

**I. OPENING**

**CALL TO ORDER:** The General Business & Developer meeting of Lower Saucon Township Council was called to order on Wednesday, October 22, 2008 at 6:00 P.M., at 3700 Old Philadelphia Pike, Bethlehem, PA, with Mr. Glenn Kern, Council President, presiding.

**ROLL CALL:** Present – Glenn Kern, President; Tom Maxfield, Vice President; Ron Horiszny, Priscilla deLeon, Council members; Jack Cahalan, Township Manager; Leslie Huhn, Assistant Township Manager. Police Chief, Guy Lesser; Public Works Director, Roger Rasich; and Director of Finance, Cathy Gorman. Absent: Sandra Yerger (who will arrive later).

**PLEDGE OF ALLEGIANCE**

**ANNOUNCEMENT OF ANY EXECUTIVE SESSION (IF APPLICABLE)**

**Mr. Kern said there was no Executive Session held between last meeting and this meeting.**

**II. PUBLIC COMMENT/CITIZEN AGENDA ITEMS**

Mr. Kern said for citizen agenda items – Council operates under Robert’s Rules. What that means is during agenda items, Council will talk amongst themselves and amongst staff and the interested parties. At the conclusion of that, we open it up to the public for public comment. There is an opportunity for non-agenda items at the end of the meeting to discuss whatever your business might be. We do have a microphone and there are microphones up at the table. There is a sign-in sheet in the back of the room. Please print your name and address and email address. It is very helpful in transcribing the minutes. For those who want to receive emailed agendas, please give your email address to Leslie or Jack or call the Township office. Please state your name and address. If you can’t hear, please let us know.

**III. TOWNSHIP ITEMS**

**A. PRESENTATION OF 2009 PROPOSED BUDGET, JACK CAHALAN, TOWNSHIP MANAGER**

**B. OVERVIEW OF PROPOSED BUDGET – JACK CAHALAN & DEPARTMENT HEADS**

Mr. Cahalan said the following:

Thank you. I’m here tonight with the Township Finance Director Cathy Gorman and Departments Heads: Assistant Manager Leslie Huhn, Police Chief Guy Lesser, Director of Public Works Roger Rasich present and review the proposed 2009 Township budget with you.

First, let me briefly review what was accomplished during the 2008 budget year:

- We continued working with our consultants to adopt ordinances protecting floodplains, regulating ATV use and other land preservation policies.
- We continued to move ahead with acquisition of priority open space lands through the Open Space Preservation Program and to date we have added a total of 130 acres to this program.

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- We continued working through the Saucon Valley Partnership on the Multi-Municipal Comprehensive Plan process with Hellertown Borough, which we hope to have a draft of the Comp Plan in front of Council shortly for your consideration.
- The Saucon Valley Compost Center, a jointly operated yard waste facility for residents of the Township and Hellertown Borough, began its second year of operation and has been seeing thousands of visits from residents dropping off yard waste which we are grinding into a mulch that has become a desirable by-product for homeowners. In addition, we established a Joint Yard Waste Committee with Hellertown that meets regularly to oversee the operation of the Compost Center.
- The final phases of the Polk Valley Park development are being completed as we speak with the paving of the walking trails using a less expensive pervious concrete material. In addition, we hope to have an agreement with the homeowner shortly on the barn structure on Polk Valley Road which will allow us to begin working on the connector trail between the park and the SVSD campus. The local youth soccer and lacrosse teams have been using the park since it's opening this past April and except for some initial parking issues, Polk Valley Park has been earning rave reviews from the residents and the public for its size, scope and scenic beauty. The baseball fields and Dog Park will be ready for use in 2009 which will add to the experience of visitors using Polk Valley Park. In our other parks, a draft design plan for the Kingston Park development should be before Council for your review shortly, and utilizing the input received at a public visioning meeting this past summer in Steel City, we are moving ahead with some conceptual sketch plans for improvements to Steel City Park. With the assistance of scout volunteers we were able to improve and enhance the Nature Trails at both Heller Homestead and Town Hall Parks. And, finally, we were pleased to see that SEPTA, after many previous attempts, is willing to discuss a lease agreement on the SEPTA rails line in the Township which will enable us to utilize it for a walking & bike trail hopefully in 2009.
- Our Public Works Department, working in conjunction with the Hellertown Borough Public Works, just completed an extensive list of paving projects in the Township, Borough and at the school district campus that included the resurfacing of over 30 streets and parking lots at a considerable savings to the taxpayers in the Saucon Valley area. The Saucon Valley School District estimated that they saved approximately \$170,000 by participating in this project.
- The upgrade of the Township web-site was completed and we have been making an extensive amount of Township information and reports available to the public on this site. We continued working toward a paperless operation with the use of disks and the Council notebook PCs for meetings and, by reducing reports and other data received in the Township to a digital format.
- For our historical properties, we were pleased with the National Register nomination that the Lutz-Franklin Schoolhouse received; we continued with the historic research on the Heller Homestead property while at the same time keeping up with needed repairs and maintenance to those buildings.
- We continued with our green initiatives in 2008 through the use of bio-diesel on our fleet of vehicles and by working with the Alliance for Sustainable Communities - Lehigh Valley on an Energy Harvest grant application for funding for solar energy equipment that we can utilize to reduce the Township's use of electricity in our Town Hall complex.

Like other municipalities nationwide who are confronted by the current worldwide financial meltdown, we too are faced with short-term and long-term challenges going into this budget which we must be prepared to deal with:

- The instability in the banking and stock market. Fortunately, we do not have to do any borrowing or bonding in the near future. We are very concerned though about the impact of the stock market's volatility on the value of our investments in the two employee pension

funds since the Township has a fiduciary responsibility to ensure the viability of those two funds, and with any loss of interest income on our other invested funds

- The continued stagnation of the housing market and the impacts such as foreclosures, the inability of borrowers to obtain mortgages or refinancing. This situation has decreased our revenues from new development, real estate taxes, fees associated with new construction, etc.
- The length and the severity of the recession we are clearly in. Most experts predict that the recession will last through 2009 and could continue into 2010. This uncertainty impacts on our ability to plan for future projects.
- The long-term forecast for energy and fuel prices and how that will affect us. Our budget takes a real hit whenever fuel prices increase because we rely so heavily on gas, oil, electricity and other petroleum-based products to carry out our operations.

Due to these issues, in putting together this proposed budget for 2009, we were faced with several challenges:

#### **Projected Revenue Losses**

- Local Services Tax – this revenue source continues to decrease from the \$60,000 collected in 2006 to an estimate of \$35,000 due to changes made by the Legislature
- Interim Tax – also continuing to decrease by \$3,000 due to decline in building and home sales
- Real Estate Transfer Tax – due to the fact that new home sales are down approximately 23% and building permits are down 30% for new home construction we are estimating a decrease of \$74,209 due to this decline
- Interest – we are estimating a decrease of approximately \$13,000 in interest income due to the changes in interest rates and the effects of the recession
- Tax Certifications – our tax certifications continue to decrease \$1,000 due to the drop in home sales and mortgage refinancing
- Subdivision Fees – down also approximately \$3,000 again in 2009 due to slowdown in local housing market
- Sanitation Permits – anticipating that these permits will also continue decreasing by approximately \$11,100 due to the slowdown in the building and home sales market

#### **Projected Revenue Increases**

- Real Estate Taxes – Due to Council's decision last year to raise the millage rate to 4.14, we are projecting a modest increase in these taxes in 2009.
- Earned Income Tax - We are also pleased that the Earned Income Tax is trending toward increasing by about 10% in 2009.
- Zoning Permits/Fees – Contrary to what we thought would happen last year, these permits actually increased, demonstrating that people are staying in their homes rather than selling and are renovating and repairing them.

