

I. OPENING

- A. Call to Order
- B. Roll Call
- C. Pledge of Allegiance
- D. Announcement of Executive Session (if applicable)

II. PUBLIC COMMENT PROCEDURE

III. PRESENTATIONS/HEARINGS

- A. Public Hearing & Consideration of Adoption – Ordinance No. 2013-06 - Compost Center Agreement

IV. DEVELOPER ITEMS

V. TOWNSHIP BUSINESS ITEMS

- A. Presentation of 2014 Proposed Budget - Jack Cahalan, Township Manager & Department Heads
- B. Questions and Answers

VI. MISCELLANEOUS BUSINESS ITEMS

VII. PUBLIC COMMENT/CITIZEN NON-AGENDA ITEMS

VIII. COUNCIL & STAFF REPORTS

- A. Township Manager
- B. Council
- C. Solicitor
- D. Engineer
- E. Planner

IX. ADJOURNMENT

Next Planning Commission Meeting: October 24, 2013
Next Saucon Rail Trail Oversight Commission Meeting: October 28, 2013 @ CB
Next Park & Rec Meeting: November 4, 2013
Next Council Meeting: November 6, 2013
Next EAC Meeting: November 12, 2013
Next Saucon Valley Partnership Meeting: November 13, 2013 @ SVSD
Next Zoning Hearing Board Meeting: November 18, 2013

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I. OPENING

CALL TO ORDER: The Budget Meeting of Lower Saucon Township Council was called to order on Wednesday, October 23, 2013 at 6:03 P.M., at Lower Saucon Township, 3700 Old Philadelphia Pike, Bethlehem, PA with Mr. Tom Maxfield presiding.

ROLL CALL: Present: Tom Maxfield, Vice President; Dave Willard, Priscilla deLeon and Ron Horiszny, Council members; Jack Cahalan, Township Manager; Leslie Huhn, Assistant Manager; Cathy Gorman, Director of Finance; Roger Rasich, Director of Public Works; Chief Guy Lesser; and Linc Treadwell, Township Solicitor. Absent: Glenn Kern, President.

PLEDGE OF ALLEGIANCE

ANNOUNCEMENT OF ANY EXECUTIVE SESSION (IF APPLICABLE)

Mr. Maxfield said Council did not meet in Executive Session since the last meeting.

II. PUBLIC COMMENT/CITIZEN AGENDA ITEMS

Mr. Maxfield said if you are on the agenda, you have Council and Staff's undivided attention. If you chose to speak, we ask that you use one of the microphones. Everyone gets to speak. He'd ask that you give your fellow public the courtesy of the floor. We do transcribe the minutes verbatim and want to make sure the transcriptionist gets every word. We ask that you state your name for the record so the transcriptionist knows who is speaking in the minutes.

III. PRESENTATIONS/HEARING

A. PUBLIC HEARING & CONSIDERATION OF ADOPTION – ORDINANCE NO. 2013-06 – COMPOST CENTER AGREEMENT

Mr. Maxfield said Ordinance No. 2013-06 has been advertised for a public hearing to enter into an agreement with Williams Township to allow them to use the Saucon Valley Compost Center.

MOTION BY: Mr. Horiszny moved to open the hearing.

SECOND BY: Mr. Willard

Mr. Maxfield asked if anyone had any questions or comments? No one raised their hand.

ROLL CALL: 4-0 (Mr. Kern – Absent)

Attorney Treadwell said the proposed ordinance is basically just an intergovernmental cooperation ordinance that adopts the intergovernmental cooperation agreement between Williams Township and the Saucon Valley Compost Center (SVCC). The SVCC is basically Hellertown and Lower Saucon who have cooperated in the past in composting-type issues. The agreement provides that Williams Township will be able to participate in the compost center by bringing compost items. He thinks that Williams Township has to bring them, individual residents can't. Williams Township will collect the compost and then will bring them to the compost center. They pay the compost center for the rest of this year, the sum of \$1,500.00. Next year it would be \$3,000.00 per year. This basically allows Williams Township to participate in the compost program with Hellertown and Lower Saucon.

Mr. Maxfield asked if Council had any questions. No one raised their hand. Mr. Maxfield opened it up to the floor.

