

BUDGET MEETING #2 10 26 16

The meeting was called to order by Chairman Kevin Cummings at 6:00 PM

The discussion began on the Fire Company budgets since they were present at the beginning of the meeting.

Kevin also noted that Lorin Stough mentioned to him about a letter that needs to go to DEP that he wants the township to send. This is due to the way it has to be worded and that the correspondence is supposed to go through the township. Kevin thought Lorin would be at this meeting.

FIRE COMPANY BUDGETS

The Franklinton Fire Company budget was discussed first. The board looked at the draft budget that Franklinton submitted. Mike W. said their formal budget had not yet come from their accountant. Mike said he is the face of the fire company and is only the chief but he provides what is made available to him. He didn't know exactly where they were at in the budget process.

Mike Ryan said that the Citizen's Fire Company budget seems complete and contained a lot of information. Scott said that Citizen's and Franklinton use the same accountant so when we get Franklinton's formal budget, it will contain the same information and look the same. Discussion was held on the rebranding costs and Scott said the costs of rebranding for EMS and Citizens are reflected in the Citizen's budget. Scott said EMS and the fire companies each put in \$2,500 to put towards the rebranding for the merger and if the expenses exceeded that amount, a decision would have to be made on what to do at that point. The merger rebranding costs is all an estimate at this point.

Mike Ryan said that we should have had a business plan by now for the merger. Mike Whitzel said that business plan is being put together by a committee. Mike W. said that's why they couldn't give the municipalities a combined budget and that is why they are getting separate budgets yet this year. Mike R. asked the fire companies if they have had audits yet this year. Scott said they are getting two audits next week. Mike R. said the board needs to know that Franklinton is solvent and we do not know that yet. Mike R. said he thought we were going to deal with Frank Wirth and we have yet to have communication with him other than one meeting. Mike W. said he will not be at a meeting unless requested. Mike W. said emails are sent out to each municipality with minutes about the meetings. Mike R. said they did review them and there were concerns with their solicitor about the land acquisition with Franklinton and that it was unclear. Mike said the other item we were concerned with was that there was information that said 50% of the revenue for Franklinton was from municipalities and the other 50% was from fundraising. This information is also unclear. Mike R. said they have to know for sure because we're going to have to know what we have to budget to help with the merger. Mike R. referred to their preliminary budget and said the way the numbers reflected, it appears that Franklinton is insolvent.

Mike W. said there will be more information in the formal budget showing they are solvent. Mike R. said we need a letter from the accountant stating when the formal budget will be finalized.

Kevin asked about both companies utilizing the same accountant. His issue was if one company can have a formal budget completed why can't the other. Scott said Citizen's has a proactive board and manager and the manager pushed to get their budget done. They also have to get their budget completed in conjunction with Dillsburg Borough. Kevin felt that there would have been a concerted effort to have this ready at budget time, particularly for this year with all that has occurred and with the merger. Kevin discussed his previous question about the land behind the Franklinton fire house and if that land could be sold. Liabilities seem to outweigh the assets for Franklinton. Kevin told Mike W. that the president or whoever is responsible for the numbers and budget should show up at the next meeting. We cannot work with the numbers that have been provided to us tonight. Kevin will send an email to Frank Wirth and Andy Ritter. Dave asked Mike W. a question about the food purchases and Mike responded that its food cost for fundraisers. Dave pointed out that the food cost exceeds all income received from the fundraisers and that this number doesn't make sense.

Mike R. told Scott his budget appears to be complete. Eric asked Scott what the allocated column represents. Eric also asked Scott if they make much money off the fund drive since it's so expensive to complete with mailing costs, etc. Scott said he thought the total number that came in was \$40,000 plus. Dave asked about the signs about the mattress sale for a fundraiser. Scott reported that the board decided to table the ambulance purchase for EMS as it was determined that the one they have is stable. Scott said it is not mandatory that the ambulance has to have a lift for an older ambulance. If you purchase a new ambulance, it has to have a lift. Mike R. asked if EMS is still billing and Scott said they are and can continue billing until they receive a new EIN number. Mike R. stated EMS should be funding themselves. Scott said that's why Carroll Township and Dillsburg Borough stopped funding EMS. Scott said it's very difficult to get money for EMS through billing because insurance goes off of Medicare billing. Scott said Medicare is killing EMS.