#### **New Budget Expenses**

- Curbside Yard Waste Pick-ups - PADEP is requiring us to provide two (2) curbside pick-ups of yard waste material each year. We are estimating this new cost to be in the \$14,000 range. We will discuss this more with you as we go through the budget.
- Upgrade to Fire Sprinkler System – It has been recommended to us by our consultants that we upgrade the fire sprinkler system in the administration and police wings of this building. Currently, this system is susceptible to freezing in the unheated upper portions of the building and the only way we can prevent this now is to move ceiling tiles aside to let the heat rise up to warm these pipes.
- Compost Center Expenses – With our agreement with Hellertown Borough on the joint operation of the Compost Center we will need to commit 50% of the projected budget for

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the Center in 2009 or \$30,000. This funding is available from the state but is tied into the yard waste pick-up requirement, which we will go into further with you.

- Contracted Services – With the opening of Polk Valley Park this year, we are showing combined expenses for the first time for grass mowing, weed & feed treatments and port-a-johns at all the parks totaling \$71,000.

**Budget Increases**

- Consultant Expenses – Our planning and engineering consultants have been heavily involved in the development of Polk Valley, Kingston Park & the connector trail between Polk Valley Park and the school district campus; upgrades to Steel City Park and the beginning work on the Rail Trail project, open space & zoning issues, therefore, these costs have increased substantially. Once the park projects are completed at the end of next year our planning expenses should drop dramatically.
- Labor Attorney Expenses – These costs are also up steeply this past year and will continue into next year as we are in the midst of negotiating two (2) labor contracts with the police and non-uniform employees. We also anticipate that there will be additional expenses for arbitration for the police contract.
- Fuel & Energy Expenses – based on the spikes in the price of oil this past year, we are preparing for increases in the 25-30% range for our fuel and energy expenses.
- Contracted Services – Due our increased collections of real estate and earned income taxes our commissions owed to Berkheimer for their collection services will increase by approximately \$20,000
- Library Contribution – As you know the BAPL is requesting a 4.9% increase in the contribution for library services which amounts to an additional \$8,000
- Employee Benefits – These benefits continue to increase by about 10% each year. The Township continues to make a sizable contribution (over \$250,000) annually to the two pension funds with no agreement yet from the employee unions to make any contributions toward this cost.

**Conclusion and Recommendations**

- Due to the uncertainty with the financial and housing markets and the potential deepening of the recession, our primary goal with this budget was to plan for only essential operations next year and to provide a financial cushion in the event that the situation does worsen during the year. We also want to ensure that we can carry sufficient funding forward into 2010 in case the downturn in the economy continues through 2009.
- With this in mind, we closely reviewed all budget needs and requests and, beyond funding those items that are considered mandatory due to a legal/contractual obligation, we are recommending approval of only a handful of new (or continued) expense items that we consider priorities:
  - ✓ Document Imaging Funding (includes upgrade to MS Word 2007 and additional server - \$10,000
  - ✓ Upgrading of Fire Sprinkler System - \$16,000
  - ✓ Continued Phasing-in of Digital In-Car Camera System in Police Cruisers - \$16,500
  - ✓ Knox Box Key System for Police Cruisers - \$8,280
  - ✓ Replacement of Police Defensive Tactics Equipment - \$2,500
  - ✓ New Digital Camera for Zoning - \$400
- We have allocated a total of \$589,031 to the Contingency Account to provide a cushion for unanticipated expenses in 2009 and to build up our fund balance going into 2010
- We are recommending and ask that Council direct that, other than mandatory expenses, all other discretionary spending for the Township be deferred until after July 1, 2009
- Council made a tough but necessary decision last year to raise taxes for the first time in 13 years. That decision enables us to maintain our service levels and meet our obligations for 2009 but due to the uncertainties facing us we must be very prudent and cautious and hold

the line on any non-essential discretionary spending to be prepared to ride out this recession and move forward with sound planning and decision-making to address the future needs of our citizens. Thank you and now let's move on to a review of the budget document.

**B. QUESTIONS AND ANSWERS**

Mr. Kern said he had a question on the Pension numbers. Eventually, the market will turn around and there won't be a problem. In the interim, what's the downside from the Township obligation to funding this on an annual basis? Mr. Cahalan said what the Actuary does, by law, he does an evaluation of the two pension funds. That evaluation takes a look back over a five year period and it factors in various things, including what's happened with the gains or losses of the investments, the salary increases, the census, how many people are in and how many people retired, and so on. From that evaluation, he recommends to Staff, and we bring to you every September, the MMO, which is what you need to putting the budget to fund the pension. Because it's a five year period, if there's a downturn like we're experiencing now, if there are losses in our investments, that will all be factored into a five year period. For example, back in 2002, when the dot.coms all went sour, there were some losses in the pension funds. In fact, our pension fund lost about 12%. That has been factored in since then. That will continue until we move beyond 2003. We're going to do that next year or the year after. Any losses, the Actuary looks at the long term liability of the two pension funds and like any Actuary, he uses an example of a top balancing itself. Over the long term life of the pension fund, 20 or 30 years, all of that will come back. Short term, there's going to be some hits in our investments. We think we are going to see an investment strategy with MRT which spreads our risk to an extent that he doesn't believe we are going to suffer losses over 10%. Right now, we're down 2-1/2% to 3%, so we are losing some money, but we should get that back in the long run. We'll be looking at that. He spoke to the Actuary about the issues, "should we be concerned"? We're also in negotiations with the two unions and are asking them to contribute and we want to know is that also impacted. We are speaking to him, and right now, he doesn't advise making any immediate changes. Our plan is solid and we think we can move ahead with that. Mr. Kern said so specifically in 2009, for the 2009 budget, there would not be any hit to the Township as far as making up any difference? Mr. Cahalan said no. Mr. Horiszny said that's one of those mandatory things. We can't say we are capping \$250,000 a year because the State will come back and say you need to make up this difference or whatever. Mr. Cahalan said what the State does, they declare what amount of aid they are going to give us, and Cathy will file her report which lists the census. Cathy said the Sate will calculate everyone that is in the program and based on the insurance money that they receive, it's the fire insurance fund, they get a percentage of that, all the municipalities. The current year it went down from last year. Mr. Cahalan said based on that, the Actuary will look at that figure and he'll figure out what is needed to fund the plan and the difference between the state aid and that figure is the MMO. That MMO has been going up for the last couple of years. This year, the difference between 2009 and 2008 isn't substantial. Mr. Horiszny said the only way to decrease the MMO is to have employees contribute; otherwise, we have to make up the difference. Mr. Cahalan said correct. That's what we've been talking to the Police Association about and that's on the table and one of our demands for the non-uniformed folks.

Mr. Cahalan said we can go through the budget. On the revenues, it will track what he basically mentioned in the remarks. All of the revenues related to the housing market are down with the exception of the Real Estate Tax. The EIT is not related to that, but it is up modestly, and the other one is the Permits. Everything else is showing a decrease as we said anywhere from 5% up to 30%, and that's continued in 2008 and we're projecting that will continue in 2009.

Mr. Cahalan said on page 5, Real Estate Tax will show what we're projecting on that for the current year. We have prior year, which is the money that is paid and comes in after the first quarter of the next year, the delinquent amount, the interim amount. The Real Estate Transfer Tax

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is also declining based on home sales. On page 6, the Earned Income Tax is increasing, about 2%. There's a prior year Earned Income Tax and then there's a Emergency/Municipal Services Tax, at \$35,000 and we were at a high a couple of years ago when that came out to about \$60,000. That has, the way the legislature has changed that, it has decreased and we have an Emergency/Municipal Services Tax Prior year of \$6,000. Mr. Horiszny said is this the one we couldn't go \$52? Mr. Cahalan said yes. That's something that Council would have to decide to increase that.

Mr. Cahalan on page 7, Business Licenses and Permits, those are all holding about the same, modest to 3% increase and gross receipts for the cable TV. Other permits, road encroachment permits and moving permits, we don't project much of a change. Those are small revenue items.

