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# **PINE GROVE TOWNSHIP SUPERVISORS**

**175 OAK GROVE ROAD, PINE GROVE, PA 17963**

**NOVEMBER 14, 2017 BUDGET MEETING MINUTES**

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**CALL TO ORDER** - Chairman Bruce Kosack called the November 14, 2017 meeting to order with the Pledge of Allegiance at 6:06 PM. In attendance were Supervisor Ray Stump, Township Manager Kathy Ferguson, Howard Lengel, John Stahl (Township Authority Chairman), Margaret Davenport, Reynold Eiche, Gerald Lengel, and Larry Hoffman. Vice-Chairman Jeffery Zimmerman was absent.

## **PERSON TO BE HEARD**

**Jeremy Bentz**, currently employed by Larson Design as one of the Sewage Enforcement Officers for Pine Grove Township, informed the Board of Supervisors that Larson Design will end their SEO services this year. Bentz said he is opening his own office in Strausstown and gave the Board of Supervisors a proposal for 2018. The Board said they would review his proposal and the Township Manager will meet with him if there are any questions.

**EXECUTIVE SESSION** – The Board of Supervisors and Township Manager adjourned into Executive Session on property matters at 6:12 PM and meeting resumed at 6:30 PM; no decisions were made.

## **OLD BUSINESS**

**Township Authority** – Kosack said after conferring with the Township Solicitor regarding the sale of the Authority there appears to be some cash left that was not put into the agreement. Kosack said the money is the peoples' money, the rate payers' money, and in talking with Solicitor DiNicola there are options the Authority Board can do with the money. Kosack said the Authority Board can have the excess money go back to the rate payers in the form of a reimbursement, mitigate a rate increase for a period of time, or buy pipe to extend the line; they should make all the temporary connections permanent.

Kosack said the Township is going to hold up their end of the bargain, they just want the Authority Board to use those options because there is no guarantee from anyone the project to extend the line to the other side of I-81 will be completed in one year or ten years from now.

Kosack said one question is can the money go back to the Township and the answer is yes; transferring an authority to an authority is different than selling an authority. Kosack said the Township had an agreement of sale with the County and at the last minute the agreement was changed; the Township was not aware of the change. Kosack said at the same time there was a \$25,000 loan payment due to the Township from the Authority and if we would have left that payment in the Authority account and the transfer went through, the Township would have lost that too because all the cash is now going to the County.

Kosack said right now we have a \$113,000 shortfall in our budget that we are going to have to go back and make up the difference, he links it to the Authority. Kosack said there will probably be a one mill real estate tax put on tonight. Kosack said the Township is going to stand by their agreement and the Township Water Authority Board needs to address their options.

A brief discussion followed on the agreement and the options for the Water Authority Board.

**2018 PROPOSED BUDGET** – Township Manager Ferguson said she updated the year-to-date column numbers. Kosack noted the \$100,000 revenue in cash accounts from the sale of the Water Authority agreement cannot be considered in the budget. Ferguson and the Board of Supervisors discussed the following line items:

### **REVENUE**

- ▶ **301.00 Real Estate Taxes** – Ferguson suggested finalizing the rest of the budget before deciding on the real estate tax.
- ▶ **362.44 Sewage Enforcement Fees** – Ferguson noted the Act 537 plan requirements and discussion was held on starting a septic pumping plan in 2018 with exemptions for those who can show proof of pumping their tanks, etc. Ferguson said if the Supervisors are considering enacting the plan, money needs to be budgeted for the revenue and expense line items; an additional \$25,000 was budgeted for sewage enforcement fees.

**REVENUE, cont.**

- ▶ **396.01 Repayment of Loan – Twp. Authority** - Ferguson said this amount needs to be zero; the settlement is set to take place before the end of this year.

**EXPENSE**

- ▶ **403.105 Tax Collection, Elected** – Budget amount was increased to \$1,200 to pay for the Collector’s bond and Township share of envelopes.
- ▶ **403.310 Solicitor Professional Services** – Budget amount was increased to \$15,000 for Swopes Valley Road Bridge project, Comcast negotiations, and ordinance codification.
- ▶ **Wages** – Ferguson said she calculated the wage line items without any overtime hours and the Board should take that into consideration if they are going to change anything with comp time pay. The Board agreed to the budget figures Ferguson calculated and said the issue of comp time will be discussed at the Organization meeting in January.
- ▶ **406.310 Janitor** – Budget amount was increased to \$2,730 for increased time and duties requested by the Township.
- ▶ **409.370 Building Repair & Maintenance** –The Board said they would like to contract with someone to mow the lawn and said they want to put it out for bids. The budget amount was increased by \$30,000 to include lawn mowing, the quotes for work on the interior of the Township building, doors, and new keys.
- ▶ **409.700 Capital Purchases** – The budget amount was increased by \$13,000 to finish the ordinance codification process.
- ▶ **430.115 Road Crew (Part Time) Wages** – The budget amount was increased to \$14,000 because of the requirement for a follow vehicle when mowing along the roads.
- ▶ **438.334 Road Maintenance Delivery Chgs.** – Ferguson asked if the amount the Road Foreman budgeted was so high because we pay for the hauling for chipping; Stump said yes.
- ▶ **430.232 Highway - Vehicle Fuel** – The amount budgeted was increased to \$15,000 for the expected increase in amount of road work planned for 2018.

**DEFICIT** - Ferguson said the proposed 2018 budget has a deficit of \$148,981 **with** \$95,000 included for revenue if the Supervisors enact a one mill tax in 2018.

The Board of Supervisors discussed their options to balance the budget and directed Ferguson to balance the budget by an Interfund transfer from the Capital Reserves Fund.

Kosack made a motion to enact a one mill property tax effective January 1, 2018 and authorize Solicitor DiNicola to move forward with the advertising. Stump seconded the motion, all were in favor and motion carried 2 to 0.

Discussion was held if one mill was the right amount and public comment was heard.

Kosack amended his prior motion and moved to enact a 1.5 mill property tax effective January 1, 2018 and authorize Solicitor DiNicola to move forward with the advertising. Stump seconded the motion, all were in favor and motion carried 2 to 0.

**PUBLIC COMMENT**

Gerald Lengel asked about an inventory of Township property, a discussion was held about hiring a service to do an inventory, having a property book and the purpose of the Capital Reserves Fund; no decision was made.

Gerald Lengel asked the Board of Supervisors if they are getting rid of the Comcast franchise fee, the people with Direct TV and others aren’t paying it while most of the seniors are. Kosack said he doesn’t have a problem getting rid of that fee, but we have to make up the \$35,000 somewhere; he feels the franchise fee needs to be renegotiated to include AT&T, Verizon and all others. Kosack said we need to have someone to negotiate our contract to help us make it fair to all taxpayers.

**ADJOURNMENT** – At 7:45 PM Stump moved to adjourn the meeting, Kosack seconded the motion; all were in favor and motion carried 2 to 0.

**Respectfully submitted,**

**Kathy Ferguson, Township Manager**

**Approved by the Board of Supervisors on December 13, 2017.**