

The Board of Supervisors of Springettsbury Township held a Budget Work Session on Monday, November 17, 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 Abrecht, Stenographer

1. CALL TO ORDER

DVORYAK Chairman Dvoryak called the Budget Work Session of Springettsbury Township Board of Supervisors to order. He stated that the board had been working on the budget through several sessions and the initial work had been completed.

DENNE Manager Kristen Denne reported that she had gone through some of the revenues in collaboration with Mr. Hadge. They had updated the numbers and reduced the Fund Balance roughly \$290,000. The fourth draft of the budget is balanced, and the Fund Balance amount proposed is \$909,600. She presented an overview of the changes, which are summarized:

- EIT changed from \$2,000,000 to \$2,220,000; past collections increased to \$650,000.
- Real Estate Tax prior year to \$45,000
- Fee for Recreation programs imposed at \$25,000
- EMS Memberships/Donations increased from \$72,000 to \$85,000
- Minor Expenditure changes in smaller amounts of \$2,000, \$5,000 items.
- Police Department – Removed \$57,000 in minor equipment, uniforms and training
- EMS – Reduced salaries from \$350,000 to \$230,000 reflecting five employees.

LANDIS Ms. Landis brought forward several questions concerning the Police Department budget. They are summarized:

- Total amount was reduced from \$20,000 to \$10,000.
- Training – Advantages for free training through Pennsylvania State Police; online training offered through PA Chiefs and Police One.
- Breakout for training – two individuals at \$100 each; to be reduced to one at Chief’s discretion.
- Membership dues for two at \$100 each per year; Police Chief’s Conference; PA Accreditation Conference – five members at \$50.00 a year.
- All conferences will be evaluated. Web conferences will take precedence over personal attendance.
- Act 120 - Officers to participate in MPO/MOPEC training on line at no cost.
- Police One training will be considered for certification.
- Police Department requested two marked cars, which was reduced to one at \$34,500 plus outfitting.
- Previous Manager’s Explorer placed into service as a Detectives car.

LANDIS Ms. Landis asked about insurances and benefits, which she noted is approximately 40 percent of a salary. She noted for family coverage it is \$2,047 a month.

DENNE Ms. Denne added eye coverage, dental coverage, life insurance, Social Security and 9-1/2 percent on the pension. Healthcare alone is almost \$25,000.

LANDIS Ms. Landis commented that originally there were to be additional eliminations and the decision was made to eliminate one person and have one retirement. She asked if there could be additional cost reductions in order to keep one employee.

DENNE Ms. Denne responded that it would be a board decision with regard to the options provided.

DVORYAK Chairman Dvoryak noted that everyone’s ideas for cost reductions will be different. The board collectively will make the decisions about the budget. He noted he had several questions. He questioned the Sewer Fund Administration Charge, which had been \$300,000 a year and was raised to \$325,000. He was aware that costs are going up.

DENNE Ms. Denne responded that it was better to do a smaller incremental increase of \$25,000.

DVORYAK Chairman Dvoryak asked about the Insurance costs from \$300,000 to \$306,000.

DENNE Ms. Denne responded that Mr. Hadge had brought it to her attention that there were some insurances in there that were not being used so that cost was reduced.

For Insurance and Bonds, he advised that those costs had never gone over \$30,000 versus a budgeted amount of \$60,000.

DVORYAK Chairman Dvoryak questioned the item marked Contingency at \$50,000.

DENNE Ms. Denne responded that the amount was set aside for items such as a roof leak, some type of Capital repair not budgeted, etc.

SCHENCK Mr. Schenck stated that Ms. Denne had done a great job of pulling together all the board's opinions. He noted he did not expect to see the Use of Fund Balance reduced from \$1.2 million to \$909,000. In addition, the management of the budget will likely use even less, which is the task at hand. He personally thought the board had done all it could do within the budget.

SWOMLEY Mr. Swomley projected that less than \$500,000 of it would be used out of the \$909,000.

DENNE Ms. Denne projected the use at \$700,000 without any windfalls.

SCHENCK Mr. Schenck added that the board needed to receive reports reflecting the monthly cash flow analysis.

SWOMLEY Mr. Swomley agreed in order to know where the spending is taking place in any account.

SCHENCK Mr. Schenck noted that the budget made sense to him, even though there are items, such as the Rec Fee, that he didn't support. He agreed because there had been some give and take. The departments will rise to the occasion.

DVORYAK Chairman Dvoryak stated that he had been very impressed with Ms. Denne's creative thinking, getting up to speed and suggesting ideas for the board to consider. A lot of cost reductions had been proposed, and he was willing to support the proposed budget. He thought there would be additional budget cutting, but it is a process. He indicated he would provide a list of items for consideration, both revenue and expense, going forward. He noted he was comfortable with the budget status and moving it forward to advertise for the public.

SWOMLEY Mr. Swomley stated that, with direction from the Board also to take a hard stance on the Budget as we go through the year, will put the township in a better financial shape with a better understanding in a budget process next year.

