

EAST FALLOWFIELD TOWNSHIP
BUDGET MEETING
October 11, 2016 Approved minutes
5:30 PM

Members Present

Steve Herzog, Chairman
Ed Porter, Vice Chairman
Carol Kulp, Member
Randy Doan, Member
Wilson Lambert, Member

Township Staff Present

Lisa Valaitis, Township Secretary
Pani Martin, Township Treasurer

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

Chairman Steve Herzog called the meeting to order at 5:30 pm.

2. Discussion

2017 Budget Revenue Updates. Pani Martin presented the following budgeted revenue updates:

Account 1310.10 - Real Estate Transfer Tax increased by \$4,000.

Account 1320.20 - Building Permits increased by \$4,000.

Added Account 1364.00 - Portnoff Collections for 2005 to 2012. Pani Martin stated she condensed the totals and removed extra lines. These changes addressed Ed Porter's point previously discussed regarding past trash revenue.

Pani Martin stated she did an analysis on actual vs budgeted trash revenue collected by Portnoff. She said as of September 30, 2016, Portnoff reported \$107,000 in outstanding balances that they are collecting for the Township. She decreased the budget by \$40,000 to reflect what is actually being collected.

Account 1364.45 - Trash Penalties increased by \$500 to be make the account more in line with what the Township typically collects.

Account 1364.50 – Trash Service Charges (\$5) increased by \$1,000 to make the account more in line with the actual numbers from the past few years.

Account 1364.60 - Recyclable Sales increased to \$1,000. The account had \$100 in error.

Ed Porter asked what the difference is between last month's budgeted revenue and the current month's budgeted revenue. Pani Martin stated revenue decreased by \$22,700.

2017 Budget Expense Updates. Pani Martin presented the following budgeted expense updates:

Account 1406.15 - Payroll Services decreased by \$800 to be more in line with the averages. There was a discussion about the length of the payroll contract. Pani Martin stated payroll costs have come down in the last few years. Steve Herzog asked if Pani Martin had any concerns with the current payroll company. Pani Martin said most of the issues she had have been resolved.

Account 1406.65 – Rent – Copier decreased to \$3,000.

Account 1407.30 – Computer Network Expense decreased to \$3,000. Pani Martin reported the average CompNet bill is \$250 per month.

Account 1410.60 - Medical Insurance – Benecon / PMHIC (health) increased 19.1%. Pani Martin said she had estimated a 10% increase and had only budgeted \$10,000. This only effects the Police Department. The insurance premiums increased \$15,500 for the year.

Account 1411.53 – Internet Service decreased by \$2,500. Pani Martin stated MiFi units are no longer needed in the police cars because the County is providing a new CAD system. Steve Herzog questioned if the budgeted amount of \$3,720 was too high. Pani Martin will adjust the budgeted amount down.

Account 1434.00 – General Roads decreased to zero to help create a minor cushion of almost \$18,000.

In Liquid Fuels, increased the annual allocation based on PennDOT's notice. Pani Martin reported this increased by \$7,000 from last year's deposits. The allocation this year will be \$278,000.

Liquid Fuels Account 1430.50 - Vehicle Repairs and Maintenance decreased by \$7,000 to be more in line with the 2016 expenses.

Liquid Fuels Account 1430.60 – Electric / Street Lights increased by \$100.

Liquid Fuels Account 1430.77 – Machinery & New Equipment had \$15,000 added for a possible new truck. Tag Gathercole stated the purchase would be to replace the 2003 F550 small dump truck. Repair costs for the dump truck this year have been \$3,000.

Liquid Fuels Account 1430.80 – Other had \$1,000 added due to the account being blank on the budget report.

Liquid Fuels Account 1430.84 - Road Improvements decreased by \$2,000 to balance out the Liquid Fuels budget.

Expected Upcoming Changes to the Budget.

Pani Martin stated that she would update the MS4 / Stormwater Management budget figures after tonight's presentation on the MS4 budgetary needs given by Herbert MacCombie's office.

Pani Martin stated she is working on getting updates for the 2017 insurance premiums for workers compensation, PIRMA, property insurance, and short-term and long-term disability.

Discussions.