Discussion was held on how EMS will be in the same position with volunteers in the future and that is why there is a movement to move EMS and fire back together. Scott explained the 76/24 split between the fire company and EMS and the money that was previously and currently given to both by Dillsburg Borough. Naomi asked about the tanker that was purchased. Mike W. responded that it has been used and it is being maintained and to date, it has just been general maintenance.

HEALTH INSURANCE

Health Insurance was discussed first. Eric stated he received and reviewed the health insurance information. Eric wanted to know what the employees are contributing now. Pam stated she had put that information together in 2015. She said that our premium was \$5,393 in 2015. Pam provided the supervisors with the following information on the plan each employee had, the premium per employee and the contribution per employee:

Nancy-E & S-\$1,751.32 monthly premium, \$56.28 paid by employee monthly
Gary-F-\$1,603.26 monthly premium, \$74.14 paid by employee monthly
Ron-E-\$765.57 monthly premium, \$17.42 paid by employee monthly
Bob E & S-\$1,276.40 monthly premium, \$56.28 paid by employee monthly

Discussion was held on the insurance plans that were received. Eric said he doesn't know of many employees that pay only that much for that kind of coverage. Eric's recommendation for insurance was the Capitol Blue Cross 2000 plan. Kevin compared the insurance plan information to what he pays for his family coverage per month. He stated he pays probably 60% more than the highest amount paid by a township employee. He also compared his hourly wage to the township employee wages. He also talked about contributions he made in a previous job. Discussion was held on having the employees contribute more towards their insurance.

Eric said flat dollar amounts are the fair way to do it when having to figure employee contributions. Mike asked about the PPO plan. Eric stated our employees may not be able to afford deductibles which are that high. Mike said our current insurance is approximately \$1,500 per employee. Mike compared his policies to the information on the policies we have and said our employees should be happy with the Capitol Blue Cross 2000 plan. Eric said his opinion was that the employees should pay more. Mike asked about the Aetna plans and Eric said they're 7400 per month.

Discussion was held on the deductions. Eric said we could set it up any way we want. The insurance companies do require you to pay 50% of single coverage. This plan will be \$700.56 more per year over what we're currently paying. At the very least, the increase has to be paid by the employees. Mike said if a COLA is given, we'll be right back where we were. It was then discussed if COLA's were going to be given. Kevin stated there was a 15% pay raise given to the employees last year because of the insurance plan the employees got. Discussion was held on how contributions would be affected by whether employees chose single, single/spouse and/or family. Deductions should be set up so they're comparable. We can't expect a single plan employee to pay the same as family. Co-pays were also discussed and they are very low in comparison to other plans.

Can we set it up as a percentage? Pam stated it would have to be determined what the employee is paying, what percentage they're paying and calculate the new rate based on that. Eric said we should just make a decision on the plan so that the broker can be notified and so we have time to notify the employees. That way the employee would have the time to decide if they want to take the insurance or refuse it. The new insurance would become effective 12/1/16. Eric will send Pam an email with what all he needs.

A motion was made by Kevin to accept the Capital Blue Cross 2000 plan with the deductions to be set at the next meeting. Mike seconded and the motion passed.

RECREATION BUDGET

Pam informed the board that the copies they got for the Recreation budget are notated as budget meeting #2 and asked if the board had any further changes to that budget. There were no further changes and it was decided that the Recreation budget could be finalized.

STATE HIGHWAY BUDGET

Pam informed the board that the copies they got for the State Highway budget and are noted as budget meeting #2. Pam stated it was agreed at the last meeting to put approximately 80% of the 2017 estimate in that income line. Pam stated at this time, the budget shows we are at a \$56,000 shortfall because our income is less than expenses. This does not include the 20% allocation for equipment as that would increase our shortfall. Pam did check on the chip and tar and the stone and did confirm that they were two separate charges.

