

Board of Supervisors

MINUTES

September 13, 2011

Supervisors Present: Karen Bedics, Barbara Lindtner, Dave Long, Volker Oakey and Rob Zisko
Also present: Sandy Everitt, Township Secretary/Treasurer; Rich Schilling, Township Manager

Barbara Lindtner, Chairperson, called the meeting to order at 7:35 p.m. and opened with the Pledge of Allegiance. She announced that the Board held an Executive Session prior to the meeting where personnel and real estate acquisition issues were discussed.

Approval of Minutes

Dave Long **moved** to adopt the August 23, 2011, minutes as presented. Volker Oakey **seconded**. Voting **Yes**: Karen Bedics, Barbara Lindtner, Dave Long and Volker Oakey. **Abstaining**: Rob Zisko. The motion **passed**.

Bills for Approval

Karen Bedics **moved** to approve the following bills paid from August 20 – September 9, 2011:

1. General Fund	\$ 32,418.44	4. Open Space (Bond)	\$ 11,043.75
2. Liquid Fuels	\$ 896.27	5. Subdivision & Escrow	\$ 11,191.81
3. Open Space (EIT)	\$ 17,482.24	6. Special Fees Fund	\$ 1,471.96

Dave Long **seconded**; the motion **passed** unanimously.

Public Comments on Agenda Items - None

New Business

1. 2010 Audit Report – Cheri Freeh, Hutchinson, Gillahan & Freeh, reviewed the 2010 Audit Report. No material weaknesses were identified. The township’s ‘Report Card’ (page 13) indicated that revenue was approximately \$134,000 below the projected budget amount, primarily representing tax revenue not received. Cheri said that EIT revenue was down throughout the townships they audit. This deficit was managed largely by cutting budgeted expenditures; therefore, expenditures were nearly \$74,000 below budgeted amounts. There was a year-end deficit of approximately \$60,000. Cheri acknowledged that the year-end fund balance was \$287,000. Cheri encouraged the Board to contact her anytime during the year if they have questions.

GASB 54 (Governmental Accounting Standards Board) – Fund balances have always been a confusing area for governments because there are so many different types of fund balances. The question always comes down to, “How much fund balance do you actually have that you can spend on budget items?” GASB 54 addresses this issue—what is the actual ‘reserve’? Cheri provided a sample policy for the Board’s use in preparing the Township’s own policy, which will be required in 2012. The policy must address what the new categories are for fund balances. The five categories are:

1. **Non-spendable** – Funds that cannot be spent (Examples: inventory, pre-paid items, items that cannot be converted to cash)
2. **Restricted** – Restricted as to use by external sources (For example: grant funds for a specific project; bond issue for specific capital projects, tax referendum issues such as Open Space or Emergency Services, money donated to the Township for a specific purpose (Town Watch, Police, etc.)
3. **Committed*** – An internal restriction by the Supervisors committing funds for a specific use. The policy needs to address how the Township should commit fund balances, i.e., what action will be required to commit a fund balance—Resolution, Board motion, etc. Whatever Board action is required in the policy must be noted in the minutes. This is an **internal** restriction, which the Board can overturn by the same action that originally committed it.
4. **Assigned*** – The Board may designate that a Township employee (usually the manager, business manager or township secretary) can assign fund balances without going through a Board motion. It is the second to the

lowest level of a restriction. For example, if at year-end funds budgeted for a specific purpose but not spent remain, the assigned Township employee can earmark that expenditure in the next year's budget. (For example: new computer software was budgeted for and not purchased; therefore, an assignment of a portion of the fund balance can be made to purchase that software in the next budget year.) The Board can overturn this 'assignment' at any time. An 'assignment' must be for a specific purpose. This category does not need to be enacted by Resolution.

5. Unassigned* – This would be our present year-end fund balance of \$287,636 (pg 6 in 2010 Audit Report). Unassigned fund balance will only occur in the General Fund.

(* These categories can be used to balance a budget.)

The primary reason this accounting change was enacted was because numerous government entities were 'hiding' how much of their fund balance was available to fund needs. School districts and boroughs were building up huge fund balances, while continuing to raise taxes. Taxpayers are upset when they see a big 'designated' surplus. The GASB 54 categories are more concrete, permitting anyone reviewing financial statements to know that 'committed,' 'assigned' and 'unassigned' are available to balance the budget. They will thus know that it is not essential to raise taxes because funds are actually available in reserve to cover anticipated expenses.