Mrs. deLeon said we talked about the cable at our last meeting and the Township does get 3% of what our residents pay the cable companies and she's not a fan of raising it to 5% like other municipalities because our tax payers pay that. On the other hand, all the conferences she's been at, you can negotiate sweeter deals with these cable companies that tells them they have to provide services to our residents, and since our last meeting, she did speak to a resident at Four Seasons and she complained about the quality of the cable service coming in and how the sound was intermittent and the picture was inconsistent and she was on hold for over an hour. These cable companies should be put on notice that we expect them to provide better service to our residents. Mr. Horiszny said especially if we have a cheap franchise fee. How difficult would it be to check a township that's charging 5% and determine what their tax payers are paying for cable, versus what our people are paying and then we get the impact. Mr. Horiszny said he bets there is no difference. Mrs. deLeon said she doesn't want to raise it to 5%. It's not the cable companies paying us, it's our residents. Whoever has cable, they pay the 3% to us. The \$75,000 is from each and every one of us. The residents aren't in control of the quality of the services, the cable companies are. What other municipalities do, Daniel Cohen is an Attorney who does all these seminars, and he will negotiate with these cable companies and try to get them to provide free services to the municipalities, the fire companies, to township property buildings. Right now, they don't even know we are watching them. Linc has been in touch with them over the years, but she thinks we are missing out on an opportunity here. Mr. Kern said it says here that the franchise fee is based on 3% of the gross receipts of Service Electric and RCN. Is what Priscilla saying correct? Mr. Cahalan said is it passed on, what Priscilla is saying is looking at the bill, it's itemized. Mr. Kern said if it's 5% somewhere else, it's not the cable companies paying it. Mrs. deLeon said we have kept it at 3% as we don't want to tax our residents because the cable companies don't care about providing better services or more services. If we're not out there knocking on their door, they are ignoring us and it's ridiculous for you to be calling the cable company and wait an hour. Mr. Maxfield said what kind of action could we take? Mrs. deLeon said there are many articles in the PSATS magazines, Daniel Cohen will come out here for a fee. There's a list of things that a cable company can provide to a municipality as part of their being able to do business in our township. Mr. Maxfield said if you're not privied to the Township, does Mr. Cohen have a record we can check? Mrs. deLeon said he's been a repeated speaker at PSATS and conferences that she's attended for years. Linc has been in touch with him, but it's kind of been on the back burner. Meanwhile, we are getting these complaints. Mr. Cahalan said within 30 days, we can come back to Council with all of the options and see if there's a fee where Mr. Cohen is involved and we can give you an idea of what can be done and the impact. If you raise it to 5%, obviously, we are going to make more money, but the residents are going to pay for it. Mr. Maxfield said the first thing we should do is go for the increase in service and get the quality up. Prepare a list of options that would attack that first. Mrs. deLeon said write a letter and tell them the residents are complaining about the services they are providing and what they try to do, is service these new developments first, and the older residents are forgotten and they have outdated lines coming in. In the past, one of the sticklers was, they wanted us to contract for a long period of time, and Council changes, and do you want to sign a contract that has an end date of 15 years? No, you want a shorter contract

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and they don't want to do that. Mr. Rasich said there are things you and residents can do. We filed a bon a fide retail request and if you have a certain percentage of people in that service area, they have a year to provide you with the service and he now has two way cable modem and DSL in his house. You have to contact Verizon and find out the service size, and there is an actual printout and you can get it from DCED and they'll send out the application and form and you can then get the service a lot quicker. Under a federal mandate or state mandate, you can see it on the DCED site, they have to 2012 and then they have to provide that service to everyone. It is moving forward, striving to get it done. Mr. Cahalan said it's an FCC settlement that they agreed to as people were complaining. Mr. Rasich said some of the things you just said about free services, we do enjoy that. The Township does not pay for any cable cost here. The only thing we pay for in our communications net is the Internet access which is \$40 a month, but that's the entire township. Mrs. deLeon said the Fire Companies should be able to take advantage of that. At the Heller Homestead, the Lutz Franklin, the Internet should be extended to all Township properties. Mr. Rasich said the Internet, it's not governed under the rules and regulations. It's not under the franchise regulations, and not part of that. Mrs. deLeon said it can be negotiated if you have the right negotiator. That's fine what you said about the Internet, but the woman who called her does not have a computer, she has the plain old cable. She was having problems with her plain old cable from RCN. That's not going to help her out. The residents need to know. Mr. Horiszny said maybe in our next newsletter tell the residents how to contact the FCC and how to improve their cable. Mr. Cahalan said in some areas, you have a choice of Service Electric or RCN. Mrs. deLeon said in some areas, there is only one choice. Mr. Horiszny said the thing about the consultant, the advantage to the township probably would be minimum and it would be our expense. If we don't want to go up to 5%, we aren't going to increase the revenue and we're going to be paying this consultant to do something, so we'd have to figure out how expensive he is and how great his results are. Mr. Maxfield said attacking the service would be step one. Mrs. deLeon said that's direction to the Manager.

Mr. Cahalan said Fines, page 8, County Court Fines, Motor Vehicle Code Violations Ordinance Violations, Crimes Code Violations, Motor Vehicle Code Violations and Parking Tickets. There's not too much of a change going into 2009, just some modest increases in those fines, nothing major. Chief Lesser said the percentage of fines forwarded to the township remains consistent and we would anticipate no dramatic changes. It's very similar as what we've seen recent years. Mr. Horiszny said speed traps when the casino opens, is not really the way to go? Chief Lesser said we run speed checks and they are very productive at times, but there's areas we ran very productive speed checks fifteen years ago that are no longer productive because of the volume of traffic. Mr. Horiszny said what has happened on the use of radar other than by the State Police? Chief Lesser said those of us who have been around for awhile, we remember that being discussed for decades. We'd like to think that there's efforts that are moving that closer to use for municipalities. The PA Police Chief Association is lobbying to move that forward. There's been some movement on that. Mr. Horiszny said then we have to pay for radar units. Safety wise, it's probably a good thing, but revenue wise, it probably isn't. Safety is more important. Chief Lesser said that equipment will enable an officer to be more efficient at tracking speed. That's something we'll take seriously. We'll look forward to that someday.

Mr. Cahalan said on page 9, 10 and 11, under Interest Earnings...as we projected, these are decreasing, so we're showing a lower amount on that going into 2009. The Intergovernmental Revenue column has decreased because we have moved around some expenses. Previously, what Cathy would do, is any receipts she received from the LSA and from our retirees from medical insurance went into that account. That's been moved out to a separate account. It's on the following pages. That's responsible for the decrease down to \$5,000. The rest of it is receipts we get from the SV Conservancy and Historic Society for property liability insurance policies that we hold for them, they pay through the township and the Fire Companies reimburse us for the fuel costs. The other operating grants are just showing a slight increase in the amount of those federal

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grants. Those are consistent from year to year. For the sewage enforcement services, the Chief receives through the PD, funding for the DUI program, the DARE program, the Smooth Operator program, and we reported last year he continues to receive money from the Liquor Control Board and the Bullet Proof Vest Partnership Grant continues to help out with the purchase of new body armor that the police utilizes. That is showing a slight increase. Down on the State Share Revenue and Entitle, there's reimbursement, pension state aid, fire insurance tax reimbursement, and beverage licenses are just showing a slight decrease. As Cathy mentioned, the pension state aid is down and the fire insurance tax reimbursement tax also down.