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MOTION BY: Mr. Horiszny moved to close the hearing.

SECOND BY: Mr. Willard

Mr. Maxfield asked if anyone had any questions or comments? No one raised their hand.

ROLL CALL: 4-0 (Mr. Kern – Absent)

MOTION BY: Mr. Horiszny moved for approval of Ordinance No. 2013-06.

SECOND BY: Mr. Willard

Mr. Maxfield asked if anyone had any questions or comments? No one raised their hand.

ROLL CALL: 4-0 (Mr. Kern – Absent)

IV. DEVELOPER ITEMS – None

V. TOWNSHIP BUSINESS ITEMS

**A. PRESENTATION OF 2014 PROPOSED BUDGET – JACK CAHALAN, TOWNSHIP
MANAGER & DEPARTMENT HEADS**

Mr. Maxfield said the Township Manager and department heads will present the 2014 proposed budget.

Mr. Cahalan said this is the 10th annual budget that he's presenting to the Council. It is a bare-bones budget and it decreases our spending by 5% from what was spent in the 2013 budget; therefore, no tax hike will be needed for another year. He wanted to get into a little background on the Township's tax rate. The current tax rate is 4.39 mills. You can see where we stand with the other 17 townships in Northampton County. Down towards the end, we are 13th out of 17 counties in millage rates. The Township has increased taxes one time in the last 19 years. During the ten years that he's been here, he wanted to touch on a couple of highlights. The Township was able to open two recreational parks, a dog park, the Township portion of the Saucon Rail Trail, and our own trailhead, which is now being used by thousands of residents in the Saucon Valley. The Township also constructed a new Town Hall and a PD building and upgraded the Public Works garage. We continued maintaining our roads and bridges and kept them free of snow and ice in the winter. We provided police, fire, and emergency services that are state-of-the-art, reliable and responsive to the needs of the community. We protected our historic resources and we preserved over 343 acres of open space. We did go through a recession and we are slowly emerging from that recession. One of the impacts of that is our revenue continues to be flat. We can only project a modest 2% increase in the enabling taxes going forward. The challenges we've been faced with in the last couple of years are our contractual operating expenses have been increasing between 3% and 5% each year. We'll show you what that looks like shortly. These expenses include our labor contracts, maintenance agreements, and our professional services. The Township staff has been diligent in holding the line on these expenses, by looking for alternate methods for supplying these services to our residents and by implementing new purchasing contracts, agreements and procedures to insure the Township is getting the best value for our dollar spent. In the past ten years, the Township staff has only increased by three people. We hired an Administrative Assistant in the administrative end and the PD hired two new police officers. While our responsibilities have grown, staff has only increased slightly. We have two park projects that are scheduled and are funded for completion. We will show that in the budget and when finished, it will give the Township probably the best park system of any municipality in Northampton County. To assist us with these projects, we were able to garner over \$2 million in grant funding from State, County and private sources to help defray the costs of these projects. We're recommending that the Capital Plan be funded with \$300,000.00 from the Landfill Revenue Fund to insure that there is funding for large improvements meaning anything over \$25,000.00 and that primarily goes to the replacement vehicles for Police and PW departments. We did that because we want to maintain a consistent level of funding in that fund so that we have the means to purchase these items when they are due for replacement. We are also recommending that \$100,000.00 from the Landfill

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Revenue Fund be deposited in the operating reserve fund and that will bring the total in that fund to over \$1 million. We still have a remaining debt of \$5,581,000.00 and that includes interest. At the end of our run through of the budget, we've identified a list of security, repair, and maintenance needs that we will be reviewing with you to make a recommendation on them. That is the end of his message and we'll get into a review of the budget and Cathy Gorman will do that.

Ms. Gorman said we're starting off 2014 with the proposed fund balance of \$1,119,840.00. That is based on the revenues we're assuming to collect by the end of the year and the expenses we are assuming towards the end of this year. We received slightly over \$200,000.00 more in revenue and \$300,000.00 less in expenses than we had budgeted, which results in that fund balance.