Pam also spoke with Josh, our PADot representative about transferring all of our engineering expenses for the Century Lane Bridge, the Circle Drive culvert, etc. into the State Highway fund and we can do that. We cannot transfer any of those expenses into the project line without a project number being assigned. Josh is coming tomorrow to work with Pam to start a project for the Century Lane Bridge. Josh said he can make it for this year and it can be for two years, etc. and/or he can make it retroactive. The engineering fees cannot exceed 20% of the total cost. Pam asked the board if they would like to review the State Highway budget at the next meeting after they have more information. Pam also asked the board if they only want a project written for Century Lane Bridge. Lake Lea is not a project and is to be paid from the general fund. The Circle Drive culvert is done but Naomi said if he can write a project retroactive, we may want to consider that being a project also. Discussion was held on projects vs. non-projects, state highway funds available and the 20% equipment allocation. Pam also asked about the Water St. Bridge engineering fees and the board said that would be general engineering charged to the general fund. Century Lane Bridge expenses (approximately \$12,000) will be charged to State Highway-Project and Circle Drive culvert fees will have to be decided. Josh is also going to go over the 20% allocation and how it's determined. Pam reviewed when that transfer was made last.

Kevin made a motion to set a project number for Century Lane Bridge. Eric seconded it and the motion passed.

Kevin made a motion to set a project number for Circle Drive Culvert Eric seconded it and the motion passed. If this is feasible, the motion is in place. Ask Josh what options we have and how far back we can go.

Mike said Gary did put out his list for sealing/chip/tar, hot patching, crack sealing and that we can push some things back if we have to if more monies are needed for the Century Lane Bridge and the Circle Drive Culvert. Pam said Russell Standard/Hammaker called today about this invoice before she was in the office. She asked Kevin if she could give them his cell number but he said where he would be at tomorrow, he wouldn't be able to take the call. Mike said he would talk to them.

A motion was made to table the minutes from the 9/28/16 budget meeting until they can be read more closely. Naomi made a motion and Kevin seconded it. The motion passed.

GENERAL BUDGET

Pam explained how the general budget was laid out and where the actual and projected numbers came from. She also explained how the tax income was calculated for actual and projected numbers for 2016 and stated that the 2017 budget numbers are all the same as 2016 until decisions are made on what to make each line item for 2017.

Discussion was held on tax income, delinquent taxes and 2015 and 2016 actual and projected income from taxes. Pam said that it's possible the budgeted numbers may not have been changed for years and just carried over year to year. Per Capita taxes were discussed and if there has been any further decisions made on the collection of these taxes. Pam stated that the last thing she heard on it was that the YATB were going to take it over but she has heard nothing official on that. Pam will contact the YATB to get further information on this issue. Zero will be put on this line until the next meeting when we have further information.

Pam went over the interest income lines and noted that the actual and projected interest income is higher for checking and savings than what's been budgeted but did not think those numbers would change much in 2017 for both lines. Kevin said to keep those lines as is.

For the ACNB account being set up, Pam explained the different interest rates for the CD (.80%) vs. a money management account (.05%) and asked the board if they wanted it to be a CD or a money management account since we have the bridge work going on. Eric suggested a money management account be set up for six months then evaluate it at that point to see if we can change it to a CD.

The Police Pension of \$15,585 has been received and is reflected the same in actual and projected. It will remain at \$15,000 for 2017. The Fireman's State Aid of \$30,325 has been received and is also reflected the same in the actual and projected columns. The budgeted amount for 2017 will remain the same. The Game Commission payment is received one time per year with the 2016 amount being \$1,167. It was decided to make it that amount for 2017.

For Plan Submission Fees and Engineering Fee Reimbursements, Pam highlighted them because she has to do some further research. The numbers appear too high. A question mark was put on those accounts until we have more information. SEO Fee Reimbursements and Septic Applications and Testing are also confusing. Should some of the charges that are in Plan Submission Fees and Engineering Fees Reimbursements be in SEO Fee Reimbursements and Septic Applications and Testing? For Septic App & Test-Repairs, where did SWM go into and is that paid up front? For line 362.44, the note listed does pertain to that one. Vince Elbel bills need to go in this line. Dave asked what the difference is between 361.35 & 361.44. It was discussed if both of them are applicable. Naomi said we used to get reimbursement from the state and that is what one of them is. We have to get more and better information.