Mr. Cahalan said on page 10, General Government, under Other Zoning Permits and Fees, the permits and fees, as we mentioned to you, is kind of going in a different direction from the housing market. That's going up and that surprised us last year. You can see we only budgeted about \$1,800 and we thought that was going to tank, and it turned around that the permits and fees increased. We are projecting about \$6,000 coming in from that. Subdivision fees are down. We do tax certifications when people are buying homes, those are down. We are also showing the same for the Administration. Public Safety, Police Services, the movie theater had cut out the special duty for the officers. They previously had them on duty on the weekends, at the Regal. That's been eliminated. Mr. Maxfield said how much does Lehigh University pay us for duties when there is an event down there? Chief Lesser said they pay as all extra duty events. They pay the overtime for the officer plus an additional cost per hour to reimburse the township for expenses they incur for the hourly wage of the officer. There's no equipment cost factored in to them, but that's our standard extra duty billing...straight for anybody. When they hire us, they compensate the township. We work every football game and every event. We ask them to get someone for the traffic, but they don't. We monitor the traffic. They aren't paying us frequently as they should. There are times when we feel they should step up and compensate us, but they don't. An example is when the Presidential motorcade went through. The Secret Service said they don't pay, and they didn't pay, but we provided as carefully and economically as we could, the service at the intersections as we could. Mr. Horiszny said what about the Eagles camps, do they provide extra security services? Chief Lesser said he doesn't believe they pay for any services for the Eagles camps in the last couple of years. The impact isn't as severe as it was years ago. We haven't been successful in having them hire us for those events. Mr. Maxfield said what about graduations? Chief Lesser said they do not hire officers, but we have worked with them over the last couple of years. We've contacted the schools that have commencement services there and they hire our officers to do the traffic and we anticipate continuing that. We communicate with them in January and that's been very productive.

Mr. Cahalan said the Public Safety on page 10, is the new account, health charges and you can see that comes out of no where with \$107,400. That is the funds we moved from the other previous account and that is the money received from retirees and from the LSA for the health insurance coverage they receive.

Mr. Cahalan said on page 15 and 16, it shows fees. We don't have many. We have recreation fees for rental of the pavilion and athletic fields. That's a very small amount. We're not showing any changes in that. The Miscellaneous Income, there's just a small bump up on that. The Contributions from Private Sources is about the same as 2008. On page 17, we're showing about the same with Sale of General Fixed Assets. We have an auction, and that sadly, only results in minimal amount of money for some good equipment. We have transfers from other accounts. We have the landfill revenue fund and if there was a transfer from the capital fund into the general fund, it would show up there. It shows our total revenue and income \$6,459,071. Mrs. deLeon said where it says refund from the Workers Comp, that's when they go back and they audit you and either you pay in or you get a refund? Do you adjust the insurance payment on the line item to reflect that or does it just kind of wash itself out? Ms. Gorman said on the revenue end, she estimates what our revenue would be based on the amount of claims and the ratio percentage. The

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expenses, their audits are done in September, so she has plenty of time to do that, so they'll submit what their schedule will be for the following year and then they'll do an audit in October or November. There year is not the calendar year, so she has a window there. Mr. Cahalan said we have good experience factors in all of the medical insurance, workers comp and as a result of that, we do get refunds on that.

Mr. Cahalan said on the Expenditure's end of it, Page 20, what we budgeted in 2008, \$6,091,135 and what we are proposing in the 2009 budget is \$6,459,071. That is a 6% increase. It's higher than he'd like to be, but he'll explain why it is that high, and what we tried to do to keep that down. The first one is General Government, you'll see a decrease in all of those accounts. We cut out anything that we're committed to that to show what the impact of that would be. No increase in any of this, that decreased in the Executive end of it with 4% in those line items. On page 24, the account for Contributions/Grants/Gifts, we continued with the same amount as the previous years. We have not had any other request from any other organizations and we held the amounts for those sports related groups at the same amount and the other ones are the Halloween parades, the Saucon Valley Partnership is a \$1,000 dues commitment that each of the three members make. We are contributing \$1,000 into the Lehigh Valley VNA, and we are continuing the \$2,000 to the Lehigh Valley Coalition for Affordable Housing. We also put in the contribution to a Volunteer Appreciation Dinner which we are going to work on. Mr. Horiszny said he appreciates that. We also tried to keep a limit on the general expense item which is the cost for miscellaneous things like bottled water and coffee for different memberships. Mr. Horiszny said on the bottom of page 24, the Transcriptionist, now that Diane is an employee, are we still going to have that expense? Mr. Cahalan said we were hoping to have her do this after hours so we could focus at work time on working with Leslie on the things we are behind on because the transcription stuff can eat up part of that time. We were hoping to continue that as an extra type of duty that she would do on her own time in the evening. Finance Administration would show a flat increase or decrease because there's nothing in here except the Berkheimer increase for the increased tax collection which shows up in here and it bumps up from \$59,000 to \$79,000 projected for 2009. They are showing a 10% increase in this financial administration account. That is a mandatory contribution we have to make. Mr. Horiszny said on page 28, Controller compensation, we no longer have a Controller, so that should be eliminated? Mr. Cahalan said we have the position and it's called for and it's vacant. We notified the County of that. It will be subject to election on November 4. He doesn't think there is anyone listed on the ballot, but someone could write in and run for the office and get elected in. Mrs. deLeon said that's in our administrative code. Mr. Cahalan said that reflects what the agreement is for the hourly rate. Council can change that by ordinance.

Mr. Cahalan said page 30, on Law, this is showing an increase. It's about 7% of what we had in 2008, because that's reflecting the added cost for the Labor Attorney for negotiations and for employment related matters that's anticipated next year. General Government Administration, same amount, \$9,500. In Data Processing, we are showing a decrease in here because we did have some data processing purchases that we did make in 2008 so that's been decreased. Minor and Major equipment purchases are down, so we're just covering the compensation, the stipend paid to Roger and to Kal for taking care of us in the data processing area as a Coordinator and also for the website operation. We're under an annual contract with that company. Under the software license, and purchases, that's down a little bit, but it does cover some annual contracts we are under. Freedom System Accounting Package is an upgrade. Ms. Gorman said Freedom System is our accounting software package. They are recommending for us to upgrade to their same program, but they have a specialized system. We are one of the last entities that have this software. The last quote she receive was about \$3,000 worth of upgrades to be renewed. If we chose to be with that software, and she's not a fan of it, but we did invest a large amount of money in that and it would be a shame to reinvent the wheel. Mr. Rasich said the nice thing about it is it's an access based program so we have the backup of Microsoft as a backup as opposed to a proprietary software that the business goes out of business and we're stuck. Mr. Cahalan said we have \$10,000 to continue

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with the document imaging system, moving forward. We've started some small steps on that. Roger, Leslie and Diane have looked at a system which would move us right to the top of where we want to be in terms of scanning everything that comes in on paper, putting it in a digital format, storing it and then making it accessible to you and staff who need to look at those documents to do our day to day work. In order to do that, we need a couple of things. We need some hardware that we are still looking into. We've moved that into the capital account and we'll cover that when we get into Special Accounts. In this account, we are recommending we upgrade our computers to Office 2007 which we need to work in the system and then we also need an additional server to store all of the documents we will be scanning in and doing. It is a decrease from last year. Mrs. deLeon said will our computers be able to go on line and access these documents? Mr. Cahalan said yes. We'll get you equipped. Mr. Rasich said you'll still need Internet access. Mr. Cahalan said that's the goal so you could go into a subdivision file and you'd be able to see every document in that file.

Mr. Cahalan said on page 35, Engineer, that is showing a decrease of 12%. We are not projecting any large increases or projects that are needed for engineering.

Mrs. deLeon said do we have to have all the lights on up on the second floor when no one is here? Mr. Rasich said it's like every other light has a dual ballast in it so it's one bulb out of the four lights are lit. It was because it's a public building and it is a requirement. Mrs. deLeon said can we reduce the lights anywhere? Mr. Cahalan said he'll look into that and get back to her. Mr. Rasich said DEP did an energy audit on them and the only recommendation they gave us was to replace the light bulbs with lower energy bulbs and we are phasing them in when we need new bulbs.

