

East Rockhill Township
Budget Meeting Minutes

October 19, 2010

On October 19, 2010, at 6:00 PM the East Rockhill Township Board of Supervisors held a Budget Work Session to review the preliminary 2011 Draft Budget. Present were Chairman John Cressman, Vice Chairman Gary Volovnik and member James Nietupski was present via telephone. Also present were Township Manager Anne Klepfer, Public Works Director Jeff Scholl and members of the press and public.

1. Streets, Roads and Equipment. Included in the draft Liquid Fuels Budget and discussed by the Board and Public Works Director are the following:

- a. 11 Ft Root Snow Plow - \$9, 200
- b. Blooming Glen Road – Oil and Chip from Shopping Ctr. To Branch Road - \$3,520
- c. Richhill Road – Oil and Chip from Twp. Line to Quarry - \$12,765
- d. Schwenkmill Road from 5th St to Ridge Road - \$31,875 (contracted out due to hill & “s” bend)
- e. Richlandtown Road – Scratch areas in need of repair.

Mrs. Klepfer noted that the Liquid Fuels budget may change depending on cash available for carrying over to next year. She also noted that the Director of Public Works had requested that the she and the Board consider: a new pickup truck with plow (\$35K), repairs or design work for repairs to Rockhill Road Bridge, and Overlay of Old Bethlehem Pike from Park Avenue to Forest Road. Mrs. Klepfer said she did not have funds available to budget for these items.

The Board of Supervisors discussed looking into repairs that can be made to the existing 11’ plow to try to make it last longer should the capital expense need to be forgone.

Public Works Director Jeff Scholl discussed Pipe Replacement projects for West Rock Road (\$4K) and informed the Board that

he has met with the Township Engineer and requested an estimate for a pipe replacement at the intersection of Blooming Glen Road and Branch Road as reviewed during road inspection.

The Sewer Budget was also discussed. Additional catwalk replacements, one reed bed maintenance expense, and repair or replacement of 40 anodes is budgeted. Mrs. Klepfer noted that construction of the newly designed pump station is not included in the budget. She is still waiting to hear if the Township's H2O Grant application is approved.

In general, the Board didn't have any objections to the items included in the budget but advised that the Township needs to continue to make due and look into ways of prolonging the usefulness of equipment.

2. Capital Equipment not in the Draft Budget: In addition to the items mentioned above, Mrs. Klepfer informed the Board that a new HVAC system for the municipal offices (\$14K) and a new phone system (\$4K) are needed if not in 2011 than in the near future. These items are not in the current draft, but may be able to be included in the revisions, based on lower projections for health care increases and broader projections from the tax collector. Mr. Nietupski thought \$4,000 might be expensive for a phone system. Mrs. Klepfer said, that it's a state contract price for phones and voice mail system and she hasn't seen anyone that can beat it. However, competitive proposals can be sought. No decision on these capital items can be made until the final budget projections are arrived at.

3. Policy Decisions: Mrs. Klepfer outlined some policy decisions that the Board needs to give her direction on.

- a. Police Operations Contribution. Chief Mettin original drafted a budget that called for a \$14,500 increase per municipality. A revised draft lowered this amount to \$10,500. However, the current municipal budget has no increase budgeted. Any increase to the Police budget will mean holding off on the capital items needed as discussed above. It was the consensus of the Board of Supervisors

that Chairman John Cressman would communicate with the Chief that his budget will have to be revised to include no increase in contributions from East Rockhill Township. It was noted by Mr. Cressman that the Draft Police Budget includes a 3% wage increase for administrative, non-union employees. They also received wage increases in 2010 and prior years.

- b. Replenish Police Cash Reserves. Pennridge Regional Police Commission drew down their cash reserves to finance expenses relating to the new headquarters and now is in favor of replenishing those reserves. They have requested East and West Rockhill Township contribute up to \$60,000 to replenish the cash reserves. Some of the \$60,000 may need to be paid in 2010. Mrs. Klepfer has budgeted \$50,000 for this purpose in the draft 2011 Budget. An increase to \$60,000 will require her to budget fund balance from 2010 to balance the budget. She will leave the budget as drafted until the Police Commission either invoices her for the 2010 amount needed or until Mr. Cressman reports back to her otherwise.
- c. Wage increases for East Rockhill Township Employees. Mrs. Klepfer stated that she was able to balance the budget with an average 3% wage increase included. It was noted by Mr. Cressman that employees did not receive any pay increase in 2010 and only a net 1% increase in 2009. East Rockhill Township employees contribute 5% of their wages to their pension plan. Jim Nietupski, agreed that 4% over a three period was low but that employees in the private sector such as himself will not receive a wage increase in 2011. He wants to revisit this item and discuss it further.
- d. Wage Distribution. After reviewing Mr. Scholl's job responsibilities for the waste water treatment system, it was agreed that his wages will be cross budgeted with the Sewer Fund as in prior years.

- e. Mrs. Klepfer proposed raising rent at 1920 Ridge Road and 1802 Ridge Road rental properties. She proposed raising 1802's rent to 1,100 and 1920's to 1,000. She noted property improvements completed and more needed as the primary reason for the rent increase to 1802 and the cost of electric for 1920. The Board suggested that in lieu of a rent increase, Mrs. Klepfer notify the residents of 1920 that the Township wants to change the term of their lease and require the renter to be responsible for all of its utilities. The Township is willing to exploring improving the insulation of the building.
- f. Bridge Insurance Premium. Mrs. Klepfer explained that it is unclear whether or not the Township is responsible for the insurance premium for Moods Bridge. Moods Bridge is owned and insured by Bucks County but the Township was a partner in the Turnback Process from the State. Mrs. Klepfer said that the Auditor's might consider it an unfunded liability and require that the Township set aside the premiums annually. Mr. Cressman will contact Bucks County to try to get clarity on this item moving forward.
- g. Fee Schedules. Mrs. Klepfer handed out revised fee schedules. They do not impact the budget one way or the other and she recommends adopting it as soon as possible rather than waiting for 2011 due to some of the changes in the schedule. The Board indicated that they would review the schedules.

Another Budget Work Session will be held at 6:00 PM on November 9, 2010 prior to the Regular Board of Supervisors Work Session.

Respectively Submitted:

Anne W. Klepfer

Township Manager/Secretary-Treasurer