Pam stated that the receipts we use do not line up with QB accounts and budget lines. Pam gave each supervisor a receipt to refer to. For example, there is no line for SWM and no line for escrow. Pam stated it needs to be more detailed and line up with the accounts. Kevin said this needs to be addressed and asked if it could be done at the next Board of Supervisors meeting. Kevin asked Pam if she could put together a template of how she would like to see a receipt. Pam also needs to check with Vince on the difference between the SEO & SWM charges and confirm what goes into those accounts. This is affecting the actual & projected numbers too. Mike asked Brian about a BCO form. Brian said we have a fee schedule but not a worksheet.

Some of the notes on the budget were reviewed and discussed. Discussion was held on some of the income accounts offsetting to expense accounts. If they are referencing another line, there shouldn't be that much of a difference between the two. The discussion kept going back and forth between income and expense lines. Dave suggested that we just continue with income before trying to compare income and expense lines at the same time. Pam said she felt that if the receipt is corrected, these amounts will line up or at least be a lot closer.

Discussion was held on Sale of Ordinances and if that was even a valid account anymore. It was stated they are on line now. Discussion was held on Solicitor Reimbursement. None of the solicitor's bills are ever marked as to whether they should be billed out. Pam sent an email to Bret and asked him about billing out from the last couple of bills and is waiting for an answer. Brett said I should ask Nancy what we can bill back to the customer. For 2015, Pam said it was higher because that line contained fees that were a couple of years old that were finally paid in 2015; the Westbrook bills. Discussion was held on what should be billed back to the customer. Mike stated he thought work on agreements, etc. should be billed out. Dave asked about all of the Crooked Creek work. There needs to be more information on what needs to be billed out. This was left at \$500. Pam said that if Bret is doing work that can be billed out to the customer then it needs to be identified on the bill.

Naomi brought up that Certificate of Occupancy Permits are not being issued as required. Brian was asked to give input on this issue. He stated that each time a building permit is issued, a final inspection is needed and a Certificate of Occupancy is required to close the process. This is to be formally done. The main reason a Certificate of Occupancy is to be done is to start the tax charges. Brian said that when he was not here, nobody kept a log. Brian previously created an excel sheet and left a blank if the Certificate of Occupancy was not completed. If it is being kept then he doesn't know where it is. Brian said he asked Nancy and she said she puts them in the files. Brian will go through the files to see if they are there and start a log. The state requires this and if they do an audit we have to have them available. We do charge for them and they are to be given to the homeowner. Mike stated he never got a Certificate of Occupancy for any of his building permits for his additions. Mike thought Bob's final inspection made it final. The question was asked if they are on the fee schedule and receipt. They are not on the receipt but there is income in that line. Pam said maybe when Nancy wrote them up she wrote them up as other. Discussion was held on putting money into escrow for SWM fees.

Pam stated the Dividends are one time payments and the note on 389.30 should be disregarded. Kevin asked about the -\$5,411 figure for that line in the 2015 Actual column. Pam stated that was a refund. Account 391 was used last year to balance the budget so that number is not known until the budget is finalized. Kevin said we should validate that 391 is used for that purpose and that it can be used to balance the budget for 2017.

The Supervisor Salaries are budgeted the same for 2017 as they were in 2016. The salary amount is set by the state and is in the 2nd class township code book. It is based on the census. The Supervisor Mileage was kept the same. For Dues and Subscriptions, Pam said she needs to look at this again. The 2016 actual was higher than what we have this year. Dues are paid to PSATS for membership per Naomi.

Naomi said she has been asking Nancy since the beginning of the year to get Dave and Mike his copy of the magazine Township News. Pam said the dues are probably not included in the 2016 actual number yet. Naomi also thought this number has to do with the magazine too. Pam will check to see if we have gotten that bill yet. She can drill down in QB to see what's in the account. Kevin asked if that is the cost do we want to withdraw from PSAT's. Naomi said we can't withdraw from PSAT's. For Meetings and Conventions, it depends on how many people attend. Pam didn't think there were as many attended in 2016 as 2015. For Auditor Fees, Pam and Michelle have been playing phone tag for the name of the person/firm she recommended when she was here. Pam left the budget number for 2017 the same since we have not yet received any bids. We did have interest from a firm in Mechanicsburg but Nancy said we received a bid from them the last time and it was very high. A decision will have to be made if we are going to go out for bid for a new accounting firm or stay with SEK. Supplies for the tax collector were discussed as well as her salary/commission.