The policy must address:

1. What level of action will be necessary at the Board level to make a commitment?
2. Does the Board want to assign a staff individual to be able to assign part of the fund balance?

The Board may wish to include goals in the policy, although they are not required. For example, they may want to set a goal about the amount they want to maintain in the fund balance: 6 months worth of anticipated expenditures, a certain amount for capital projects, infrastructure, etc.

This policy must be in place by the time the 2011 final audit report is issued in April or May 2012, but preferably before the end of 2011, so that the auditors can look in the Minutes to determine what funds are assigned or committed. The only requirement is that a 'policy' be in place; it does not necessarily have to be a Resolution. The policy needs to address what level of Board action it takes to commit fund balance. The Township will prepare a policy/resolution for the Board to review. Cheri Freeh will work with the Township to ensure that the draft policy addresses the required points.

2. Open Space Requests – The Board received a copy of the Agreement for Professional Planning Services renewal contract for Heritage Conservancy. Dave Long indicated that the Open Space Committee recommended renewing the contract for an additional year, but that the type of agreement will change in the future as the service needs change. Karen Bedics **moved** to adopt the Agreement for Professional Planning Services between Springfield Township and Heritage Conservancy at a cost not to exceed \$7,500, as outlined in the August 22, 2011, agreement. Dave Long **seconded**; the motion **passed** unanimously.

Open Space Sign Bid Specifications – Rich Schilling shared the sign design for preserved properties with the Board. The Open Space Committee will be working with the printer to determine the best color options for the signs, which will be two-sided with a finished size of 18" x 32". Barbara Lindtner **moved** to authorize the Manager to bid the sign specifications to purchase 30 signs and posts with necessary hardware for denoting properties preserved by Springfield Township as per the bid specifications. Dave Long **seconded**; the motion **passed** unanimously.

Public Comment

Bill Ryker (Ebert Road) - Mr. Ryker is a 12-year resident of Ebert Road. He shared two photos of his property and stormwater issues that are affecting his home as well as others in his neighborhood. These issues are becoming worse over time and are caused by properties above them both in Bucks (Nemeth Road property) and Lehigh Counties. His goal is to reacquaint the Board with the severity of the problem and solicit Township support to correct the problem.

After a phone call last year from Mr. Ryker, Rich Schilling met with him about the problems he was experiencing. During this visit, Mr. Ryker received permission to take some corrective measures to help eliminate some of the problem, which have since been completed. Rich also visited the site with Tim Fulmer, Township Engineer, and tentatively scheduled a site meeting with the Nemeth Road homeowner (Charles Reese) who feels the real problem is being created by a huge horse farm on Flint Hill Road in Lehigh County. Mr. Reese has photographs he took during

the recent Hurricane Irene event which he feels will prove his contention. The catch basin on Mr. Reese's property was designed to accommodate a fully developed subdivision and no development has yet taken place. Mr. Ryker feels there is a lot of gossip occurring among his neighbors, some accurate and some not accurate. For example, Mr. Ryker was told that the Township billed Ebert Road residents for work performed for them. Rich does not feel this occurred, although he will check this out. Rich Schilling will contact affected neighbors to arrange a meeting, which he will attend to learn about all of their issues. Following this meeting, Rich will follow up with outside agencies for their assistance: Upper Saucon Township, Lehigh County Conservation Agency, etc.

Supervisors Comments

Karen Bedics advised the Board that the fall Newsletter was mailed on September 7. Coopersburg residents received their Newsletter the next day, but other Board members had not received their copies to date. Karen submitted the \$550 bill for design and layout of the Newsletter.

Barbara Lindtner confirmed that the Parks & Recreation letter and survey form were mailed today from the Lehigh Valley Post Office and should be received by residents shortly.

Dave Long said that the Stoneback settlement occurred recently. The Stonebacks donated a conservation easement of approximately 30 acres to the Township.

Adjournment

At 8:35 p.m., Rob Zisko **moved** to adjourn the meeting. Dave Long **seconded**; the motion **passed** unanimously.

Respectfully submitted,

Sandra L. Everitt
Township Secretary/Treasurer

Next meeting: September 27, 2011

Approved: October 11, 2011