

MINUTES
FINANCE COMMITTEE
OCTOBER 2, 2017

The Penn Township Finance Committee convened on Monday, October 2, 2017 at 7:36 p.m. following the Public Safety Committee meeting. Present were Chairman Brown and Commissioners Felix, Heilman, Klunk, and Van de Castle. Also present were Township Manager Rodgers, Police Chief Laughlin, Police Lieutenant Hettinger, Fire Chief Clouser, and Township Secretary Hallett. The following items were discussed:

ANNOUNCEMENTS: None.

APPROVAL OF THE MINUTES: The minutes of the September 5, 2017 Finance Committee meeting were approved as submitted.

2017 REVENUE AND EXPENSE REPORT: The year to date revenue is 93.6% of what is budgeted and the expenses are 54.45%. At this point in the year we should be at 75%. Manager Rodgers said the report reflects revenue received for MMO payments but the money won't be expensed until October.

2018 BUDGET REVIEW: Manager Rodgers presented the first draft of the 2018 budget along with a budget narrative. Commissioner Felix asked if both police officers that were approved for hiring in 2018 were included in the budget. Manager Rodgers said only the January hire was included in the budget and Commissioner Felix asked that the second hire be added as well. Commissioner Klunk was opposed to adding the second patrolman to the budget but Commissioner Heilman said the hiring was already discussed and approved by the Committee. Manager Rodgers will add the second patrolman to the budget. She pointed out that the salary for Chief and Detectives seems high and this is because the payouts for the two employees in the drop are included. There is a ten percent increase estimated for insurance. Manager Rodgers said the new valuation for Police pension came in and it will lower the budgeted amount by about \$55,000 for the MMO.

Police Chief Laughlin reviewed the Police Department budget. He pointed out increased expenses for the purchase of three ballistic vests, ammunition, traffic signal maintenance and repairs, a new server for the in-car cameras, duty weapons, and major equipment. He said the three vests will include one for the January hire and the July hire will be covered by grant money. Ammunition increased due to Taser's new certification requirements. The traffic signals are budgeted higher just in case it's needed for the adaptive signals. At this point no one is sure what the expense of that will be. The total cost for new duty weapons includes a credit for trading in old weapons. Major equipment purchases include two marked cruisers and a replacement for the 2006 Crown Victoria. The Crown Victoria already needs a timing belt and is on the verge of costing a lot of money to keep running. Manager Rodgers pointed out that the Fire Commission is considering a vehicle for the Executive Secretary and it may be possible to lease or sell one of the trade-in cruisers to the Fire Commission.

Fire Chief Clouser reviewed the Fire budget for 2018. He said the budget is based on half of what the Fire Commission will cost and a lot of the numbers may change based on contract negotiations. He said some of the overtime expenses occurred in the past will likely not occur under the Commission. In the current contract each firefighter is allowed, three times a year, to take off when there is already another firefighter off. That equals forty-five shifts a year of guaranteed overtime.

Fire Chief Clouser got proposals for health insurance and budgeted the higher amount until it can be reviewed and negotiated. The expense for disability and life insurance are a best guess at this point. He said there is money in the budget for post-employment insurance contribution, which is available to Legacy Hanover Borough firefighters because they currently have it. The budget includes fundraising supplies for the Penn Township Volunteer Emergency Services because they will be a part of the Commission. The supplies include mailing solicitations and marketing. Manager Rodgers said she doesn't think we can pay for fundraising supplies.

Fire Chief Clouser pointed out that the office and station supplies are significantly higher than Penn Township usually pays because it includes supplies for the fire stations, such as toilet paper, paper towels, etc. Some money will be saved in gasoline, oil, and grease because public works has agreed to do some of the routine maintenance. Money is also saved under general expense because there will no longer be a stipend for an Assistant Chief. He said the amount budgeted for fire hydrant rental may increase. Penn Township rents fire hydrants from Hanover Borough and Chief Clouser isn't sure what Hanover Borough will bill the Commission for the hydrants in both Penn Township and Hanover Borough. If they bill for all of the hydrants the budgeted amount will increase. Chief Clouser reviewed various other budget items and pointed out some differences between Penn Township and Hanover Borough's fire budgets. He pointed out that the Fireman's Relief grant will probably go to Penn Township and be sent directly to the Volunteer Firefighter's Relief Association. Manager Rodgers let Chief Clouser know that the grant came in last week and it was about \$12,000 less than in 2016.

Fire Chief Clouser said he hopes to have Emergency Management Services for both Hanover Borough and Penn Township merge into one through the Fire Commission.

Manager Rodgers reviewed the general fund receipts. She budgeted with the tax rate remaining the same. She reviewed increases and decreases over the 2017 budget. There are two transfers in the budget; \$150,000 from the Fire Rescue Reserve to cover the Quint fire truck payment and \$250,000 from the 2014 Borrowing Fund to pay for a new excavator. Commissioner Felix said the Fire Rescue Reserve should be used for a one time purchases, not for on-going payments. Commissioner Heilman asked if the excavator was approved under the 2014 borrowing. Manager Rodgers said public works equipment was part of the bond. The budgeted total for general fund receipts is \$10,194,712 with estimated cash on hand at \$2,090,000.

Manager Rodgers reviewed the expenditures. She pointed out that wages increased per the AFSCME contract and she estimated a ten percent increase in health insurance. The budget does not include the previously discussed heating units. Manager Rodgers got a quote for replacing all nine units and it was high enough that

we're required to bid the project. The Committee advised Manager Rodgers to bid the replacement of all nine units.

Manager Rodgers said there is no excess in the budget. The department heads asked for what they need and she supports them in those requests. The only area with potential for savings is in Recreation where the repair of the nature trail is budgeted at \$50,000. There is also possible room for savings in Contributions. The Hanover Library asked for \$121,450 and the full amount is in the budget. In 2017 the Township contributed \$70,000 to the library. After discussion the Committee advised Manager Rodgers to lower the library contribution to \$80,000. Commissioner Heilman said one of the reasons the Township hasn't given the full amount is because we have no say in the budget or their processes. In 2016 a library representative attended a public meeting and said she'd get back to the Board on these concerns and she never did. The total general fund expenditures are \$12,284,712.

OTHER MATTERS: None

The meeting was adjourned at 8:35 p.m.

Respectfully submitted,

Angela M. Hallett
Township Secretary