

SPECIAL MEETING MINUTES (Budget)

November 16, 2017

1. Call to order.

The November 16, 2017, Special Meeting of the Board of Commissioners was called to order at 7:00 PM by President of the Board, Kenneth E. Kroberger. The following individuals were in attendance.

Ken Kroberger, Clare Edelmayer, Jim Santi, Tom Duffy, Steve Sands, Len Perrone, Dave Brill, Mike Lapinski,

Mr. Kroberger announced that this meeting was properly advertised on November 10, 2017. He further stated that the purpose of the meeting was to consider a second reading of the proposed 2018 budget. He remarked that the first public reading of the budget was held on Thursday, November 9, 2017.

This second reading is for the purpose of understanding the dollar value consequences of the various changes that the Board decided upon at the first reading. At this time, Finance Director, Dave Brill, produced amended pages from each of the departments and funds that were impacted by the changes. In addition, Mr. Brill distributed a one-page summary sheet of all the amendments.

The changes are as follows:

1. Fire Marshal/EMC budget – line item 491 was increased by \$2500 and line item 492 was decreased by \$1300 based on our Fire Marshal's recommendation
2. Sanitary Sewer budget – 3 items within line items 750 – removal of Haines Run for \$45,000, the inclusion of \$50,000 for plant perimeter security upgrades, and a reduction of \$82,000 for the Plan 2018 activity being brought forward in 2017.
3. Public Works budget – 2 changes, the first in line item 354-000, an increase of \$25,000 for the Lower Gwynedd 50% reimbursement for work done on the Swedesford Rd. Bridge and line item 354-003, including the revenue anticipated from PennDOT in the amount of \$5801 for the Township Plowing for Allentown Rd. in 2018.
4. Facilities budget – We increased the expense for the Admin Roof replacement by \$5000
5. Administration Department – We decreased line item 400-420 by \$350 cancelling our membership to the Westmoreland Council of Government (COG).

With those changes, as outlined by Mr. Brill and as provided by the hand out, Mr. Perrone indicated that unless there was no objection, there would be no reason to deliberate the individual tabs and pages reminding everyone that the changes described above were contained in the initial sheets distributed at the onset of the meeting.

Given the above, Mr. Perrone asked whether there needed to be any discussion about changes to either our real estate tax rate or our sewer rates. This was followed by a discussion about how the Township was approaching the issue of capital equipment depreciation. There have been concerns that the Township needed to fund depreciation on an annual basis and that such should be clearly shown in the budget particularly with regards to the Township's sewer fund. Mr. Brill stated, within the Sanitary Sewer Department the sewer utility rates adequately fund the operational cash flow needs of the system. However, they do not fund the level of depreciation associated with the expendable machinery, equipment and controls assets at the plant. The Board decided that for the purposes of advertising this proposed budget, that any discussions regarding increases to sewer rates for the purposes of funding equipment depreciation, would be considered at a later

date. Therefore, the Board indicated that for purposes of advertising this budget that there would be no changes to tax rates and sewer rates. Mr. Perrone mentioned that if there was going to be any consideration of an amendment to sewer rates that the Board could consider a split rate change between residential, commercial and industrial accounts. Mr. Santi indicated that he thought that was something we should look at and asked Mr. Brill to revise the sanitary sewer budget slides to demonstrate the impact of a split rate change. Mr. Duffy then directed Mr. Brill to include North Wales in the benchmark study that's included in the sewer budget. Mr. Duffy also asked that a five-year capital replacement plan be completed and kept on file.

Mr. Brill recommended to the Board to consider increasing the general fund capital reserve allocation in 2017 by \$200,000 to take advantage of the forecasted surplus in the general fund. The Board agreed.

At this time, Mr. Kroberger asked for questions, comments or possible amendments to this budget. Mr. Sands asked that we adjourn into Executive Session for the purpose of discussing specifics regarding personnel and associated wages and salaries.

At approximately 7:45 pm, Mr. Kroberger adjourned the meeting into Executive Session for personnel matters. Mr. Kroberger further announced that following the Executive Meeting that the Board would reconvene.

Board enters into Executive Session.

Board reconvenes the Public Meeting at approximately 8:20 pm

Mr. Kroberger indicated that the Township staff was authorized, pursuant to the motion made at the Workshop Meeting on Tuesday, November 14, 2017, to advertise the proposed budget and the real estate tax ordinance. Mr. Kroberger asked if there were any other questions or comments, there being none, he adjourned the meeting at approximately 8:30 pm.

Respectfully Submitted,

Leonard T. Perrone Township
Manager/Secretary

Approved December 18, 2017