

**SPRINGETTSBURY TOWNSHIP
BUDGET MEETING #5**

**NOVEMBER 12, 2014
APPROVED**

The Board of Supervisors of Springettsbury Township held a Budget Work Session on Wednesday, November 12, 2014 at 7 p.m. at the Township Offices located at 1501 Mt. Zion Road, York, PA.

MEMBERS IN

ATTENDANCE: George Dvoryak, Chairman
Julie Landis, Vice Chairman
Mark Swomley, Asst. Secretary/Treasurer
Bill Schenck

MEMBERS NOT

IN ATTENDANCE: Kathleen Phan

ALSO IN

ATTENDANCE: Kristen L. Denne, Township Manager
Jack Hadge, Finance Director
Jean Abreght, Stenographer

1. CALL TO ORDER

DVORYAK Chairman Dvoryak called the Budget Work Session to order.

DENNE Manager Kristen Denne stated that this date the board would consider the Special Funds, Liquid Fuels, Capital, Street Lighting, and Library Reserve Funds, Public Works. She reported approximately \$676,000 expected which will be used by Public Works for snow and ice material, traffic signals, street lighting and road maintenance. There is some storm sewer work to be done which includes Fineview Drive all of which comes from the Liquid Fuels Fund. She reviewed the Subdivision/Recreation Fund, Street Lighting, Capital Improvement to include sidewalks, curb cuts, Public Works lawn mowing equipment, and debt service of \$265,000. She noted that \$10,500 was put aside towards the Camp Security debt. Additional discussion took place, which is summarized:

- Director's Proposal was \$614,500; Manager's Proposal \$350,000. Out of that \$350,000 is \$265,000 for debt service, \$10,000 for Camp Security; remaining for curbs, sidewalks, two mowers, etc.
- No additional funds were earmarked for future Capital Reserve projects due to cut backs.
- Today's financial environment does not enable setting aside savings. However, a review of money actually spent over the last several years has

shown that the township has never spent the amounts budgeted. It has always been less.

- Fire station was deliberately planned following the retirement of a debt; \$200,000 was taken from General Fund Reserve and dedicated to the fire station.
- Need to get to a neutral position without any major cuts or tax increases.
- EIT budgeted low; raised by \$200,000.
- Changes could include introduction of Recreation Fees, Police Department reductions, eliminate one position and one retirement and combine the temp services.
- Real Estate Transfer Taxes included a major sale, and York-Adams Tax Bureau changing its methodology giving the township more funds in 2011.
- Earned Income currently at \$604,000 actual; budgeting only \$600,000; expect to hit \$2.2 million.
- Conservative Revenue position is safe. Reports indicate economy is improving.
- Other Taxes line item is economy driven and cannot be controlled.
- Individual line items will change throughout the year.
- For budgeting purposes use \$1.2 million; historically only use about \$600,000 of it.
- Cash flow analysis extremely important going forward; will be managed more like a private sector enterprise; monitored more closely.
- Better management of vacancies; sale of property; Building Permits.
- Sewer Fund was raised by \$25,000.
- Firehouse Use of Funds approximately \$600,000; will be returned with property sale.
- Policy dictates only 10% Use of Fund Balance; must curb spending to less than \$600,000.
- Standard & Poors reviews what is in holdings/unreserved surplus.
- Bond Rating was raised in December, 2013; want to improve the rating.
- Bulk of the employees are represented by labor unions; people are a large percentage of the budget.
- Police Pension rose from \$640,000 to \$719,000 for 2015.
- MS4 – Liquid Fuels money will be used for stormwater.
- Pressure testing of sewer systems to be done on property resale to deal with overflows.
- Need for Five Year Capital Planning to establish priority.

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SCHENCK Mr. Schenck asked Chairman Dvoryak whether he thought the budget made sense to move forward with \$1.2 Use of Fund Balance or whether to continue to whittle away at the numbers.

DVORYAK Chairman Dvoryak responded that he had not had an opportunity for a thorough review of the budget line items. He was not comfortable moving forward.

SWOMLEY Mr. Swomley noted that he had done some review of the budget; however, there were items where he needed further review and information.

SCHENCK Mr. Schenck noted that one very important thing is the management of the budget items.

DENNE Ms. Denne noted that she intended to begin quarterly budget reviews and providing the information to the board. There will be better reporting.

DVORYAK Chairman Dvoryak commented that he felt very good about the fact that Ms. Denne had taken a fresh look at items in ways they hadn't been looked at before. He had every confidence that going forward many things will be handled appropriately.

DENNE Ms. Denne noted that she put a procedure into place where no more spending will be done without her review. Any item over \$100 must have her signature on it. She intended to audit all the phone records, electricity, power providers, Comcast, credit cards, contract services, cell phones, postage, etc.

LANDIS Ms. Landis brought up the newsletter that costs about \$45,000.

DENNE Ms. Denne responded that the draft is being developed for the last page to be advertisements.

SWOMLEY Mr. Swomley commented that there had been discussion geared toward making the newsletter into a premier publication.

DENNE Ms. Denne added that one of her goals is to get people start subscribing to it and paying for it. She wanted to look at Citizen of the Year, Business of the Year, Events of the Year with pictures of residents doing things; appointing the Top Ten of Springettsbury lists featuring different businesses; featuring new businesses.

SWOMLEY Mr. Swomley noted that he saw it as a business eco system, part of the revenue generation stream for the township. It will be good to change it, make it better, more useful to business, etc.

DVORYAK Chairman Dvoryak asked Ms. Denne if she had anything further to review.

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DENNE Ms. Denne responded that she had nothing further scheduled for review. The budget stands at \$1.2 at this time. Any further cuts will be eliminating positions.

DVORYAK Chairman Dvoryak stated that the purpose of the next meeting on Monday, November 17th, will be to circle back for final review and provide Ms. Denne with firm direction. He noted that any last-minute changes could be made at that time. He requested that Ms. Denne review several properties that the township had acquired through liens for future sale.

DENNE Ms. Denne noted that anything over \$1,000 must be advertised and sealed bids will be received.

2. PUBLIC COMMENT

DVORYAK Chairman Dvoryak asked for any public comment or questions from the attendees.

CRUMLING Larry Crumling, 108 Lorenzo Court, commented that he understood the remarks about the people belonging to a union and that 80 percent of the budget is the cost of people. He noted that the negotiation with the Teamsters started in 2011 and was still unsettled. It seemed as though no one wanted to compromise. He had learned that economics was not the issue; rather a subcontractor clause that had caused the problem. He agreed with a conservative budget. Most middle class folks haven't had raises in five or six years. No one can count on the stock market to be a sign of the rising economy.

SWOMLEY Mr. Swomley commented that the rising stock market has more to do with the fact that they were able to shed labor.

3. ADJOURNMENT

DVORYAK Chairman Dvoryak reminded the board of the Executive Session to be held immediately following adjournment. He adjourned the meeting at 8:20 p.m.

Respectfully submitted,

Doreen K. Bowders
Secretary

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