Kevin will be attending a meeting in Adams County. His contact there said they usually don't have an engineer and a solicitor at every meeting. He stated if we did that, we would save a lot of money. He is going to attend their meeting to see how that works. Discussion was held on how much we are paying for these representatives to attend our meeting. It was stated that they would prefer the solicitor be there and change the agenda for the next board meeting to have the engineer at the beginning instead of the end. He can then leave when his portion is over. Pam will ask Nancy to change the agenda for the next meeting.

The Secretary Salary went from being salaried in 2015 to hourly and overtime for meetings in 2016. Nancy's overtime goes in 405.12 Secretary Extra Duty. It was decided to put \$2,500 in 405.12. For 405.12, Secretary Salary, it was the same in the 2016 budget as the 2015 budget. Pam stated the board would have to decide what salary they wanted in 405.12 for Secretary Salary for 2017 and to consider if they are giving any increase when making that decision. The board said they are not considering an increase at this time. The board said to take \$2,500 of the budget number for the salary and put that in the budgeted number for Secretary Extra Duty. The Treasurer Salary was discussed. It was agreed to keep the 2017 budget number the same at \$17,950 with an executive session to be held at the next Board of Supervisors meeting to discuss salary.

Discussion was held on if another budget meeting would be needed and it was agreed another meeting would have to be scheduled. Questions concerning the copier were raised and discussed. Discussion was held on the web site for the township and bringing it up to the 21st century. Pam stated it was very basic when it was set up by Sam and SOHO but that she adds to it as directed. Dave said the board needs to look at the job descriptions as far as the web site. Kevin asked why the Treasurer's Bond was higher in 2015 than in 2016. Discussion was held on backing up the Quickbooks accounts and keeping one off site. The board authorized Pam to buy a flash drive if needed and to periodically back up the files and keep that flash drive off site.

Pam asked the board if they wanted to split the Fireman's State Aid at 75% to Franklinton and 25% to Citizens which is what it has been in the last few years. The money has to be disbursed within 60 days and a form returned to the state. Pam said the board could probably go to the December meeting to decide.

Pam also reminded the board they have Laurin's budget, a note from the SPCA, the copier bids, the cleaning contract from last year that has never been acted on (we currently have nobody that cleans), the handicapped restroom and the heating and air conditioning system to consider for the next meeting. An exterminator was also mentioned.

Dave mentioned that we're running 5.8% higher than last year on police calls. When West Manchester dropped their units, instead of laying off officers there was a large amount to be offset in the NYRCP budget. Because of this we can now purchase a non-whole unit for police. Dave said we're getting more coverage than we're paying for. Dave's recommendation is to purchase and extra one half of a unit at \$20,000. Discussion was held on what ¼ of a unit would be. Pam said that it was listed that .22 officers or 1 unit of service was \$41,605.86 in 2015. Currently, Franklin Township receives 7.5 units of service at approximately \$312,000. Purchasing one unit to bring us to 8.5 units of service would cost us approximately \$356,000. Dave said he's recommending one half of a unit be purchased, not one full unit.

Mike said PA One Call said that we're a utility owner and that all of our culverts on our roads are owned by the township. With the laws that have been passed in PA, they are saying we would be responsible for all PA One Call issues. They said at a cost of \$2,342, we would be a small association with less than 50 members. For 2016, Mike said we put two calls in and it cost us \$125 (Circle Drive and Scotch Pine Rd). They're saying for anyone that does a PA One Call in this township, we will be liable to clear those tickets. For 2015, we had 658 tickets we would have had to respond to. This is saying we have to staff someone to respond to 658 calls. The person Mike talked to said its mandated if you own the public utilities underground. Mike said anyone cutting our roads/pipes has to be bonded with the township anyway. Mike said he needs to know more information on this.

Dave made a motion to adjourn the meeting. Eric seconded the motion. The meeting adjourned at 9:21 PM.

Pam Williams, Treasurer