Real Estate taxes are remaining the same. We are projecting \$1,811,200.00 on all real estate taxes collected. Local Enabling tax once again, one of our major shortfalls from the recession was the Real Estate Transfer Tax. We're still climbing out of that. Before the recession hit, we were making close to \$400,000.00 to \$500,000.00. We're still in the potential \$200,000.00 to \$300,000.00. Earned Income Tax, once again, that is a variable. Right now she is projecting what we had received last year. That may change. She hasn't received the third quarter filings yet, so she may come back at the Preliminary with minor modifications with those assumptions. The Unemployment, Social Security, and Disability payments are non-taxable income and more people are filing for unemployment. Since it's non-taxable, it's just hard to assume. We don't know those factors.

Mrs. deLeon said when you say unemployment, is that based on people who have quit here and gone somewhere else? Ms. Gorman said no, this is the employment of anybody that's living in this jurisdiction. She's sure that you heard in the news that the unemployment rates, there are a lot of people unemployed who have fallen through the system and are not working anymore that had been working. Mrs. deLeon said where in the budget is that where we have to pay that? Ms. Gorman said that's in the expense line items. Local Services Tax is similar. We charge the same rate we had been, the \$25.00 for every person that's working in LST.

Ms. Gorman said Licenses and Franchise Tax, those have dropped off slightly. The Junkyard Licenses it's \$250.00 for every junkyard. They have to pay a fee. Our Cable Franchise Tax we base that revenue on what we received last year.

Mr. Willard said you are going to go line item by line item? Ms. Gorman said she'll try to target items that are going to pop out, but most of the revenue is pretty much the same from year-to-year. Mrs. deLeon said you will be going in the expense, line item by line item. Ms. Gorman said if you wish. Mrs. deLeon said that's what we normally do. Mr. Willard said the budgetary fund balance, that's a cash on hand balance? Ms. Gorman said that would be our General Fund on hand at the beginning of the year. Mr. Willard said that's carried over year to year? Ms. Gorman said yes. Mr. Willard said it's in the million dollar plus range each year? Ms. Gorman said usually at a budget deliberation we have a contingency balance and our contingency balance is what we are expecting to be the fund balance at the following year. We try to budget conservatively in revenues and try to do our best with the expenses during the year, so hopefully we can hold the line on items to make the fund balances as healthy as possible at the beginning of the year because there is a cash flow problem with municipalities as our revenue stream does not come in until March. It's very important that in the beginning of the year that there's funding available to continue operations. Mr. Willard said that's an important point.

Ms. Gorman said the Motor Vehicle Fines on page 4 are fairly the same. They haven't changed too much in the last couple of years.

Ms. Gorman said on page 9, interest on investments we are continually trying to look for ways to invest money, but unfortunately, due to the Federal feds not even the money markets are making much money anymore. She's trying to make sure whatever we have in there we aren't paying as much in expenses.

Ms. Gorman said Intergovernmental Revenues, which is basically money we would receive if we bill agencies such as the Lutz-Franklin, the Historical Society, or the Saucon Valley Conservancy. There is life insurance for the Authority, which we cover under our policy. Governmental Revenue, the zoning and permits are fairly the same. We are expecting no increases in that line item. It's been pretty much flat lined for the last couple of years. Public Safety, this increased to \$223,501.00. That's primarily due to police services. The more that businesses are contracting with our PD to provide services, that's increasing and on the other end, our Police expenses are increasing. Mrs. deLeon said are the businesses charged for what it really costs us? Ms. Gorman said yes. Mrs. deLeon said what about like for pensions? Ms. Gorman said we give all that information over to the PD so we use the hourly rate at the beginning of the year, so that's what they charge. Mrs. deLeon said overtime and all that stuff. Chief Lesser said there's no equipment costs attached to that; however, it includes the entire personnel expenses. Ms. Gorman said the equipment we would have had to have anyway. The Recreation Fees are the same. Miscellaneous Income and the Contributions, Donations to the PD are assumed to be approximately the same.

Ms. Gorman said finally in Revenue, the largest is the prior year's expenses and that's basically our self-funded insurance program. We get dividends based on whatever the net return is at the end of the year from the year prior.