Pani Martin stated the Township has not been budgeting for crack and seal in Liquid Fuels. She asked the Board if they want to continue doing crack and seal work. She stated it is costly and difficult work. Ed Porter asked Tag Gathercole what roads they completed with crack and seal. Tag Gathercole said they did all of Brinton Station, Frog Hollow Road, and Youngsburg Road. Pani Martin stated we spent \$5,300 on crack and seal. Tag Gathercole said at \$5,300, we could probably tar and chip a whole road. Tag Gathercole stated they rented the equipment and materials. The Public Works Department did the labor. Ed Porter asked Tag Gathercole if he thought the Township is keeping up with road maintenance or falling behind. Tag Gathercole said he feels the Township is falling behind. There was a discussion about road conditions in several developments. Pani Martin discussed the future road repair schedule. The Public Works Department's truck inventory was discussed. They also discussed purchasing a new truck versus keeping the truck with mechanical problems.

Pani Martin stated she talked to Dave Barrett, the Township auditor, about the effects of switching from the modified accrual basis of accounting to the cash basis of accounting. She stated Earned Income Tax already has four quarters in it. There will still be twelve months of revenue reflected in both the cash and accrual methods for the year. There may be an impact of a few thousand dollars but nothing material.

Steve Herzog asked Chief Porter about the Police Department's gasoline costs. Chief Porter stated the fire company's fuel for ambulances comes out of that account. Pani Martin reported the fire companies have used \$5,200 in gas this year. Moving the budgeted amount was discussed.

Steve Herzog asked why the medical insurance went up. Pani Martin stated that it is due to more medical claims. Steve Herzog discussed the impact of having the Public Works Department coming off the medical insurance. Pani Martin will reach out to the company to find out if the rate can be lowered due to the Public Works Department coming off the plan.

Ed Porter asked Chief Porter about Police Department hours and officers. Chief Porter discussed how the shifts are scheduled. There was a discussion about police shift coverage and possible alternatives. The eighth full-time officer position is still in the budget. Chief Porter discussed needed coverage and variables such as injuries, sick days, and vacation time. There was a discussion about using more part-time officers versus hiring an eighth full-time officer to cover all necessary 24-hour shifts.

Tag Gathercole discussed staffing issues in the Public Works Department. Tag Gathercole said sick time, vacation time and having John Weaver working on police cars lowers his labor hours. Tag Gathercole presented the Board with a list of Township locations where they cut grass and the amount of time it takes to do that work. There was a discussion about some of these areas in the Township. There was a discussion about the level of supervision and required skills of the part-time summer employees that would be hired to cut grass. There was a brief discussion on subcontracting as an option.

Pani Martin requested the Board transfer three items to the Capital Projects Fund: a line item in the budget to move \$35,000 to Capital Reserves, a reserve in the General Fund of \$42,900, and the document-scanning project that is on hold. The total moved would be \$107,900. Steve Herzog said we need to wait until closer to year-end to make a motion to move that money. Steve Herzog stated the Township does not have enough funds in the Capital Projects Fund, which is the rainy day fund.

Account 1445.70 - Portnoff Notice Fee Expense – Ed Porter asked how the Portnoff Notice Fee Expense works for the Township. Pani Martin explained at the beginning of year, when she sends Portnoff our collection list, they send out notices, and the Township has to cover the \$40 per notice cost. This expense is reimbursed in the payment the Township collects. Ed Porter asked if we are tracking if these costs are being recouped. Pani Martin stated these fees are not always paid in the same year the fees are incurred. Ed Porter asked if anyone has looked at the success of collection rate. Pani Martin explained the steps to the collection process. Pani Martin will send the Board the latest trash revenue collection spreadsheet from Portnoff.

Account 1362.30 - Special Police Services Income – Steve Herzog asked what is in the Special Police Services Income account. Pani Martin stated this account was for reimbursement of Police Department expenses to cover the Coatesville Area School District prom and graduation coverage.

Ed Porter asked about the salt supply. Tag Gathercole said the salt supply is good.

Pani Martin stated she is expecting the FEMA reimbursement for the 2016 snowstorm in a few weeks. The Township will receive around \$34,000.

Adjournment

MOTION: Steve Herzog made a motion to adjourn the budget meeting at 6:26 pm. Ed Porter seconded.
VOTE: 5-0

Respectfully Submitted,

Lisa Valaitis,
Township Secretary