

## Board of Supervisors

### MINUTES

November 9, 2011

**Supervisors Present:** Karen Bedics, Barbara Lindtner, Dave Long, Volker Oakey and Rob Zisko  
**Also present:** Sandy Everitt, Township Secretary/Treasurer; Officer Michael McDonald, Officer-in-Charge; Rich Pursell, Roadmaster and Rich Schilling, Township Manager

Barbara Lindtner, Chairperson, called the meeting to order at 7:30 p.m. and opened with the Pledge of Allegiance.

### Approval of Minutes

Rob Zisko **moved** to adopt the October 25, 2011, minutes as corrected. Karen Bedics **seconded**. Voting **Yes**: Karen Bedics, Barbara Lindtner, Volker Oakey and Rob Zisko. **Abstaining**: Dave Long (not present for October 25 meeting) The motion **passed**.

### Bills for Approval – Tabled until the November 22, 2011, meeting

### Public Comments on Agenda Items

**Bobb Carson** asked if there would be opportunity for public comment during the 2012 budget discussion. When this was affirmed, he reserved his comments for the budget discussion.

### Old Business

**1. Appointment of Assistant Secretary/Treasurer** – The Board interviewed numerous candidates to replace Sandy Everitt, who is retiring effective December 31, 2011. From those candidates, the Board selected Jason Wager to fill the position. Jason will assume the position effective January 1, 2012. However, his official start date will be Monday, November 14, 2011, to provide time for training. Until January 1, 2012, Jason will serve as assistant secretary/treasurer. At the January 3, 2012, reorganization meeting, Jason will be appointed as secretary/treasurer and Sandy Everitt will be appointed as temporary assistant secretary/treasurer. Rob Zisko **moved** to appoint Jason Wager as the assistant secretary/treasurer at a starting salary of \$45,000 with all benefits outlined in the 2011 Non-Uniform Employee Policy. Volker Oakey **seconded**; the motion **passed** unanimously. The Board congratulated Jason on his appointment.

**2. 2012 Budget** – Sandy Everitt elaborated on several budget areas in the draft budget dated 11/7/11. She noted that the expenses were divided between the general fund and the liquid fuels fund. In 2011, there is a projected liquid fuels carryover of \$93,000. However, in 2013, there is no liquid fuels carryover projected. Because of this, winter maintenance projects in the early months of 2013 may have to come from the general fund reserve (to be reimbursed in April 2013 when the Liquid Fuels money is available).

There are two items not included in the draft budget. No salary increases are included for non-uniform employees (approximately \$5,808 for a 2% increase) and the \$15,000 additional requested by UBREMS is not included.

The Board discussed the potential of having to use the general fund reserve in the first quarter of 2013, both for first quarter general fund expenses and because of having no carryover liquid fuels funds in 2012. Much depends upon whether the Township receives 50% reimbursement from DEP for the cost to revise the township's Act 537 Plan (\$120,000). Currently, the 2012 budget reflects receiving \$30,000 of the total \$120,000 due DEP. The Board received documentation from Rich Schilling that DEP committed to reimbursing half of the township's expenditure to revise the Act 537 Plan (\$120,000) upon their acceptance of the Plan, which is also on file. Because of the uncertainty about receiving this from DEP in 2012, the Board struggled with how to ensure adequate funding for Township expenses in 2012 and 2013.

There was a lengthy discussion about what the final Earned Income Tax revenue would be for 2012. The 2011 EIT revenue projection (\$670,000) is assuming a 3% increase. Currently, the 2012 budget is forecasting \$720,000 EIT revenue, a 7% increase over 2011. This assumption is in opposition to the trend for the past three years (beginning in 2009) during which there was a significant downward trend in EIT revenue. Rob summarized that if the Board does not feel the Act 537 refund will come in 2012, then the Board needs to consider a real estate tax increase, because a tax increase cannot be generated mid-year. Rob does not want to raise taxes; however, the Board has only managed not to raise taxes (last 1 mill increase was in 2005) at the cost of depleting most of the township's reserve fund. Volker suggested that if the projected revenue does not come in, expenses must again be cut in 2012 like they were in 2011. He also suggested financing the 2002 truck that is budgeted in Liquid Fuels for the road department or cutting the number of miles of roads to be oil and chipped in 2012.

