

MINUTES
FINANCE COMMITTEE
OCTOBER 1, 2012

The Penn Township Finance Committee convened on Monday, October 1, 2012 at 7:42 PM following the Public Safety Committee meeting. Present were Chairman Heilman and Commissioners Klunk, Goldsmith and Felix. Commissioner Prieber was absent with notice. Also present were Manager Garvick, Police Chief Laughlin, Fire Chief Cromer, and Administrative Assistant Rodgers. The following matters were discussed:

ANNOUNCEMENTS: None.

APPROVAL OF MINUTES: The minutes of the September 4, 2012 Finance Committee meeting were approved as submitted.

CITIZEN'S COMMENTS: None.

2012 BUDGET AND OPERATING EXPENSE REPORT: Administrative Assistant Rodgers reviewed the revenue and expense report through September 2012. Revenue is down from the same period in 2011 and expenses are slightly up. The major expenses for 2012 will be allocated in October including the pension MMO's. Kristina noted that the Fire Relief Association revenue was less than last year due to the volunteer response rate decreasing and the paid firefighter response increasing.

ST. JOSEPH'S PARISH: The Committee received a request dated September 6, 2012 from St. Joseph's Parish for a waiver of the sign permit fee to advertise their bazaar being held on November 10th and 11th. The Committee recommended approving the request.

COMPASS GROUP: The Committee received a request dated September 7, 2012 from the Compass Group requesting a waiver of penalties and interest for their LST tax that was paid late. The Committee recommended denying the request.

STEEDS RENT: Manager Garvick reported that he would like to increase the steeds rent by five percent. They are currently paying \$11.50 a square foot and this was last increased in September 2010. The new rent will be \$939 a month up from the current \$894. The Committee recommended increasing the rate retroactively to September 1, 2012.

REQUEST FOR PROPOSALS: Administrative Assistant Rodgers reported that the RFP's for the Township's insurance will be in by next week and she will have a recommendation prior to the Board of Commissioners meeting on October 15, 2012. Commissioner Heilman is okay holding off the award until the November Board of Commissioners meeting if more time is needed and if the insurance companies have a thirty day window to add coverage. Administrative Assistant Rodgers also stated she is

going to try to have the banking services RFP's out for by the end of the week.

COMMISSIONERS' COMPENSATION: The committee, as required by Ordinance No. 502, discussed their compensation for the year 2013. The 2010 US Census has reported the population of Penn Township as 15,612. Ordinance No. 502 dictates that the commissioners receive an increase in compensation according to the requirements of Section 703 of the First Class Township Code. The increase in population will increase the yearly compensation from the current \$3,250 to \$4,125. The committee recommends that the increase take effect on January 1, 2013.

2013 BUDGET: The Committee discussed having a budget meeting on Wednesday, October 10th at 6:30 p.m. A final decision will be made at the public works committee meeting tomorrow evening.

PUBLIC QUESTIONS FOR THE COMMITTEE: None

The meeting adjourned at 7:55 P.M.

Respectfully submitted,
Kristina J. Rodgers
Township Secretary

MINUTES
FINANCE COMMITTEE
OCTOBER 10, 2012

The Penn Township Finance Committee convened on Wednesday, October 10, 2012 at 6:30 PM. Present were Chairman Heilman and Commissioners Klunk, and Felix. Commissioners Prieber and Goldsmith were absent with notice. Also present were Manager Garvick, Police Chief Laughlin, Fire Chief Cromer, Township Engineer Bortner, WWTP Superintendent Mahone, Zoning Officer Menges and Administrative Assistant Rodgers. The Committee convened for the sole purpose of discussing and reviewing the 2013 operating budget.