Mr. Cahalan said page 36, General Government Buildings, this is increasing because of increase we are projected in our fuels and we'll talk about the upgrade to the sprinkler system that we're showing under Minor Equipment Purchase. The fuels speak for themselves. Under bio-diesel, we are continuing with that, but that's becoming more difficult. The supply on that is still pretty well restricted. Ms. Gorman said Department of Energy wants everyone to move forward and get to be B10 fuels of higher grades, but the procurement office does not have anything under state contract that would allow us to piggyback on to. They are one year behind on what DEP wants. Hopefully by next year they will have bids out to B10 and if our vehicles can use B10, but some vehicles don't recommend it. If so, we'll move forward with that. Right now, we would have to go through another bidding process to get fuel with B10 and that ended up causing some confusion and some problems. We're now with B5 and it's still under state contract and everything has been working out well. Mr. Maxfield said any problems? Mr. Rasich said we are not experiencing any problems with them, however, we did it right, meaning prior to doing this, we had our underground storage tanks cleaned and after we ran it for a month, we did a filter change on every vehicle in the fleet. The B10 from what he is reading about, the main real drawback is it has a higher gel point meaning it freezes at a higher temperature meaning it wouldn't be a great scenario for us if our trucks all started to drop in a middle of a snowstorm. That can be combated by a winterizing agent which they have done to fuel for years and years, and it's a matter of adding kerosene to the diesel which has a much lower gel point. Mr. Maxfield said it would be a season of B10 and a season of B5. Mr. Rasich said that could definitely be an option, but even straight diesel, you winterize, so you would just have to add more of the project you are going to add for winterization. Mr. Cahalan said because of the fuel increase, we've been real conscious of fuel use and we met several times to discuss the use of vehicles and fuel use and we are committed to practices, the Chief and Roger said that will cut down on use that's not required. We also are committed to replacing the vehicles with those that get the highest mileage we can get and we made an attempt to look at hybrid vehicles for the police, but that was unsuccessful because there are not any vehicles out there in the hybrid area suitable for police use with the type of equipment they must run and the power they need to power up from the air conditioning down to the radios. There just isn't anything there. We

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had a Ford as a demo and it did not fit the bill. We're still looking at the Ford Crown Victoria, the Dodge Charger and the Chevy Malibu. We are looking to see what has the best mileage and the best usage for the Police. Also, with the electrical rates, we did ask Council to support the grant for the energy harvest. We are working with the Alliance for Sustainable Communities and if we're successful and do get that grant, we'll put up an array of solar panels on the PD's roof and that will help us cut down on our electric usage on the Town Hall complex.

Mr. Cahalan said on page 41, under Maintenance Repairs of the building, we have tried to come up with a uniform coverage for all types of maintenance agreements for all of our township buildings and that includes the historic buildings and we also have a contract with Terminex Pest Control to treat any pests at any of those buildings. We have the burglar and fire alarm systems and maintenance on the sprinkler system and all the other maintenance agreements we have on the equipment in the Town Hall and other township buildings. Under the Capital Outlay is one of the few items we are requesting, an outlay for this year in 2009 for the fire sprinkler system. Mr. Rasich said the system upstairs is a wet type system. Unfortunately, the pipes are above the drop ceiling and during extreme full temperatures because of the eaves all being vented soffit in there, we've experienced each year freezing of this and that causes several of the heads to drip. What we have done, and the only way to combat it with what we have it, is to slide a few drop ceiling tiles to the side to allow the heat to go up, probably not the most efficient thing to do for the building, but it's better than having a flood. What this is proposing to do is to drain the system down and refill it with an antifreeze type material so it won't matter if it gets cold or not, it won't freeze. Mr. Maxfield said when it sprinkles, will it sprinkle antifreeze? Mr. Rasich said absolutely, for about two seconds. The water is actually freezing in the pipes and then it backs down into the sprinkler heads and then because of how sensitive they are, they start leaking and continue to leak. The worst case scenario is one fully blows and we have a huge mess. If that goes off, it's an instant call to the fire companies and it does do damage. There's a lot of stuff below it. Mr. Horiszny said the \$16,000 is a permanent fix? Mr. Rasich said it's a permanent fix provided the service is never active and it has to be drained for whatever reason. We have to notify the alarm system, close down the system, drain it out, repair the head, reflow it and get the air out. It's pressurized up to 800 psi.

Mr. Cahalan said on page 42, Police account, we're showing a 3% increase proposed. We did carry a 3% increase for planning purpose for salaries, no commitment to that yet with the negotiations. Chief Lesser said you've heard us talking about replacing digital cameras in the cruisers for several years, and that's ongoing. The figure you see in this year's budget is an \$11,000 carryover from this year. We attempt to get all we can out of this cooperative grant purchase we're in and it's actually taking about 3+ years which is not a good thing. We are purposing to maximize that and to limit the use of township funds. He's talked about that for the last three years and it's a large item. The Knox Box, we're at the point where if we don't put the item in the cruisers, then the officers won't have access to it. We were hoping to have some of that funded through builders, but that didn't work out. The soft body armor is something again he's talked about. It's a continuation of that purchase and is funded through a grant. We wear our soft body armor and replace it after five years.

Mr. Cahalan said on page 47, Fire, there's a couple of dollars of increase, mostly the contribution we pass through to the Firemen's Relief Association.

Mr. Cahalan said on page 50, Planning and Zoning, we are showing a 5% increase in this account over last year and that's related to an increase in cost to the Planning Consultant and for the cost of the newsletter. We are issuing two of those mailed to residents.

Mr. Cahalan said on page 54, Emergency Management, no increase. There's a big decrease. Bill Czscar did get some needed equipment last year and he did purchase that and is up to speed on his needs for the EMS. His line item is decreasing substantially for 2009.

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Mr. Cahalan said we are showing Public Safety as an account. This is the crossing guard wages we contribute along with Hellertown Borough and the school system. All three of us contribute to the crossing guards for children going to and from the school campus.

Mr. Cahalan said under Recycling, this is a new account. With the opening of SV Compost Center, a joint operation with Hellertown Borough and with the creation and appointments to the Yard Waste Recycling Committee, we have estimated a cost of operating this center very successful. There are thousand of visits from residents dropping off yard wastes and we have staffing there from Public Works from both municipalities and other costs for electric and communication and for advertising that are related. That's the estimate going forward.

Mr. Cahalan said on page 57, Public Works, there is an increase of 10% over 2008 and that's related to fuels. Mr. Rasich said pretty much everything we do is petroleum based from getting a truck out of the garage to buying blacktop. Hopefully, some of that is going to go down. We did our best to do our best for the budget this year. We waited until October to get our paving projects done which did save considerable amount of money as the cost of blacktop went down. It was up as high as \$80/ton and went down to \$68/ton.