Barbara opened the discussion for public comment.

**John Oehler** feels that financing the road department truck is the way to provide a cushion if we do not receive the Act 537 payment from the State.

**Aimee Douglas**, resident and treasurer of the Springtown Water Authority, feels there should be a tax increase to replenish the reserve fund. Their township tax bill last year was \$140 and she considers their property represents an average township property. She does not want to live in a township where everything has been cut to the bone and things are allowed to deteriorate. She is happy to pay additional township taxes if she knows it is being used for important things such as road maintenance and emergency services. If the township continues to avoid repairing roads, it will ultimately result in big tax increases to replace these roads in the future. The Water Authority is currently dealing with this very issue. The water system was not maintained for 100 years and was allowed to deteriorate. The current Water Authority is doing their best to make necessary repairs, but there is not enough revenue to bring the system up to date after years of neglect. She finds it offensive that there is even discussion of not repairing roads. She commended the township staff and feels that it is important to pay for the professional service they provide. She doesn't mind a tax increase when she knows the money is not being wasted and the tax increase has been well deliberated. She said a number of neighbors feel the same way she does.

**Bobb Carson**, 38-year resident and homeowner, stated that although 2012 is not critically important, the long-term view is important. He feels the solution being discussed is 'kicking debt down the road.' by taking a loan and spreading it out a few more years rather than addressing it now. This is like the national problem we are in; we are unwilling to face the real costs we have. Bobb presented several issues for the Board to consider: 1) Inflation is 3 1/2 percent this year and costs are beginning to rise. He does not feel this is the time to say we can 'make do' again at the same expense projection as last year, and 2) he feels the township has assembled a remarkable township professional staff—office staff, police and the road crew. In his 38 years as a resident, the township is functioning better than it ever has, and to retain the best employees, they need to receive raises to compensate them for the 3 1/2 percent cost of living increase. Bobb feels that of every dollar in real estate tax he pays, currently only 3.5 cents goes to the township. He does not care if that figure needs to go to 4.5 cents (a one-mill tax increase). The Township provides more service to residents from their 3.5 mills than he receives for the 21 mills he pays to Bucks County, while he understands the school system tax and its direct benefit to residents. He feels that the Board should begin to rebuild the reserve fund. He quoted Mark Twain who said, "You should always do the right thing. This will please a few people and astonish the rest." Bobb said the Board should 'astonish' this township; do the right thing, begin to pay down debt and begin to put the township on a fiscally sound track even as they continue to be careful in managing the Township's money. He realizes they have been careful with the money, as the Township has not had a tax increase in three years (*actually six years; last tax increase was in 2005*). He doesn't feel we should continue 'cutting the fat off the body' to do this, however. Now that the township is down to 'muscle and bone,' it is time to raise taxes.

Volker asked how much debt the township currently has. Although the exact total wasn't available immediately, Rich Shilling said we still have the Act 537 swing loan (\$52,955.74) to pay off, the fire truck loan & lease (\$302,368.91) the potential new police vehicle (\$40,000) and the proposed loan for the road department truck (\$36,000). (*The total potential debt would be \$441,324.65.*) Volker feels that it does not make sense to put the full cost of vehicles into a single budget, and that the purchase of a capital asset should be spread over the life of that item. He feels the Board has historically been successful in doing that in the budgeting process. Bobb Carson differed with Volker in that if township roads have not been repaired for the past three years and this year the Board is again proposing to cut down from what used to be nine miles of road repair to proposed 4 miles of road repair, and now is

discussing cutting down to two miles of road repair. Bobb feels the Board is putting off obligations that should be taken care of now, in that every year road repairs are put off, it will ultimately cost residents more when that road must be replaced (for which the cost is astronomical) instead of repaired.

