

2. Discussion

The meeting started with Joe Pomorski, Charles Kilgore and Ed Porter present. Steve Herzog and Mark Toth were absent.

There was a discussion about earned income tax. Over the last three years, the average amount of earned income tax collected has been \$229,000 in November and December. This year, \$1,258,715 has been collected as of October 28, 2014. Based on the past three years, there is an expectation that \$229,000 will be received by year end. Rosemary Moore said the 2015 budget amount of \$1,350,000 is an estimate based on the past three years. We are looking at coming in over the budget for 2014. The Board decided to review earned income tax again in November to possibly increase the budgeted amount for 2015.

The following accounts still need budget amounts: salary & wages – secretary and treasurer, social security, pension plan, Act 537 engineering, part time admin (police) salary & wages, and Public Works salary & wages.

There was a discussion on how to budget for the Public Works salary and wages. Vince Pompo stated that because the Public Works Department has voted to be unionized, the Board is not obligated to give raises beyond what will be stated in their contract. He said that for budget purposes, the Board could budget a reasonable increase in anticipation of the contract negotiations resulting in raises. However, no actual raises can be given until the Public Works contract is complete.

Joe Pomorski brought up the possibility of adding one additional office staff member. The office staff has decreased significantly over the past four years. This will be discussed further in the regularly scheduled Board of Supervisors meeting.

Joe Pomorski said he would like to hear more about the Fire Committee, when Steve Herzog and Mark Toth arrive. He would like to discuss how much of an increase the fire companies are looking for in 2015.

Rosemary Moore asked for direction from the Board on the Public Works salaries. The Board instructed Mrs. Moore to increase the Public Works Department salaries by two percent more than last year.

Rosemary Moore also asked for direction on the non-uniform employees. The Board asked Mrs. Moore to calculate salaries with raises of one percent, two percent and three percent. There was a discussion about labor counsel representation to negotiate with the Public Works Union.

At this time (5:49 pm) Joe Pomorski, Chairman, called a break to wait for Steve Herzog and Mark Toth to arrive.

At 6:05 pm, Steve Herzog arrived, and the meeting resumed.

Steve Herzog asked why we were charged less this year in auditing fees (account 1402.10). Rosemary Moore said that Mingis, Gutowski & Company sent rates for three years and the \$14,720 is correct. Steve Herzog asked if why we are budgeted at \$180 more for next year with the DCED audit. Rosemary Moore said she would look into that. Next year the Township will be doing the DCED audit will be less time consuming and will allow the Township to be in compliance with the DCED.

Mr. Herzog asked why the part-time officer salary/wages jumped significantly. Chief Porter stated the jump was due to hiring an additional part time officer.

Mr. Herzog asked why the medical insurance police opt out increased significantly. Mrs. Moore explained that two police officers withdrew from the Township medical plan and are now entitled to opt out.

Mr. Herzog asked Chief Porter why dues and memberships (1410.96) was up this year and if next years budgeted number is enough. Chief Porter responded that the increase is due to a \$400 annual fee to participate in the 1033 law enforcement program. He explained they are now charging an annual fee for anything received from the surplus. Chief Porter said \$600 is enough to budget for in 2015.

Mr. Herzog questioned the other account which had a budgeted amount of \$3,000 for 2014 but only \$500 was spent. For 2015, \$500 is budgeted. Steve Herzog asked Chief Porter if \$500 is enough for 2015. Chief Porter requested that the 2015 budgeted amount of \$500 be increased to \$3,000. This is a catch all expense account.

Mr. Herzog asked about the vehicle – new equipment account. We budgeted \$8,500 and spent almost nothing. Mrs. Moore explained that the vehicle was capitalized on the Balance Sheet. It's not coming out of the Income Statement.

There was a discussion about the fire subsidy account. Steve Herzog reported that the Fire Committee has not met since the last budget meeting. There is no exact contribution amount that the fire companies are requesting. The Township has not increased the amount given to Westwood and Modena fire companies in ten years. The bulk of calls are from East Fallowfield Township (especially Modena). Mike McWilliams from Westwood discussed contributions from Valley Township as well as other townships. Mr. McWilliams will email the Board a summary of what other townships contribute to Westwood. The Board would like to increase fire subsidy and will discuss this further at the next budget meeting. They need to see how much earned income comes in. Jim Reagan mentioned that it has been a long time since the Township increased their contributions. He said you can't do enough for the fire companies.

Rosemary Moore said that the 2014 projected audit expense is for the 2014 audit which will be done in 2015. In following accounting principal, Mrs. Moore booked the 2014 audit expense in 2014 even though it will be paid in 2015. This amount of \$14,720 is lower than the 2013 audit expense of \$15,280 which is to be expected.

Ed Porter asked if the auditor is charging the set rates that were presented and that the Board voted on. Rosemary Moore said she had compared their invoice to the contracted rates and made sure they charged the correct rates.

Ed Porter asked Chief Porter about the jump between 2014 and 2015 for part time officer salary/wages (account 1410.30). There was a discussion about how much to budget for part time officer salary/wages. Chief Porter said \$65,000 is fine for the 2015 budget for part time officer salary/wages. The Board agreed to \$65,000.

The next budget meeting was suggested to be held on November 25, 2014 at 5:30 pm. There was a discussion about advertising requirements for the final budget and if there was enough time to be compliant with advertising requirements.

Ed Porter asked Rosemary Moore if most of the blank budget amounts could now be filled in. Mrs. Moore requested direction from the Board on non-uniform raises. The Board agreed to 3%. Mrs. Moore stated she now had all the numbers to provide a budget with a bottom line at the next meeting.

Vince Pompo stated that if the Board motions to advertise the budget at the November 25, 2014 meeting, the advertisement for considering the budget for adoption will need to be done on November 26, 2014.

NEXT BUDGET MEETING: The Board of Supervisors set the next Budget meeting for November 25, 2014 at 5:30 pm.

3. **Adjournment** Joe Pomorski made a motion to adjourn the October 28, 2014 budget meeting at 6:27 pm. Steve Herzog seconded.
VOTE: 4-0

Respectfully Submitted,

Lisa Valaitis,
Township Secretary