Ms. Gorman said Expenses, in general, Government on page 21, the only increase we are recognizing is the increase in compensation for Council due to State law changes. In the Executive, there's really no change in any of those expenses either. It's Compensation, anything that's relating to Advertising requirements, Transportation expenses and Ordinance Codification, Hiring expenses, and that falls to \$257,897.00. Mr. Willard said on the Council compensation, if someone declares they are donating the money, do you take it out of the budget? Ms. Gorman said she does that transfer at the end of the year. It's recognized in the other fund. Mr. Maxfield said on that same line, you have an increase there, is there some sort of plan? Ms. Gorman said the election process this year triggers those people to get an increase in compensation. Mrs. deLeon said that was also last year. Ms. Gorman said only for those who were running. It held for those who weren't. It wasn't everybody.

Ms. Gorman said under Finance, proposed budget is \$144,996.00. The main increase is basically the contracted services which is the Audit and that's \$16,700.00 which was a modest increase of \$400.00. Consulting services for the TCC for the tax collection district, she received notification prior to this that it will be lower and our estimated amount will be zeroed out so she'll make that modification at the Preliminary.

Ms. Gorman said Legal Services, we have at \$223,350.00. That's for retaining our Solicitor, Zoning Solicitor as well as our Special Counsel for Labor.

Ms. Gorman said Office Supplies are the same and Data Processing is fairly the same as well. That includes any of the IT upgrades we would need or need to maintain as computers break, they need to be replaced and can be somewhat expensive. We have software licenses that are required to be upgraded every year and our website operations as well.

Ms. Gorman said on page 35, Engineering, we have budgeted \$156,500.00. That includes any engineering requirements that Council directs our Engineer to do for general or for zoning. It also includes our SEO which there's a revenue corresponding to that as well. This may need to be modified at Preliminary based on your discussions at the last Council meeting. She was not anticipating the costs of continuing the work at the Black River Road, so she's going to have to talk to Hanover to see what they are going to anticipate for that before doing the preliminary work that you requested him to do before you make the decision to do the work or not.

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Ms. Gorman said Building and Maintenance, there's really no change from last year. There's compensation for our cleaning person, just general supplies needed for the building. There's diesel fuel that services PW vehicles and gasoline services for the PD. We had changed suppliers and received a decent discount in the rate; however, because of the fluctuation of the prices of gas, it's hard to set a figure and we feel this is adequate for the rest of the year.

Ms. Gorman said Communication expenses is the same. There is electricity, gas, garbage removal, maintenance as we have several contracted services for the elevator, the fire extinguishers, Altronics, our security system, heating equipment. All of that is covered under that line item. We budget for maintenance and repair of equipment and also the rental of our copiers as well. Mr. Willard said the Building Purchase and Improvement, the \$14,000.00 only appear in 2013, and you only spent \$4,400.00. Ms. Gorman said the main thing that was in that line item from last year, was the cleaning of Seidersville Hall basement, which we did not do, and we'll be getting into that later as well.

Ms. Gorman said under Police, most of it is contractual labor. We did add a line for canine expenses for the canine unit. We're estimating a little bit more in the part-time compensation. That's partially due to Revolutions and other contracted services we deal with, the high schools and Lehigh. The estimated amount for this year as well has gone up. Chief Lesser could explain a little bit better why. It is reimbursed income. Chief Lesser said we are all aware of Revolutions and they made a decision to hire two officers initially, and they have reduced that to one officer, and that's every Friday and Saturday evening. That extrapolated to a significant percentage increase in the use of extra duty officers. That's the primary reason.

Ms. Gorman said page 47 is for Fire, which is our proposed budget for fire is \$366,941.00. That includes the hydrant charges we receive for the water, general expenses which include the testing for the fire equipment, the contributions to the fire departments, the Firemen's Relief Fund which is a revenue in and our which we are legally required for the State to give us the revenue and we have to pay the Relief Association the same exact amount of money. Contributions to Fire and EMS, Dewey had requested \$15,000.00 to purchase a patient transfer system for their Gator ATV. We traditionally give them \$15,000.00 annually. They submit to us what they would like to use it for. They do provide basic life support as well as advanced life support. Mrs. deLeon asked how many years have we been contributing to them? Ms. Gorman said it's more than ten years.