The Committee first began with the review of the Fire Protection/Emergency Services budget. Manager Garvick stated that this budget reflected a 2.5% increase over the 2012 budget. The wages reflect an increase in firefighter salary according to the bargaining agreement but only show the fire chief's current wages. All insurance expenses are being budget at 2012 figures until we receive the renewal rates for 2013, at which time the budget will be updated. The pension numbers are based on contract obligations. Some of the categories that increased in the fire budget include gas, oil and grease, travel and training and electricity. The Committee extensively discussed the renewal of the radio contract. Chief Cromer explained the repairs he has had to make to the radios over the last several years and extending the warranty would not cover most. He felt that a maintenance contract on the radios for the fire department was not necessary and felt that it would be better to put money back for the future purchase of radios. After some discussion about future fire expenses, it was suggested to remove the fire reserve transfer from the budget and pay for the fire truck from the general fund. Chief Cromer noted that he is applying for a grant in the amount of \$15,000. This grant was previously only available to volunteer firefighters. If the grant is received, Chief Cromer would purchase an update to some software along with other items that are approved by the grant. The revenue for the award of the grant is shown in the state public safety grants account. The emergency management coordinator's budget is slightly lower than in 2012.

The Committee then reviewed the projected revenues for 2013. Manager Garvick noted that the problem is with the revenues because they are flat. He also stated the Township's assessed property value also decreased in 2012 due to many residential and commercial reassessments. It was recommended that the Manager check with York County to see if the assessors are up to date on the assessment of the facilities at the Gateway Shopping Center. There was some discussion about the earnings from temporary deposits and what we can do to increase the amount. The Committee also suggested removing the TAN and the fire rescue reserve transfer out of the revenue portion of the budget.

The Committee then continued with the review of the expenditure portion of the budget. The total Administration budget reflects a seven percent increase over last year. This is due to a \$19,000 increase in capital outlay for a new printer, software to

update the web page, a township code update, and a new copier. Both the Treasurer and Engineer budget reflect no increases. Legal services are projected slightly higher. The municipal building budget has increased slightly due to having a full compliment of custodians for all the buildings.

The police protection budget reflects a slight increase over last year's budget. The budget reflects the PTPA and AFSCME contract wages and three new police vehicles with most of the rest of the line items remaining the same as in 2012.

The Committee next reviewed the zoning budget. Some of the line items were decreased due to the reduced number of zoning cases in 2012. It was noted that future budgets may need to reflect an update to the zoning ordinance and the subdivision and land development ordinance after the completion of the comprehensive plan update.

The Committee reviewed the Solid Waste budget next. WWTP Superintendent Mahon noted that he has included in the budget the replacement of a pick-up truck, which would be our match to a 904 grant he has applied for. If we do not get the grant we would not buy the truck. It was suggested that the purchase of the truck could be moved to another fund and reimbursed once we received the grant. WWTP Superintendent Mahone also noted that York County incinerator tipping fees would remain the same in 2013 as they are in 2012.

The Committee reviewed the Public Works budget. This budget includes the purchase of some new equipment and machinery. It was suggested that some of this be purchased from a different fund.

The Recreation budget was reviewed and it includes funds to reseal the creative playground at the Community Park. It was also noted that paving could be done at Youngs Woods from the funds in the recreation district two account. If that is done extra labor would need to be budgeted in the General Fund Recreation budget to cover the expenses but would be reimbursed from the Recreation District Two account.

The rest of the line items were reviewed and it was noted that there would be bond issues and loans paid off in 2013, which will reduce costs in future budgets. The TAN expense is to be removed from the budget at the request of the Committee.

The Highway Aid budget was reviewed and it was discussed again about possibly taking out the cost of street lighting from the fund and moving it to the general fund to allow more money for road improvement projects.

The Sewer budget was reviewed. The revenue portion shows less carry over in 2013 than in 2012 thus reducing the total projected receipts. Superintendent Mahone noted that he reduced the amount of transfers in 2013 due to an oversight in budgeting a bond payment in the 2012 budget. There was some concern about current year and prior year reimbursements, which will be reviewed by staff. Superintendent Mahone noted that he is currently short one operator due to a retirement in July of 2011. That

operator was never replaced as a cost savings measure. Now that the new WWTP is operational he has included those wages and benefits in this budget and would like to fill that position. He stated it makes it difficult to keep up with work at the plant without having this person. He has included the replacement of St-14 along with some equipment, including an ultra sonic algae controller in his budget.

The Committee concluded the meeting noting another meeting will be needed in November to review and make decisions regarding the budget.

The meeting adjourned at 9:25 P.M.

Respectfully submitted,
Kristina J. Rodgers
Township Secretary