

MINUTES  
FINANCE COMMITTEE  
OCTOBER 5, 2015

The Penn Township Finance Committee convened on Monday, October 5, 2015 at 7:14 P.M. following the Public Safety Committee meeting. Present were Chairman Heilman and Commissioners Klunk, Felix, Goldsmith and Prieber. Also present were Manager Rodgers, Police Chief Laughlin, Fire Chief Cromer and Administrative Assistant Hallett. The following items were discussed:

ANNOUNCEMENTS: None.

APPROVAL OF MINUTES: The minutes of the September 1, 2015 Finance Committee meeting were approved as submitted.

CITIZENS COMMENTS: None.

2015 BUDGET AND OPERATING EXPENSE REPORT: Manager Rodgers reported on the 2015 budget and operating expense through October 1, 2015. It was necessary to report through October 1<sup>st</sup> to include the pension payments which were made on that date. The year to date revenue is 97% of what is budgeted and expenses are 70%. These expenses include the MMO so most of the remaining expense for 2015 will consist of payroll, which will be larger in December due to longevity payments. Manager Rodgers reported that the delinquent tax will be higher than the \$106,000 budgeted. The Township has made two payments on the Cable Franchise Audit and will not make the third until the audit is complete. Manager Rodgers is expecting additional revenue from this audit which will not be seen until 2016. Commissioner Heilman asked for clarification on this audit. Manager Rodgers explained that Penn Township is reviewing a list of all addresses that the cable company shows in Penn Township and adding any that are missing, particularly addresses in new developments.

ST. JOSEPH PARISH: Manager Rodgers read a request dated September 11, 2015 from St. Joseph Parish to waive permit fees, totaling \$97, associated with a Christmas Bazaar to be held on Saturday, November 14, 2015. Commissioner Prieber asked if they would be the same signs as are placed every year. Manager Rodgers confirmed that one would be placed on Baltimore St. at the corner and the remaining three would be on Parish property. The Committee recommended approving the request

2016 BUDGET REVIEW: Chairman Heilman reported that in May of this year he asked Manger Rodgers to change the way the budget was being prepared. Rather than including all items and coming in a million dollars over, he instructed Manager Rodgers to prepare a budget reflecting the essential expenses and additional items will be reviewed separately. Chairman Heilman stated that the budget may be balanced; however, this does not mean it is healthy. Any desired items will be reviewed and added back in to the budget by Board action. Reserve funds and additional equipment or staffing funds will either require a tax increase or a like amount reduction in the draft budget. The initial budget includes amounts negotiated with the Union, including the AFSCME contract's 3.5% increase for 2016, the fire department's 3% increase and the Police Department's 3.25% increase. Reality transfers are up by \$207,000 due to major moves. Other revenue sources are up such as delinquent taxes. The cable

franchise fees are up by \$50,000. These are one time increases that cannot be assumed for next year. Without a tax increase the budget could potentially be out of balance by \$750,000.

Manager Rodgers reviewed the following items in the 2016 draft budget:

Under Administration there are no wage increases shown for the Manger or Administrative Assistant. The amount is reduced from last year due to Mr. Garvick's retirement and the expense associated with that. A 10% increase was assumed for health insurance; however, this is not guaranteed. The increase in general expense is offset in wages due to the hiring of a temporary employee. Total Admin budget only went up slightly, which was due to the increases in the Engineering Department, which will be reviewed at a later date.

Under Police a 2% increase for the Chief and the Lieutenant are budgeted. The crossing guard budget is half of previous years as the Township has informed South Western School District we will no longer share the costs. The budget shows four ballistic duty vests and \$6,000 for active shooter training. The budget shows six Taser holsters, portable radio repair, portable radio batteries/chargers, and a Glock 23 pistol to replace one in the armory. Over all there is a \$24,000 increase over 2015.

Manger Rodgers reported that the Fire Department shows no increase for the Fire Chief. The Fire numbers are within reason compared to 2015.

Manger Rodgers reported that Emergency Management requested \$5,000 for an Emergency Management Center.

Manger Rodgers reported that Protective Inspection and Zoning reflects an increase for Mr. Brady to perform inspections if needed in the summer. A new vehicle is requested for Zoning Officer Swanner. There is \$25,000 in the budget for the Zoning Ordinance update, which will be discussed further during the Public Works meeting. Commissioner Klunk asked for more details on the Emergency Management Operations Center. Manger Rodgers stated that the Volunteer Fire Department did not want the Risk Management Officer in their station. Chief Cromer added that the former Emergency Management Coordinator did not want to share an office which could not be accommodated, but the Volunteers never denied access to the building. Discussion ensued concerning the best place to house an Emergency Management Station. It was decided to have further conversation at a later date.

Library contribution is half of what the library requested and is line with what the Township has been giving.

Manager Rodgers reported that the Township owes about \$88,000 in debt service payments for 2015.

Manger Rodgers reported that the contingency is \$538,000 which will make it difficult to meet eight payrolls in 2017 before tax money comes in.

Chairman Heilman stated that all combined, Penn Township operates at a \$10.5 million budget.

Pension Board: Commissioner Klunk reported that he and Commissioner Heilman attended the Pension Board Meeting. Commissioner Klunk shared his concern with the amortization of the pension funds. Chairman Heilman wants to understand who is deciding what the amortization schedule should be as the formula calculation doesn't make sense to him.

OTHER MATTERS: Commissioner Klunk asked about an email concerning \$269 in Chamber of Commerce fees that are due and wanted to know what the Township is getting out of the Chamber of

Commerce Membership. Manger Rodgers reported that the Township has historically not participated in Chamber activities that would give a reduced fee.

Commissioner Klunk raised concerns about the Dempsey bill. Manger Rodgers will research the contract and determine whether or not money could be saved by purchasing and cleaning our own rugs.

Chief Laughlin reported that the Marathon race on October 4, 2015 went very well and numerous runners complimented Penn Township's section of the Rail Trail. Traffic was not affected in any way.

JOINT FIRE MEETING: Commissioner Heilman asked to schedule a public meeting with Fire Chief Cromer and the Board of Commissioners concerning the merger of Hanover Borough and Penn Township fire departments. The meeting was set for Tuesday, October 20, 2015 at 7:00 p.m.

An Executive Session will follow the Finance Committee Meeting to discuss a personnel issue.

The meeting was adjourned at 8:02 p.m.

Respectfully Submitted,

Angela Hallett  
Administrative Assistant