

MINUTES
FINANCE COMMITTEE
DECEMBER 7, 2009

The Penn Township Finance Committee convened on Monday, December 7, 2009 at 7:15 PM following the Public Safety Committee meeting. Present were Chairman Heilman and Commissioners Prieber, Felix, Goldsmith and Rewa. Also present were Manager Garvick, Police Chief Rhodes, Fire Chief Cromer and Administrative Assistant Rodgers. The following matters were discussed:

ANNOUNCEMENTS: None

APPROVAL OF THE MINUTES: The minutes of the November 2, 2009 Finance Committee meeting were approved as submitted.

CITIZEN'S COMMENTS: None.

WEST MANHIEM LION'S CLUB: The Committee received a request dated November 19, 2009 from the West Manheim Lions Club for a waiver of the sign permit fee to advertise their Christmas tree sale at the Grandview Plaza. The Committee recommended approving the request.

RESOLUTION NO. 720: Manager Garvick reported that he would like to rename the Public Works Facility Construction account to the Penn Township Municipal Liability account and also open a new account to handle the proceeds of the sewer bond issue. The municipal liability account would hold the funds the Township will be using to self-insure its liability insurance. The Committee recommended adopting the resolution.

RESOLUTION NO. 721: Manager Garvick reported that a resolution is needed to utilize the online PennDOT system for submitting reports in compliance with Liquid Fuels funds. The Committee recommended adopting the resolution.

2009 BUDGET & OPERATING EXPENSE REPORT: Manager Garvick reviewed the 2009 revenue and expenses.

2010 BUDGET: Manager Garvick reported that he has been negotiating with York County for the rent on the District Magistrate's office and they have agreed on a 20% increase in the rent. He also negotiated with Penn National insurance company for a decrease of seven thousand dollars on the workman's compensation insurance. Manager Garvick reported that he has eliminated all the expenses the Committee suggested at prior meetings. The budget is still not balanced. He provided them two sets of revenue: one showing a tax rate of 2.95 mills and one with 3.00 mills. Both budgets will still have a deficit. The budget can be managed with a tax increase with the hope that additional revenue is received. Commissioner Heilman stated that the Township would still need to borrow funds to operate at the beginning of the year until the tax revenues are received. Commissioner Felix noted that previous Boards have done an excellent job trying to keep taxes down including the

current Board but in order to keep the current level of services there needs to be a tax increase. He stated that he would support an increase to 3 mills. Commissioner Heilman stated that the problem is not due to the Township's overspending but due to a decrease in revenues from state sources and an increase in state mandates. Pension and health care also contributes to the looming deficit. Commissioner Heilman stated that he would support an increase to 2.95 mills. Manager Garvick reported that he would be meeting with PNC Bank to discuss a Tax Anticipation Note. There was some discussion about borrowing the entire amount but that would still not provide a revenue stream that is constant into the future. Manager Garvick asked if they would be amenable to borrowing from reserve accounts to help balance the budget. The Committee suggested that they begin the process of borrowing funds to have revenue for the 2010 year.

OTHER MATTERS: None.

The meeting adjourned at 7:45 P.M.

Respectfully submitted,

Jeffrey R. Garvick, Manager