

EAST FALLOWFIELD TOWNSHIP

BUDGET MEETING

August 26, 2014 Approved minutes

5:30 PM

Members Present

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

Township Staff Present

Lisa Valaitis, Township Secretary
Rosemary Moore, Township Treasurer

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

Chairman Joe Pomorski called the meeting to order at 5:30 pm.

2. Discussion

Rosemary Moore presented the first preliminary 2015 budget to the Board. She explained that the blank boxes on the budget report indicate that direction from the Board is needed or she is waiting for more information.

Rosemary Moore stated that earned income tax is one of the most important things to a township. Mrs. Moore is keeping the earned income tax for 2015 consistent with 2014's figure. Real estate taxes will stay consistent with 2014 as well. As of today, we have earned income tax revenue of \$1,130,000. August and November are large allocation months. Mark Toth agreed this was reasonable. Steve Herzog asked if the current year earned income tax commission paid out was reflected in our current year earned income tax collected. Mrs. Moore stated that the current year earned income tax amount is net of the commission.

Rosemary Moore said she was able to fill in a lot of the income amounts. Mrs. Moore said she needs more information to come up with the 2015 budgeted lease income which is for the cell phone tower (account 1361.10). Mark Toth asked if there is a built in increase per year in our lease agreement. Mrs. Moore will look into this.

Mrs. Moore estimated trash revenue and we are still collecting back to 2005 through Portnoff. Steve Herzog asked how far back Portnoff believes they can collect and at what point they write collections off as uncollectible. Mrs. Moore said she will ask Portnoff for a current update. Mr. Herzog stated that we don't want to count on these old collection amounts as income. It should be looked at more as a bonus if collected. Mrs. Moore said that she is letting 2005 and 2006 go as uncollectable for budget purposes. Charles Kilgore asked if Portnoff attempts to collect from residents that move out of the Township. Mrs. Moore said she believes they do attempt to collect in this case.

Mark Toth asked why violations of ordinances/statutes income has declined. Mrs. Moore said this account is based on police activity not violations of building codes. Mrs. Moore will ask the police why this has declined. Ed Porter asked Mrs. Moore to find out what percentage we receive from vehicle fines.

Mr. Herzog asked if the winter traffic services agreement number (account 1350.25) is a specific amount that PennDOT gives us. Rosemary Moore said that is a specific number which came from PennDOT.

Mr. Toth asked about cable tower registration. Mrs. Moore said it will be \$100 for 2015.

Mr. Herzog asked why the recycling- 904 Grant (account 1350.40) was \$20,000 in 2012. Mrs. Moore said that this amount was based on four years of tonnage. Recycling income is based strictly on tonnage.

Mr. Herzog asked if we should be budgeting for chipping service income of \$1,000 since last winter generated a higher than typical amount of income. Mrs. Moore said that we are booked out into the future for chipping services. The reason we did not have chipping income in prior years is because this is the first year the Township has

charged for chipping service. Mrs. Moore will consult Tag Gathercole about the 2015 budgeted chipping service income.

Mr. Herzog said that it's hard to know what the cable TV franchise fees will be. In 2012, it was almost \$79,000 and in 2013 it was almost \$115,000. In 2014, it looks like we will be down near \$100,000. Mrs. Moore said we received an extra quarter because they changed the timing of payments. She contacted Verizon and we are back on track with receiving regular quarterly payments.

Mr. Herzog asked what trash certification fees (account 1364.40) are. Mrs. Moore explained that every time a title company requests a property owner's unpaid trash balance, they send a request letter with a \$35 fee. Lisa Valaitis types a trash certification letter for each request received. This income is tied to real estate sales.

Mr. Herzog asked what trash penalties (account 1364.45) are. Mrs. Moore said that back in 2011, the Board decided that interest needed to be paid on late trash fees. The trash penalty account is interest that people are still paying on outstanding 2011 trash fees.

Mr. Herzog asked if the Township will really be collecting \$10,000 in \$5 late fees for late trash payments. Mrs. Moore said \$10,000 is realistic because as the year progresses, those late fees build up.

