

MINUTES
FINANCE COMMITTEE
NOVEMBER 28, 2007

The Penn Township Finance Committee convened on Wednesday, November 28, 2007 at 6:30 PM for a budget workshop. Present were Chairman Heilman and Commissioners Stauffer, Klunk and Felix. Also present were Manager Garvick and Administrative Assistant Rodgers.

Chairman Heilman called the session to order. The commissioners had the opportunity to review the proposed draft, which showed a deficit of around \$690,000 in the General Fund. The Sewer and Highway Aid budgets are balanced.

The first area of discussion was the public works budget. This is the first opportunity the commissioners had to review specific projects for 2008. The proposed budget includes funds (\$40,000) for the continuing construction of intersection handicap ramps to comply with ADA curbing requirements. The budget also proposes reconstruction and overlay of Oak Hill Circle (\$33,800), Oak Hill Drive (\$64,020), Beaver Creek Road (\$73,340), Pigeon Hill Park Road (\$36,000) and Maple Lane (\$36,180). This represents a 13% increase over the cost of projects projected in the 2007 budget.

The highway aid portion of the budget proposes overlays of Beck Mill Road in conjunction with the Martin's Ridge plan (\$53,730) and Thornbury Hunt plan (\$84,930). The budget also proposes an overlay of Grandview Road (\$88,920) in conjunction with the High Pointe plans. The committee recommended removing this from the budget and, if the current reconstruction of Beck Mill Road is complete in 2008, paying for this improvement from the non-general fund Highway Improvement account.

The committee recommended that the new street sweeper be removed from the general fund and, instead, utilize refuse/recycling account funds to purchase it.

The committee then discussed the Fire Protection/Emergency Services budget. The large deficit is the result of ordering another engine, which will be delivered around July of 2008. The committee recommended removing the engine from the budget with the intent to arrange financing next year once the engine arrives. Hopefully, the financing can be coordinated to begin in 2009, once the current yearly debt service (\$230,000) for the highway improvement project is paid down. If the engine arrives early, the committee recommended borrowing funds from the refuse/recycling account with the intent of paying that account back once financing is arranged.

There was discussion regarding the contribution to the Hanover Library. The fair share payment for 2008 represents an increase of 61.7% over the 2007 donation. There was discussion about lowering the donation amount but the consensus was to keep the fair share payment as requested by Hanover Borough.

The committee recommended eliminating the \$100,000 transfer from the General Fund to Building Reserve. They also recommended lowering the general fund contingency to \$500,000.

Commissioner Heilman inquired as to why the estimated revenue for the earned income account was lower than last year. The Manager informed him that this was a linear projection and the reason it is low is because the September and October payments from the Hanover Area Wage Tax Office were much lower than in previous years. The year-end revenue may increase but because the payments from the tax office are so inconsistent, projecting in this category is difficult.

The committee then directed staff to recalculate the 2008 budget and make any other adjustments necessary in order to balance without benefit of any property tax rate increase.

Respectfully submitted,

Jeffrey R. Garvick, Manager