
PINE GROVE TOWNSHIP SUPERVISORS

175 OAK GROVE ROAD, PINE GROVE, PA 17963

OCTOBER 25, 2016 BUDGET MEETING MINUTES

CALL TO ORDER - Chairman Bruce Kosack called the October 25, 2016 meeting to order with the Pledge of Allegiance at 6:30 PM. In attendance were Vice-Chairman Jeffery Zimmerman, Supervisor Ray Stump, Township Manager Kathy Ferguson, Allen Aungst and Larry Hoffman.

Note: Meeting was held at 115 Mifflin Street, Pine Grove, due to renovations of the HVAC system in the Township building.

PUBLIC COMMENT ON AGENDA ITEMS – No comments were received.

OLD BUSINESS

- ▶ **CDBG Resolution** – Ferguson read the proposed resolution approving the budget for the Community Development Block Grant Program administered by Schuylkill County for fiscal year 2016. The budget for the CDBG program approved for submission to Schuylkill County for inclusion in the fiscal year 2016 application to DCED is \$83,919.00 (Housing Rehabilitation - \$68,814.00 and Administration \$15,105.00). Stump moved to adopt Resolution #2016-09 approving the budget for the CDBG program for fiscal year 2016. Zimmerman seconded the motion, all were in favor and motion carried 3 to 0.
- ▶ **Flooring Quotes** – Ferguson said only two quotes were received for the vinyl plank flooring, there are two other companies scheduled to come in and measure for quotes. Kosack asked if anything could be done by election day. Ferguson said the carpet quote initially received would be the only thing that could likely be done for election day; other companies say they are scheduling for the middle of December. The Board tabled this item.
- ▶ **PennDOT Bridge Grants** – Pine Grove Township received notification they will not receive grants they applied for in 2015 for fiscal year 2016 for the three bridges. Zimmerman discussed the costs of the grant submissions, the condition, deterioration and costs for repairs of the bridges. Zimmerman said we need to put the CFA grant money into the budget and expressed concern about the hazards of the Swopes Valley Road bridge. Zimmerman said we need to be aggressive in the budget numbers and pro-active on Swopes Valley Road which is the worst bridge.
- ▶ **Oak Grove Road Bridge** – Zimmerman said he initiated a meeting with Atlantic Sunrise about their hauling routes last week, concentrating on Oak Grove Road Bridge. They agreed it is a vital route for their equipment and piping. Zimmerman said he doesn't know what they will do, he wanted to let them know the condition of the bridge and if the bridge failed during their construction and had to be closed, the impact on other Township roads which are not built for their size loads would be huge.

NEW BUSINESS

2017 Proposed Budget – Discussion was held on the following General Fund line items:

- ▶ **405.112 Office Full Time Wages** – Ferguson said this line number was changed to reflect the correct number in the DCED chart of accounts.
- ▶ **405.115 Office Part Time Wages** – \$3,000 was added to the budget for temporary help during vacations times and for help in archiving the records.
- ▶ **354.10 CFA Multimodal Grants** – The Township's portion (\$503,971) of the expense for the three bridges was subtracted from \$1,679,905 to show the accurate potential grant income. The line item was changed to \$1,175,933.
- ▶ **439.000 Highway Construction** – The Township's expense for the bridges (\$503,971) and the remainder of the expense for the bridges (\$1,175,933) was budgeted in line item 439.000 along with \$218,000 for Road Projects. *Note – The amount for Road Projects was reduced to \$118,000 later in the meeting.*
- ▶ **430.740 Highway Capital Purchases** - \$143,000 budgeted for a new truck was discussed. Stump said the 2004 Freightliner needs the box repaired and a new wiring harness throughout the whole truck, the estimated cost because it's not made any more is between \$25,000 to \$35,000. *Note- the purchase of the truck was removed later in the meeting.*

2017 Proposed Budget, cont.

487.196 Employee Health/Dental - Zimmerman said based on insurance companies talking about 35 -50% increases next year, he doesn't feel the \$15,000 increase that Ferguson budgeted is enough. Ferguson said the increase is calculated using the actual contract figures for the upcoming year; our new contract year started October 15, 2016. Zimmerman said he has been saying for years we are one of the few employees who pay full coverage, most everyone has gone to a co-pay. A lengthy discussion followed on employee health benefits, the right of an employee to negotiate and have representation, the cost of equipment, the budget for roads, etc.

Kosack calculated the cost of paying employees for their lunch time and it was approximately the same cost as the increase of the health benefit in the budget. Kosack suggested the employees give back their paid lunch and stay at work a half hour longer as their contribution to their health benefit. Zimmerman agreed and said it should be changed in the Employee Handbook.

Other health insurance options were discussed including paying only for coverage of the employee, or requiring an employee's spouse to take insurance coverage if provided by their employer. The Board agreed that Kosack should discuss health insurance options with the Township Solicitor.

- ▶ **439.00 Highway Construction** - Swopes Valley Road and 2 ½ Mile Road were discussed for paving. Stump will check on the ownership of the area of Swopes Valley Road that is in need of repair and if the Co-Stars program allowed trade-ins on truck purchases. Stump agreed to paving only 2 ½ Mile Road and the budget for Road Projects was changed to \$118,000.
- ▶ **492.30 Transfer to Capital Reserve Fund** – Ferguson said she budgeted \$25,000 to be transferred to Capital Reserves Fund to complete the transaction for annual payments received from the Township Authority for their loan. Ferguson said in earlier years the Township always kept a minimum amount of funds in the General Fund and transfers were made from Capital Reserves Fund as needed depending when taxes were received, etc. Zimmerman moved to authorize Ferguson to open a Capital Reserve account at Fulton Bank for transfers to the fund from General Fund. Stump seconded the motion, all were in favor and motion carried 3 to 0.
- ▶ **430.740 Highway Capital Purchases** – The Board re-visited the purchase of a new truck and discussed cost of repairing the truck with money from the Liquid Fuels Fund. Tar & chipping some Township roads was discussed as an option and the Board agreed the January meeting is when they should decide which roads to pave, etc. The Board agreed to repair the 2004 Freightliner instead of purchasing a new truck; \$143,000 was removed from the Highway Capital Purchases and the corresponding estimated expense was added to Highway Vehicle Repairs.

A discussion followed on the draft budget numbers, changes to Revenue and Expense items and a need for the Township Manager to review the draft budget to verify the figures and send it to the Board of Supervisors for review prior to the next Township meeting.

PUBLIC COMMENT – No public comment was received.

ADJOURNMENT – At 8:46 PM Kosack moved to adjourn the meeting, Zimmerman seconded the motion; all were in favor and motion carried 3 to 0.

Respectfully submitted,

Kathy Ferguson, Township Manager

Approved by the Board of Supervisors on November 9, 2016.