Mr. Cahalan said Participant Recreation, on page 61 through 65, this account takes into account all of our parks, the programs, the summer recreation program and the amount of money we contribute toward the Hellertown pool. The big jump here is in the area of contracted services. What we've done is the lawn mowing contract is included in here for all of the parks. We also have the contract with True Green Chemlawn for treatments on the park turf and also for portable toilets at all of the parks. Part of that amount was covered under the Park Development accounts and now its standing on its own in Participation Recreation and it's showing a jump next year in that account. The summer youth and senior programs are staying the same as last year. The pool pass reimbursement also shows a slight increase. Cathy, and Tina from Hellertown Borough, figured that out and this is something that residents really appreciate that. They no longer have to go through all the ticket hassle at the ticket booth and come back for the round and that saves us a lot of time in the office to do that, so it's really a success. He's heard some good feedback from residents about the action Council took on that. The rest is equipment needed for maintenance of the parks. Mrs. deLeon said the summer youth program, it says we are having four programs, she's counting five. Mr. Cahalan said Heller Homestead and Polk Valley Park, so we've kept it at four. Mrs. deLeon said how do you keep it at four with two different locations? Mr. Cahalan said that's up to Council. The concern this year and we passed it to you, there was lack of recreational opportunities for the children at the Heller Homestead Park. We were trying to work out linkages between the recreation people and the SV Conservancy. By next summer, we hope to have Polk Valle Park fully developed and the possibility of a playground and a pavilion. There will be substantial recreational facilities at that. Mrs. deLeon said they are not using Heller Homestead because of lack of recreation, there was a different opportunity for the children to experience. Mr. Cahalan said what they found out was they were taking the kids over to the Hellertown Water Street park to recreate and that's not what we envisioned. Mrs. deLeon said if they'd rather go to Polk Valley Park, they should be visiting the Heller Homestead and the Lutz Franklin. Can they transport the kids to different facilities? Mr. Cahalan said most of the parents drop the kids off at the various parks and come back and pick them up. The Community Center may have small amount of transportation but he doesn't think their programs involve transporting children. Mrs. deLeon said we have the trail now at Heller Homestead and they are missing out on a great opportunity. Mr. Horiszny said we ought to advocate it but because we don't have shelter for people other than in the historic building, you don't want the kids in there, they'll destroy it. It's better to have a pavilion at Park Valley Park and be outside and not destroy any relics. Mrs. deLeon said whatever happened to a gazebo being placed there? Mr. Cahalan said he's working on it and will come to them with a recommendation. He's looking for a recommendation for the best citing of that kind of facility. Mrs. deLeon said then we would have cover and shelter. Mr. Maxfield said make sure

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it's out of the flood plain. Mrs. deLeon said it isn't in stone yet to eliminate the Heller Homestead. Maybe we could talk to the Community Center and say they could do some weeks at the Heller Homestead and some weeks at the Polk Valley Park. Mr. Cahalan said he will pass that on before the contract is written up.

Mr. Cahalan said on page 66 is the Library Contribution. Lynn Koehler is here. He did make contact with the Library Director, Janet Frickert at the Bethlehem Public Library. There is a copy of a response from her on the contribution. To sum it up, the answer she goes into a lot of items that drove the 4.9% increase. He asked her was there any given at that contribution and the answer was no. She's restricted to asking for the same per capita amount from all the participating municipalities. She did give some circulation figures. That's all the information he could retain. We did send you a copy of the library survey results which you will find interesting. Of the 234 respondents, 67% of them supported continuing the contract with the Bethlehem Public Library. They have some very constructive comments in here that the Library Committee will use to communicate to the Bethlehem Public Library on certain issues, one of which is parking. All in all, residents found their services to be very useful and worthwhile. There was one other question that came up, and Allan Johnson who had gone to a board meeting, had sent to us. They are enlarging the children's room at the Library from the downstairs to a room upstairs. It's called the Room to Grow project. They plan to renovate the second floor which will be for teenagers. There will not be any increase to the Township's to fund this. They'll do fundraising to cover any costs for these renovations. He also gave you another sheet which is called Option or Liberal Services Contract with the Bethlehem Public Area Library. It gives you several different options. The first four are to approve it with certain caveats that you want to go along with. The last two are not to approve the contract and both of those don't have too many other actions to go along with it. It would be to pull out of the contract with the City of Bethlehem and that would end library services for residents of Lower Saucon Township and would also curtail the use of the PA Access Program privileges so that people could not go and use other libraries to check out books. The Library Committee has met several times to discuss this, but it's not possible to come up with a viable replacement for what we have now. Hellertown Library is not feasible from a physical or resource standpoint. What that would cost us might be as much as it would cost us at the Bethlehem Public Library. This issue has to be studied more and looked at it on a regional basis to see if there are other options to continuing with the Bethlehem Public Area Library. He did make some recommendations that if you do choose to approve the request, Lynn Koehler has done a terrific job as the Library Representative. She's not negotiating with those people over this fee, she's representing the Township and residents and coming back to the Library Committee with a lot of good input. She's not sitting at the table. Mrs. deLeon said she's a Director of the Library. Mr. Cahalan said the Bethlehem Area Public Library is negotiating with all the municipalities on the contributions. Ms. Koehler said at the budget meetings, the Library Board Director, which is what she is there, she's on the Board of Trustees. They go through all the line items, go through audits, ask where things can be cut and they make decisions, but a group as a whole, there's no one group saying they are leaving as they have to go back to their supporting communities, but she did make objections and she did know there was going to be problems. Mr. Maxfield said they had these concerns last year and he was hoping she would pass those concerns on to them last year. Now we're back with an additional increase and it seems like our objections last year amount to nothing. Like any other contract we enter into, we don't get to negotiate this or the services provided and we don't have any comment on it until it's presented to us. It's more or less like you are selling tickets to a library, take it or leave it. That's a lot of money. We're talking about cutting the budget, cutting the budget and everything is going down except the library and then you are telling us in 2010 we are going to be getting hit with another increase. This is unacceptable for a municipality that is spending public money and it's unreasonable to ask municipalities not to be able to negotiate the money that is going into this program and the services that come from the library. You are still representative of the library to us, but we as a Council, vote to spend the money. He is not happy to see this at all. If we had another place to go, we'd be there. You kind of got us right now and

that's not fair to the municipalities and to the taxpayers. Ms. Koehler said she wears two hats. When she's there at the library, she's a trustee and has to make sure the library is safe and intact and functional and maintains its existence. The other half is being the representative and being responsible to this community. She has to look at it both ways. She's totally on the same page as you. She understands your concerns and she came here to warn you that it will get worse. Leaving the library not would get a lot of people upset. Should we chose to leave, it would be nice to give more than a couple of weeks notice. Mr. Maxfield said he thought last year was a warning. We were seriously looking at other options last year. Ms. Koehler said it takes time. You are trying to cut budget, and there are places where things went up like utilities, fuel, salaries. If we come up with a plan, the Library Committee will do as you direct and talk about the options. We can't enter into negotiations as a committee but can research and come up with ideas. She can go back to the library with your concerns. You can look at the library and say where you think there should be a change.

**Mrs. Yerger arrived. The time was 7:56 PM.**

Mrs. Koehler said whatever you ask, she will convey. Mr. Maxfield said he's very serious about this. On the survey they got back, what he's reading into it, is he sees the age spread and as the age goes up, that's where your major usage is at and those are people that aren't comfortable with the computer yet and young people are not using the library as much for research as they used to. They are going home and using their computers. Why are we going to be looking at a major hit as less people will be using the library? Mr. Cahalan said this was a survey that got sent to 1,000 households. In those households, it looks like the mom or female members answered the survey. Mr. Maxfield said it's a very serious thing. He loves the library and he grew up in them as a kid, but they need to be more community efficiently and friendly. Mr. Kern said it's at a critical point as far as the dollar goes. We can't just abandon the library at this point, but now it's pretty clear to the Library Board where we stand and we have a year to look at options and have them explore and report back to Council and see what happens. Mr. Horiszny said are there areas that can be eliminated as they are easier to get on the internet? Ms. Koehler said there's a certain decrease in utilization of computers but the older people do use them and there are changes like access to a certain data base and with the library card you can access these things. You can do that at home, but have to have the library card to do that. She does believe that serving the community is an important thing and that is a serious issue. The other issue is money, and it's expensive, but you are getting a lot for the money. If Council says go to the Library and cut some money, she doesn't know what difference that would make. Mr. Cahalan said you need to be sitting at the table and negotiating with the Library and we are not negotiating and the only way you can do that is if you have coalition of all of the municipalities. We just have to respond to what is the request of the library. Mrs. deLeon said you can't negotiate with each individual member as the Library has to treat each of us the same. This is not a private business you can negotiate the best price of fuel. Just like the school district, you have to treat everybody the same. That's why it's split into five municipalities and we are all paying the same. For them to go there and try to negotiate a deal, there's a paragraph on the yellow page that explains why the increase was justified in their eyes, and what she remembers is their employees are paying a percentage of their benefits and we hear that we are public employees, we can't do that, the Bethlehem employees are doing that to cut costs. She was at a meeting last night and Hellertown Council budgeted \$75,000 to their library. Years ago it was a referendum for Hellertown and they then had no library to go to for a while, and then they started their own library on Main Street and it grew. That library, for over 10,000 to use that people, they are going to have to build it up more. Who is going to absorb that cost? What is that cost going to be? We have to be careful what we ask for. Mr. Maxfield said if we pay this amount for a number of years, we could have funded our own library. This is based on a per capita, and that's not fair for us. What about low income communities that are paying the same per capita,