Volker reviewed some prior expenses paid from the Township's budget and reserve funds; for example, revision of the Act 537 Plan (\$240,000) and the PPL litigation (\$250,000). Volker thinks the economy is beginning to turn around and even without a tax increase the Township will make plenty of money to meet all of its obligations. For this reason, he is suggesting making the capital expenditures (police car and truck for the road department), but spreading them over a few years to permit the budget to come back up. He summarized that he feels the tax structure of the township was capable of carrying a normal budget when times were reasonable.

Bobb replied that times are now 'unreasonable' with no assurance that they will become 'reasonable' anytime soon. In the meantime, the Township has financial obligations. Bobb pointed out that if a tax increase is made and things do improve financially, the tax increase can be rolled back the following year. He does not feel the township can continue to fall behind (which is what has happened on the national level), thus putting the township into a situation where digging ourselves out will involve huge tax increases. He feels it is better to raise taxes a small amount now, because a small tax increase is inconsequential for Township residents.

Referring back to Aimee Douglas' statement that her neighbors were in favor of a tax increase to maintain services, Volker said that he probably had 15 residents talk with him and say they were glad that taxes were not increased. Aimee responded to Volker stating that those residents likely misunderstand what a 'township' tax increase will actually mean to their budgets. They may be confusing it with the large amount paid to the school district and county from their total real estate taxes.

Rob Zisko added that the township is trying to manage their budget while maintaining a very low tax millage, while Palisades School District continues to raise their tax millage even while their enrollment is declining.

John Oehler asked how many miles of township roads currently need repairs. Rich Pursell feels that of the 64 miles of roads the township is required to maintain, 45 currently need tar and chipping, the process that helps hold the roads together to avoid having to replace a road. The average cost to replace a mile of road is \$100,000.

It was the unanimous consensus of the Board to keep the 2012 EIT projection at \$720,000, but to remove the Act 537 budgeted revenue of \$30,000.

The Board returned to discussion of expense items. UBREMS requested an additional \$15,000 from the township which is currently not in the budget. Adam Maziuk, Director of UBREMS, said they recently replaced a 2003 ambulance with 140,000 miles on it. Other townships put in place dedicated tax increases for emergency services to fund this expenditure. Tincum supplements their dedicated half-mill tax with an additional \$14,000; Bridgeton also supplements their dedicated tax; Nockamixon has a dedicated half-mill tax plus they direct the LST tax to UBREMS. Volker asked if the Township has a copy of UBREMS 2012 budget. Adam said the 2012 budget is not finalized until December, but that he provided the 2011 budget to the Township earlier in the year.

Rich Schilling did a quick tally of what the budget deficit would be with the changes made by the Board, and indicated it would be approximately \$41,000 (without increases for the staff). With staff increases, the deficit would be about \$47,000. It was the consensus of the Board that a tax increase of one mill should be included in the 2012 budget. Sandy Everitt suggested that the tax increase be a dedicated tax for emergency services. A dedicated EMS tax shows up on residents' tax bills as an EMS tax. However, Rich feels this method is more restrictive for budgeting purposes. The Township already is donating far more than one mill to emergency services without having a dedicated EMS tax. With a one-mill tax increase, Rob Zisko thinks that the Township should pay for the new police vehicle rather than financing it.

Dave Long asked what the total tax millage was that township residents pay. The Township tax is 3.5 mills, Palisades School District is 108.85 mills and Bucks County is 21.94211 mills, totaling 134.29211 mills.

It was the unanimous consensus of the Board to provide 2% salary increases to the staff. It was the consensus of the Board to include an additional \$15,000 to fund UBREMS.

Dave Long summarized the changes that the Board had made for the 2012 budget:

1. EIT revenue is being retained at \$720,000
2. Act 537 revenue projection of \$30,000 is being removed,
3. A 2% salary increase for staff is being added
4. \$15,000 donation is being added for UBREMS
5. A one-mill tax increase is being added

A Special Budget Meeting to authorize advertising of the amended 2012 budget will be held on Thursday, November 17 at 7:30 p.m. Adoption of the 2012 budget (following a 20-day period for public review) will take place at the December 13 meeting. The Board will still hold the November 22 meeting.