DENNE Ms. Denne pointed out that where contracts are concerned, there is little that can be done to reduce those costs. However, her goals for the year include reinventing the HR Policies to include options in the healthcare.

LANDIS Ms. Landis asked why Ms. Denne thought there would be a \$700,000 use of Fund Balance.

DENNE Ms. Denne responded that there are many possibilities that may or may not happen during 2015. There may be reductions, redundancies to be eliminated, internal things to work better and smarter.

SCHENCK Mr. Schenck noted that Mr. Hadge projected the use of \$800,000 because the \$500,000 had not come in from the East Market Street fire building property. However, it will come in in 2015. The result of that is that the \$900,000 would drop to \$400,000 for next year.

DVORYAK Chairman Dvoryak commented that he thought the Mercantile Revenue number might be conservative. Projections are that the economy is going to continue to get better.

HADGE Mr. Hadge noted that at the same time, when he had spoken with York/Adams Tax Bureau, they are stating that more people are shopping on line.

SCHENCK Mr. Schenck stated that, whether the use of surplus is \$400,000, \$800,000 or \$900,000, the expenditures are more than the revenue and it is unsustainable. He stated there should be another increase in the Real Estate Tax, even if it was just another .1 mill.

LANDIS Ms. Landis stated she was not in favor of a tax increase.

SWOMLEY Mr. Swomley stated he, too, was not in favor of a tax increase. However, the board must be realistic about the situation. The other municipalities around York County range anywhere from 1-1/2 to 5, 6. The tax rate in Springettsbury is one of the lowest. Other municipalities with low tax rates are in the country, have no services and have no need for money. They use ambulance, fire and police from somewhere else and pay nothing.

DENNE Ms. Denne stated that she would like to get a Five Year Capital Plan together in order to work on the same goals going forward. Secondly, what does the board want Springettsbury to look like in five years; just Municipal Services or the Quality of Life that does help the economy.

SWOMLEY Mr. Swomley responded that the Quality of Life things that are done in Springettsbury draws people in who spend money and that comes back to the community. A lot of people come to shop and eat in the restaurants. All of the things created from the Quarterly Newsletter to the park, etc. bring people from other areas all of which pays the Mercantile Tax funding to the township.

LANDIS Ms. Landis questioned the reduction of Law Enforcement Liability from \$165,000 to \$111,300.

DENNE Ms. Denne responded that a review of what it had been in the last few years indicated it had not been as high as \$165,000. Actuals were \$80,000, \$84,000, \$95,000, \$106,000.

LANDIS Ms. Landis stated that there needed to be a plan to provide incentives to bring businesses to Springettsbury and fill up the empty spaces.

DENNE Ms. Denne noted that there is no marketing at all. There is no one, even on a monthly basis, coming up with 10 businesses, sending them a letter indicating that Springettsbury's tax rate is much lower than where they are, indicating what the township is willing to do to assist them in relocation. No outreach is done to attract people.

LANDIS Ms. Landis responded that it was a great plan and wondered how much cost would be involved.

DENNE Ms. Denne noted it would be minimal.

LANDIS Ms. Landis questioned the Lieutenant salaries indicating the amount going from \$202,000 to \$206,000.

DENNE Ms. Denne responded that it is \$206,000, and there are no raises being planned for non-union employees unless it is contractually set. She will review their work agreements as well.

DVORYAK Chairman Dvoryak asked if Ms. Denne had everything she needed for a presentation on Thursday evening.

DENNE Ms. Denne responded that she would put the budget in final form, provide a budget message, draw up all the paperwork for advertisement. If it is approved for advertisement on Thursday, it will be advertised Friday morning, which will provide for a final vote on December 11, 2014.

2. PUBLIC COMMENT

DVORYAK Chairman Dvoryak opened the floor to the public for comments.

CRUMLING Mr. Crumling asked if the budget would be available on December 11th and whether it is on the website.

DENNE Ms. Denne responded that she would place it on the website. However, if the board chose to move for advertisement, she would advertise it for Friday morning.

At that point it is here in the township for display. Anyone can come in and review it. It is mandatory to show it for a certain amount of days before adoption.

TROTT David Trott stated that he sat through the entire process. He indicated he was conflicted and felt he was getting mixed signals from the board that it is not panic mode, not the worst situation, but desperate measures are being offered. Taking someone's livelihood from them seemed pretty desperate. He questioned whether they had removed the right person as he was familiar with 75 to 80 percent of the employees in the township. With regard to a tax increase, he understood where Mr. Schenk was coming from. However, the school tax is getting out of control. It has to be looked at almost as one unit because of the large school tax.

CRUMLING Mr. Crumling stated that it had been a learning experience for him. He thought the board did a good job. He commented on starting up the rainy day fund, which he understood couldn't be done, and the board makes those decisions. Maybe next year it could be done. He thanked the board for allowing the public to sit in on the meetings as it was educational.

3. ADJOURNMENT

DVORYAK Chairman Dvoryak adjourned the meeting at 8 p.m.

Respectfully submitted,

Doreen K. Bowders
Secretary

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