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that's a heavy whack. Sitting down as a coalition, is a good idea and we should be able to sit down and talk to the library and there should be some negotiating. Mr. Kern said what about the possibility of Lower Saucon joining the forces of Southern Lehigh Library. Is that a possibility? Ms. Koehler said it's a great library and bigger than Hellertown. It's in another county and in terms of funding, it may be a negative. Mr. Cahalan said if you go in with our township, of 10,000 residents, they will have to hire more staff, more available resources, the whole budget is going to increase. Upper Saucon pays a good deal of money, over \$200,000 a year. He'll get back to Council with that figure. Mrs. Yerger said in Bucks County, you get one card and you can go in any library in Bucks. Ms. Koehler said in terms of per capita, ours is the lowest in the United States. Mr. Maxfield said that tells him someone is making a whole lot of money on information. Ms. Koehler said the library is used for more than just books. It's a center of the community. You provide the services for the residents. She will be happy to take back your thoughts, feelings and hopes. The Library Committee will continue to look at other options. She was hoping that any plans to be made, it would be nice to know which direction you chose to go in. Mr. Kern said he would like to approve this, but have our Library Committee research options. Mr. Cahalan said tonight you could vote to continue under the contract and then you have time to direct the Manager or Library Committee to pursue any action you want. Mr. Michael Karabin said just speaking as a citizen of the community, he has nine books at home, an ipod that sits in his truck and a number of CD's and he listens to them on a regular basis. He uses it for educational, recreational and in relation to his school board membership. If you are sitting there, sitting as an individual, he's not pleased with the increase this year. You are sitting here in representation of a community and he understands and sympathizes with you. There are hard judgments to call, but he personally feels that he's pretty strong feeling to keep the membership towards the library. Mrs. Yerger said is there any way to track who has a library card in the township? Mr. Cahalan said the library gives them a report and it shows what is checked out. It isn't broken down. Someone could go in and get 21 items, it was not broken down. We can't see how many residents use it. Mrs. deLeon said we wouldn't have the bookmobile with another entity. Mr. Allan Johnson said last Council meeting there was a women who said to check into using college libraries. At Lehigh, it's \$50/person a year. Moravian you can't use it if you're a normal resident. Northampton County Community College is \$10/person per year. None of these libraries have anything for children or teenagers. He doesn't think that would be a reasonable solution. Bethlehem is considering a big project to fix their library up for kids and going to fix the other part of it up for teenagers. They must be anticipating an increase in use or trying to draw these people to come to the library. If we negotiate any change in service, it will be a change in all the different change for all the communities plus Bethlehem. You take away one research librarian, that's one less for anybody who uses library. You aren't going to get a cut in rate if you tell them you aren't going to use the South Side branch of the Library. Mr. Maxfield said we shouldn't be charged if we don't use those facilities. There has to be another place to turn and it keeps going up. You talked about \$50 to join Lehigh's library, if you actually broke it down to how many people are using the library, you're probably paying at least \$50 a head. We have a year to talk about it.

**MOTION BY:** Mr. Horiszny moved that we approve the request for the contribution of \$168,522 for 2009 and direct the Manager and the Library Committee to look seriously at other options as listed on the memo that was handed out.

**SECOND BY:** Mr. Maxfield  
Mr. Kern asked if anyone had any questions? No one raised their hand.

**ROLL CALL:** 5-0

Mr. Cahalan said on page 73, Employee Benefits and Insurance, there are some increases in the insurance of about 6%; increases in medical insurance; increase in pension administration fees, the short term disability insurance are all factored in there. On page 68, there is the transfers to other funds, which are to the capital fund and winding up with the contingency amount of \$589,031.

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Mr. Cahalan said on there's a sheet on curbside leaf collection. What this summarizes is the state requirements that DEP is cracking down on municipalities in PA to comply with. We are getting cracked down on. We currently receive a recycling performance award grant which amounted to \$8500 a year. In order to boost the amount, we hired Hough Associates out of King of Prussia to work on collecting data and reporting it to PADEP. As a result of them collecting more data from the commercial accounts, they got that grant up to \$22,000 to \$23,000 a year. Our intention with that was to use those funds to operate the compost facility. Once we were participating in the compost facility, we wanted to move ahead with the acquisition of equipment to operate the facility. We need a front end loader with some attachments to turn the piles of leaf waste and other equipment to run that and our intention was to file a grant to PADEP and they pay 90% of those grants and we'd have no problem getting the equipment. Both of those items are in jeopardy because we are not in compliance with the curbside pickups. It breaks down for us to do two a year, one in the fall and one in the spring, and they want us to pick up leaf waste, and take that to the compost facility so it doesn't go into the landfill facility or so it doesn't get burned. There are three options we could follow if we go forward. There's a flat service fee with a private hauling company and it could cost up to \$2.00 a household, and the cost could run about \$20,000 a year. If we have Public Works do it in-house, we'd have to hire additional people to do that. They'd be out on the road all the time. There would be other equipment cost and start up cost. The other option would be to pass the cost on to residents and they would ask their hauler to add that feature in. We understand there would be an additional cost for \$0.00 to a \$5.00 cost on their garbage bill. That's why we recommended that we put a sum of money in the budget. We don't have to take any action on it now but have to seriously decide on in 2009. We set \$20,000 aside for it now. Mr. Kern said the third option is the cheapest to the taxpayer, but he's not buying that. His hauler would charge him more than \$5.00. Hopefully, the burning will not be an issue. Mr. Maxfield said what are the problems with Roger and the guys working on this? Mr. Cahalan said the start up cost is going to be tremendous. Mr. Rasich said he did look into several years ago what it would cost to purchase a leaf vacuum. Nothing we have currently is suitable now. That initial cost was about \$25,000 plus you need a vehicle to pull it. Mr. Kern said what about tree trimmings? Mr. Rasich said we have a tree trimmer and we could schedule times to go along the road and pick it up. It's going to take manpower. Mr. Maxfield said what does Hellertown use? Mr. Cahalan said they use a garbage truck and throw it in the back. They do have a vacuum and there is an attachment for their chipper. He doesn't know if ours is capable of doing that. They are covering 3.4 miles only. Mr. Maxfield said does the program have to cover the entire township? Mr. Cahalan said he'd have to find out and he doesn't even know if the residents would want it. To haul it out and bag it and put it on the curb, it would be too much. They'd have to look at the scale they were talking about. If you are talking about the built up areas where people could bring it to the curb that would work. Mr. Kern said based on experience, you'd have to do it for the entire township. The other point is the compost center does not wipe out this requirement. It's a supplement to the curbside pickup. No matter how many residents use it, it doesn't get us off the hook. Mr. Maxfield asked about grants? Mr. Cahalan said possibly for equipment, but not for staffing. Mr. Johnson said since we only need it twice a year, couldn't we rent it? Mr. Rasich said through experience, you start getting into a rental period of 32 weeks, you bought it. You'd need it for 16 weeks each time, covering all that square mileage in Lower Saucon Township. Mr. Cahalan said they will look into this and report back to you.