### **New Business**

**1. Donation to Springfield Lions Club** - Karen Bedics **moved** to authorize payment of \$1,045 to the Springtown Lions Club to purchase gift cards for needy families within Palisades School District over the holidays. This money represents the earnings from the Community Day Silent Auction. Volker Oakey **seconded**; the motion **passed** unanimously. The Board thanked Rose Strong and the Community Day Committee for making this event a success.

**2. Recycling** - Karen Bedics said the Township is losing money by not recycling cardboard. She contacted David Newman, a Philadelphia paper/cardboard recycler. Karen asked the Board to authorize the Manager to prepare an RFP to obtain a carrier to transport paper/cardboard to the Philadelphia recycling facility. Mr. Newman offered to have his Public Relations person make a brief presentation to the Board if they would like more information. Currently, cardboard is bringing \$50 to \$60 a ton, down from the recent \$100 a ton. Barbara Lindtner **moved** to authorize the manager to prepare an RFP to obtain a carrier to take paper and cardboard to the recycling facility in Philadelphia. Rob Zisko **seconded**; the motion **passed** unanimously.

**3. Emergency Management** - Following the recent hurricane and severe weather events, Rich Schilling scheduled a meeting of those needed to update the Emergency Management Plan. Those invited came, including Ed Ziegler, the Assistant Emergency Management Coordinator. Michael Guarino, the Emergency Management Coordinator, called and said that he was submitting a letter of resignation (not yet received). He is working two jobs to support his family and cannot fulfill the duties of the EMC position. Ed Ziegler will fill the position until a replacement is located and formally appointed by the Governor's office.

During the Halloween snowstorm, an exceptional weather event, most communication methods were not functioning. Barbara Lindtner was concerned because many elderly residents were without heat, electricity or a means of communication, some for up to seven days. She wanted to discuss how the township could do a better job of communicating to those with special needs in such an emergency. Using the *ReadyNotifyPA* communication Alert System (a free service) was discussed. Adam Maziuk, UBREMS, said that the Manager or his appointee could initiate a blast to landlines or cell phones or a text alert to residents. Adam suggested that a mailing should be made to residents to learn what special needs they had. These forms would be kept on file in case of such emergencies so that those residents can be checked on. Rich Schilling suggested Curtis Reiss as a good candidate for Emergency Management Coordinator. Rob Zisko will contact Mr. Reiss to see if he is interested. It will be a major undertaking to get the Emergency Management Plan updated. Rich Schilling has begun the revision process and hopes to get the rough draft ready by the end of the year. He will investigate whether a township manager can serve in the role of EMC and whether the EMC must be a township resident. Barbara would like to continue discussion at another time about how we can better communicate with residents in emergencies.

### **Correspondence**

Carl Kemmerer, Lower Saucon Road, wrote a letter requesting a size restriction for vehicles using Lower Saucon Road, with the exception of local deliveries. Trucks using that road have not been able to make the turn on the road. Rich Schilling will talk with Mr. Kemmerer, Rich Pursell, and if necessary, discuss the matter with Bob Wynn, Township Engineer.

Thomas Pugel, Buckwampum Road, wrote a letter requesting permission to use an acre of township open space to plant chestnut trees. Mr. Pugel will be invited to attend a January Board meeting to discuss this further.

### **Public Comment**

Rich Pursell asked if the fourth, full-time road department worker could begin on December 1. After background checks are completed, the Board will officially appoint that individual at the November 22 Board meeting.

### **Supervisors Comments**

**Karen Bedics** congratulated the newly elected/re-elected supervisors and wished them luck in their term.

### **Adjournment**

At 10:45 p.m., Dave Long **moved** to adjourn the meeting. Rob Zisko **seconded**; the motion **passed** unanimously.

Respectfully submitted,

Sandra L. Everitt  
Township Secretary/Treasurer

Next meeting: November 22, 2011  
Approved: November 22, 2011