Mr. Herzog asked what the Road Department grass cutting (account 1364.65) of \$60 was for. Mrs. Moore explained that when complaints are filed about a property with overgrown grass, Rob McLarnon, the Building Code Official, will send the property owner a citation. When a property has been abandoned and the grass is not cut, we have the Road Department cut the grass and then bill the owner (usually a bank). This does not happen often. There was a discussion about possibly outsourcing this as well as snow plowing.

Rosemary Moore stated that to compile the budget, she asked for and received input from each department.

Steve Herzog asked if someone gives us the workman's comp. insurance expense number. Rosemary Moore gets the estimate from HA Thompson. Ed Porter asked if we have looked into other workman's comp. insurance to find a cheaper rate. Mrs. Moore said she met with another company recently and will keep the Board posted.

Mrs. Moore asked for direction from the Board on raises for the non-uniform employees for next year. Last year they got 3%. The year before that was 1%. The uniform employees are scheduled to get a 3 ½% increase next year. Mark Toth requested a breakdown of what the dollar amount would be for 1%, 2% and 3% raises for each employee. The Public Works Department's raises will be determined in their union contract.

Ed Porter asked how the payroll service expense is calculated and who we use. Mrs. Moore said we currently use Paychex. There is a standard cost per payroll and a per person charge. Mrs. Moore is meeting with a competitor company on Thursday and will report back to the Board.

Ed Porter said that credit card servicing fees have been deregulated and many companies are passing on these fees to their customers. There is potential savings in this category. Mrs. Moore said that First Financial met with her and they can do credit card processing for a lower fee. Mrs. Moore will get that process started.

Ed Porter asked what outside bookkeeping services are for. Mrs. Moore said that expense is payment for a temporary employee. Mrs. Moore said she doesn't anticipate needing this in the near future.

Mrs. Moore reported that the auditing fee will be \$16,200 for the 2014 audit. Mr. Toth asked if we are contracted with Mingus, Gutowski and Company for the 2014 audit. Mrs. Moore will confirm with Dave Barrett whether the Township is contracted with Mingus, Gutowski and Company for the 2014 audit. Dave Barrett will be at the Board of Supervisors meeting coming up at 6:30 pm to discuss future audit options.

Mr. Herzog asked why postage expense has gone up. He asked if it was because of the mailer for the Comprehensive Plan. Mrs. Moore said she will confirm whether that postage expense was included in this account.

Ed Porter asked about the copier expense. Mrs. Moore reported that the lease for the police copier expires the end of 2015 and the Township office copier lease expires the middle of next year. She will be getting a quote from W.B. Mason who offers lower rates.

Mr. Toth asked if the suggested donation for the library (contributions/donations) is \$1 per resident. Mr. Pomorski confirmed this. The Board agreed on \$8,000 for 2015.

Mr. Toth asked what the Board wants to do about the Township website and if it should be revamped. There was a discussion about who should be in charge of maintaining it. They also discussed other township websites.

Chief Porter requested a generator for the Police Station. Tony Sirna researched this and said they can get one for \$3,500 and installation would be an additional \$1,000. A generator at the Police Station would provide a back-up location for the Township building and would keep the building secure. Ed Porter asked if there are any grants. Tony Sirna said that the only grant available is for traffic lights. The Board agreed to include the generator in the budget with a review.

Ed Porter asked Mrs. Moore what guidance she is looking for on MS4 permit compliance-engineering and Act 537-engineering services. There is \$41,000 budgeted in 2014 for Act 537 engineering services. Mrs. Moore said that Herbert MacCombie had sent a letter stating that 80% of \$48,000 needed to be budgeted in 2014. She asked if we should budget for the last \$7,000 in 2015. The Board instructed Mrs. Moore to budget for the last \$7,000.

Mr. Toth asked what the Board will be doing about Mortonville Road and other road repairs. This will need to be budgeted for. The Board needs to get repair estimates.

Mrs. Moore asked for direction on the subsidy to fire companies (account 1441.40). This account will be discussed at the next budget meeting.

NEXT BUDGET MEETING: The Board of Supervisors set the next budget meeting for September 23, 2014 at 5:30 pm.

- 3. Adjournment** - Joe Pomorski convened the meeting at 6:28 pm for three minutes before resuming the regularly scheduled 6:30 pm Board of Supervisors meeting.

Respectfully Submitted,

Lisa Valaitis,
Township Secretary