Ms. Gorman said the Special Funds. Last year we recommended we would open up an operating reserve fund to offset future increases in taxes and other increased expenses. We have done that and are recommending what we had proposed last year as well and we continue to fund that \$225,000 a year and that will leave us next year with \$463,170. Under the Landfill Fund, we have our revenues of the interest earnings, also the landfill inspection grants that we receive from DEP, an estimated amount for our municipal solid waste fees from IESI and also there are BRE fees, which is an estimated amount based on how many kilowatts they could produce and sell. Expenditure wise, our Consultant, Engineer and Legal fees are the same. We are continuing to pay

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our principal and interest on our debt. We are transferring funds to the Capital Fund in the amount of \$200,000, the Landfill Closure Account of \$25,000 and the Historical Structures fund \$60,000. We are also transferring \$600,000 to the General Fund leaving us a contingency of \$86,000 for any unforeseen expenses. Mr. Maxfield said are we getting anything from BRE? Ms. Gorman said we received \$1,600 for the second quarter, which was their testing period. Mr. Horiszny said on page 78 on the consulting fees, does that include air, water and Tri C, that's all three and Chad Elliott? Ms. Gorman said Chad Elliott is Legal, Hanover is for engineering, and Tri C would be the consultants. Mr. Horiszny said do you have a breakdown of who gets what? Ms. Gorman said it's a total amount based on what they had provided to her of their estimated costs. Tri C was maybe \$12,000 to \$14,000, and historically, what we have paid them on an annual basis. Mr. Horiszny said line 035.387.000 is the Glenn Kern line? Hurray for Glenn. The Open Space Fund, page 83 and 84, we are estimating about \$800,000 between prior and current income tax to be received for open space purchases. We've allocated \$800,000 to be spent next year leaving a contingency of next year of \$1,818,429. Mrs. Yerger said we need to add the Whitetail Bowman's Club on this. She said DCNR should be announcing this in two weeks.

Mr. Cahalan said on page 85, in the General Budget, we had a recycling budget under 426 line item, and was approved by Council and discussed during the year to have it as a special fund, so this fund is moved from the General Fund into its own account. The contributions would be \$37,000 between us and Hellertown Borough and the estimated expenses totaling \$87,866 which consist of labor, the recycling coordinator and any miscellaneous supplies or tools, any professional services, communications, advertising and printing, utilities and maintenance for electricity, minor equipment purchases. That would leave us a contingency balance of \$366. On page 87 and 88, Storm Sewer Capital Fund, basically this money was carried over from the prior year. It's estimated we'll probably need storm sewer piping and \$5,000 for next year leaving a contingency of \$7,773. Fire Equipment and Replacement Fund, is page 89 and 90, and it's estimated we'll have a beginning balance of \$742,000, interest earnings, \$17,000 and we are not contributing to this fund this year. We made the allocation in the prior year to keep a nice balance. This year we are estimating the \$200,000 to go to Leithsville and \$5,000 for consulting fee leaving a contingency balance of \$554,870. Page 91 and 92 is the Landfill Closure account which we are still contributing \$25,000 leaving an estimated balance of \$303,003. Mr. Maxfield said last year we had a question about this fund. Mr. Cahalan said we asked for an opinion from the Landfill Engineer about how much we needed to put in there, and he said the contribution this year should be adequate if the landfill were to close. It will be put into the best interest bearing account. Ms. Gorman said page 93 and 94 is the capital fund predicting \$20,000 in interest earnings and contributions. Page 96 is the Detention Pond Maintenance Fund with a budgetary fund balance of \$31,056 at the beginning of 2009. Earnings from investments estimated at 3% for 2009 would be \$700. The Contingencies would be 431,756. Estimated available funds that have not been budgeted. Any expenditures from this line item must be approved by Council. A Budget Transfer Resolution is required for any transfers. Page 98 is the State Aid Fund. The Budgetary Fund Balance is \$429,333. Earnings from interest \$11,000 and Motor Vehicle Fuel Taxes is \$350,862. The proposed expenditure total is \$791,195 with a Contingency of \$311,435. Page 101 is the Town Hall Park Fund with a Budgetary Fund Balance of \$48,050 for 2009. Maintenance and Repairs estimated at \$26,000 with a Contingency of \$25,050. Page 103 is Heller Homestead Park Fund with a 2009 Budgetary Fund Balance of \$20,460. Expenditures for Maintenance and Repair are estimated at \$25,000 and a Contingency of \$4,710 for 2009. Page 105 is the Southeastern Park Fund with a 2009 proposed Budgetary Fund Balance of \$37,674. Contingency for 2009 is estimated at \$9,474. Page 107 is the Steel City Park Fund with a proposed Budgetary Fund Balance of \$24,343. Expenditures for building purchase/improvement estimated at \$108,000 and a Contingency of \$5,263. Page 109 is the Polk Valley Park Fund with a Budgetary Fund Balance for 2009 of \$476,000. Contingency for 2009 of \$154,200. On page 111 is the Historical Structure Fund with a 2009 Proposed Budgetary Fund Balance of \$112,655. Contingencies for 2009 are estimated at \$1,655. Maintenance/Repair of the Phase I Rehabilitation of the Old Mill Bridge is

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\$170,000. Page 113 is the Lutz-Franklin Schoolhouse Site Fund with a 2009 proposed Budgetary Fund Balance of \$23,659. A proposed 2009 contingency estimated at \$18,159. Page 115 is the Land Acquisition/Park Fund with a Budgetary Fund Balance for 2009 proposed of \$348,221. The Contingency for 2009 is estimated at \$23,221. Page 117 is the Kingston Park with a 2009 proposed Budgetary Fund Balance of \$156,357. Estimated cost of construction in the 1<sup>st</sup> phase is estimated at \$152,504.12 with a contingency of \$65,701.88 for 2009.

**C. CITY OF BETHLEHEM COMP PLAN – RESPONSE LETTER**

The response letter on their comp plan, the letter is okay to send.

**D. UPDATE ON GEOSERVICES CONTRACT**

Mr. Cahalan explained the previous amount given to Council at the last meeting of \$7,500.00 did not include the complete quote and he would like Council's approval for the full amount of \$13,600.00.

**MOTION BY:** Mr. Maxfield moved for approval as stated above by Mr. Cahalan.

**SECOND BY:** Mr. Kern

Mr. Kern asked if anyone had any questions? No one raised their hand.

**ROLL CALL:** 5-0

**IV. PUBLIC COMMENT/CITIZEN NON-AGENDA ITEMS**

None

**V. COUNCIL AND STAFF REPORTS**

**A. TOWNSHIP MANAGER**

None

**B. COUNCIL/JR. COUNCIL**

**Mr. Maxfield**

➤ He spoke about Rebecca Kennedy's (from Lehigh Valley Planning Commission) suggestion on a slight stream bypass for the Meadows Road Bridge to help alleviate future erosion of the bridge during large storm flooding. He asked staff to look into and also have

**Mrs. Yerger**

➤ She reminded everyone of the Workshop on October 29 at DeSales University from 8:30 AM to 4:30 PM, "Creating Sustainable Community Parks".

**Mr. Horiszny**

➤ He asked about the tipping fee we are now receiving from BRE for the sale of the methane gas.

➤ He asked if the Planning Commission's motion to hold joint meetings with Hellertown were for just the Planning Commission's or was it to include Council as well? Mr. Maxfield stated it was just to include the two Planning Commission's.

**Mr. Kern**

➤ He said SEPTA has been clearing the line near his house.

**Mrs. deLeon**

➤ None

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**VI. ADJOURNMENT**

**MOTION BY:** Mrs. Yerger moved for adjournment. The time was 10:00 PM.  
**SECOND BY:** Mrs. deLeon  
Mr. Kern asked if anyone had any questions? No one raised their hand.  
**ROLL CALL:** 5-0

Submitted by:

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Mr. Jack Cahalan  
Township Manager

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Glenn Kern  
President of Council