

EAST FALLOWFIELD TOWNSHIP
BUDGET MEETING
August 8, 2017 Approved minutes
5:31 PM

Members Present

Steve Herzog, Chairman
Ed Porter, Vice Chairman
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 5:31 pm.

2. Discussion.

2018 Budget Overview:

Public Works Department – Pani Martin discussed the Public Works Department’s 2018 needs list. The backhoe needs to be replaced next year. Ms. Martin discussed the cost of a new backhoe versus servicing and certifying requirements. The required servicing and certifying costs \$17,000 a year and does not include repair costs. The estimated cost for a new backhoe is \$100,000. There was a discussion about the required certification schedule.

Insurance Costs – Pani Martin reported that Mutual of Omaha has agreed to keep prices the same for next two years.

Earned Income Tax – Pani Martin reported that there was a significant drop of \$300,000 in the 2016 earned income tax. Pani Martin stated that if the Township had not put in the municipal millage, then the Township would have been in the red. Ms. Martin stated she’d like to be more conservative with the budgeted 2017 earned income tax. There was a discussion on the probable causes for the drop in earned income tax. Real estate transfer income is up by \$40,000 which means there has been an increase in home sales in the Township. Steve Herzog said the average of the last five years of earned income tax is \$1,329,200. He stated he is comfortable with budgeting \$1.3 million.

Municipal Millage – Pani Martin stated what the Board decides to do with the municipal millage depends on the Township’s 2018 goals. She stated the Township may need to increase millage to cover the drop in earned income tax. Ed Porter commented that leeway should be given to reopen the budget because it is an election year. Ms. Martin explained that she estimated the total assessed value of the Township and various potential millage amounts based on that assessed value.

Cash Balance at End of 2016 – Pani Martin reported that at the end of 2016, there was a budgeted cash balance of \$63. However, there was actually \$200,000 left after the transfers to capital projects of \$65,000. She stated the \$200,000 is in the General Fund. The Police Department came in under budget by \$200,000. Administration came in under budget by \$80,000.

Union Negotiations – Steve Herzog stated both the Police Department and Public Works Department are up for union negotiations next year. He said the Solicitor estimated the cost of negotiations to be \$40,000-\$50,000. There was a discussion about different methods of handling union negotiations and which is more cost effective.

Trash Contract – Pani Martin reported the trash contract will be due to go out to bid in 2018. There was a discussion on the bidding process.

Discussion on Expenses:

Employee Salaries – Pani Martin stated she left the Township Manager, Secretary and Treasurer salaries blank in the budget. She spoke about her recent inquiry with the Board about moving the Township Secretary position back to full time. Steve Herzog stated the Board will need to discuss this in an executive session.

MS4 – Pani Martin stated she budgeted \$30,000 for MS4. Steve Herzog confirmed that was accurate. The Board stated the cost would depend on what option they choose.

Act 537 – Pani Martin stated she budgeted \$50,000 for Act 537 costs. She asked the Board if they are leaning towards implementing a sewage management program or public sewer. This decision impacts what is budgeted for Act 537. There was a discussion about engineering costs vs. actual costs.

Bank Service Fees – Pani Martin reported that bank service fees increased significantly this year. She explained that the increase in service fees has been offset by an increase in the interest earned income account. The fees will be offset by the interest earned and should net a \$2,000 gain. This is due to the recent switch to Fulton Bank.

Office Supplies – Pani Martin reported she increased the office supply budget significantly. She included money for a new sound system for the Township meeting room. She informed the Board that new fire resistant lateral cabinets are needed. The cost of one cabinet is almost \$1,500. However, she is hoping to find a used cabinet to purchase. She said she also included \$1,500 for new chairs for the meeting room. The Board did not request Pani Martin remove the sound system and fire resistant cabinet costs from the budget. However, the Board did agree that they would like to only replace the chairs in bad condition as opposed to replacing all the chairs.

Telephone Expenses – Ms. Martin reported the telephone expenses have been brought down. However, the fax line is currently \$80 a month now that Verizon is no longer bundled. Ed Porter suggested Ring Central which is an online fax system for \$20 a month. Ms. Martin spoke about options to further decrease costs with Verizon.

Website – Steve Herzog asked about the increase in website costs in the budget. Ms. Martin stated the website isn't user friendly and suggested increasing the budget for website improvements. There was a discussion about the website content, structural set-up, and possible website improvements. Pani Martin stated the website has structural issues. The Board spoke in favor of the Township website. The Board also suggested professional development for Lisa Valaitis to further her knowledge. Pani Martin stated there is money in the budget for this training. The Board had a discussion about the possibility of putting the permit applications online. Pani Martin presented the Board with actual permit application folders and explained why the permit applications are not online.

Randy Doan arrived at 6:15 pm.

Police Department – New Officer – Pani Martin stated Chief Porter requested a new police officer be included in the 2018 budget. However, the 2018 police budget won't change much due to a new officer being included in this year's budget. A new officer would be hired at a lower salary than the officer being replaced was earning.

Police Department – New Vehicle – Ms. Martin stated that Chief Porter is requesting to purchase another Chevy Tahoe.

Police Station - New HVAC System – Pani Martin reported that Chief Porter requested a budget of \$10,000 for a new HVAC system for the police station. All efforts to repair it have come to an end.

Police Department – Vehicle – New Equipment – Pani Martin reported Chief Porter added \$30,000 for vehicle equipment for the eCitation system which will allow all citations to be done digitally.

3. Adjournment.

MOTION: Steve Herzog made a motion to adjourn the budget meeting at 6:30 pm. Ed Porter seconded.

VOTE: 4-0

Respectfully Submitted,

Lisa Valaitis,
Township Secretary