Ms. Gorman said page 50, Planning and Zoning, there's not much difference there other than compensation, funding for our consultants, advertising for ZHB and preparation and costs incurred for the newsletter. That comes to \$184,385.00.

Ms. Gorman said Emergency Management, page 54, we have funding in there for the Nixle upgrade, a pelican case that was requested, a camera, and those were carried over from last year due to the transition of the EMS Director. Mr. Cszasz held off on getting anything, and it's what our new EMS Director wanted. Our new EMS Director had requested \$463.00 for an incident command vest and \$270.00 for a management board, \$180.00 for a spotlight for his vehicle, and \$1,000.00 for a portable VHF radio, and \$50.00 for a safety vest. Mr. Cahalan said the Nixle upgrade, if you recall when we did the presentation, we now have a Nixle system where we put out alerts to the public. The upgrade will allow us to purchase the Nixle dial system where we have to purchase phone numbers which we'll then do an automatic phone call to similar what the LSA and Hellertown Borough Authority have. We'll be able to send messages out to the whole Township or to selected areas in an event of an emergency. We want to upgrade that system. Mrs. deLeon said whatever happened to the discussion with the school district. Didn't we talked about using some of their...Mr. Cahalan said we actually brought them in on the Nixle discussion and recommended they purchase the compatible Nixle product for the school, but they stayed with the system they have been using, so they have a separate system they use to alert the residents and the parents. Mrs. deLeon said at the SVP meetings, they were talking about doing this together. Ms. Huhn said

she thinks they wanted to stay with their system. Mrs. deLeon said they never reported back to us at the SVP meeting. Ms. Huhn said she can look. Mrs. deLeon said we can talk about it at the next SVP meeting. Mr. Willard said how many people have signed up for the Nixle so far? Mr. Cahalan said he doesn't know if he checked the numbers on that. Mr. Rasich said it's really hard to say because the way the Nixle notification is, there is one part specifically LST. It's called LST alerts; however, there is a Nixle public as well. Depending on how the people subscribed to it, you could be getting everybody in the 18055 area, you could be getting everyone in the joint area. It could be a whole slew of people. The ones for just the LST alerts, the number is not extremely high. It's less than 100. Mr. Willard said we should promote that more. Mr. Cahalan said we tried to, but it is slow. Mr. Rasich said it could be in the thousands if you include the Nixle public portion of it. Mr. Cahalan said with the Nixle dial, we'll have the home phone numbers and we'll be able to dial directly to them in an event of an emergency.

Ms. Gorman said we have \$6,000.00 to cover the Crossing Guards which we enter into an agreement with SVSD and Hellertown Borough. Hellertown Borough maintains the staffing and we receive billings from them and split the costs in a third. We created a new category for our Animal Control Officer which is \$8,500.00 that covers his stipend, any supplies he may need and any funding we may need to house or store the dog after the 48-hour waiting period. Mr. Cahalan said we should change that to Dog Control Officer. We picked up the first dog with our Dog Control Officer and he's a guest at our kennel. He's been fed and put to bed. That's our first. Chief Lesser said he looks pretty content. Mr. Cahalan said it's a boxer breed and it was found in the O'Brien's' Court area. We'll put the notice out on that and he'll be well taken care of in our kennel.

Ms. Gorman said the Recycling category we budgeted \$3,700.00 for more recycling bins and our agreement with Hellertown is we put in the same amount of money to continue the operations of the composting center. We budgeted \$10,000.00 and you will see that revenue in Fund No. 7 as we also maintain the bank account for both municipalities.

Ms. Gorman said page 57, Public Works, has not changed either that much, other than projected increase in personnel compensation.

Ms. Gorman said under Park and Recreation, we budgeted \$158,414.00. We do contract with a company to do the lawn treatments as well as mowing. The lawn treatments can be extended another year. The lawn mowing may have to be bid out so we have enough money in the event that the bids come in higher. We also budgeted a little bit more for maintenance and repair and in speaking with the PW employee that handles the parks, there are some items in the parks that he would like to fix before they get a little bit worse for wear, so we put money in there so he can get started on those items. Mrs. deLeon said where's this at? Ms. Gorman said some of the signs at Polk Valley Park because of the wood; he wanted to put sleeves over the posts to preserve them so that the water wouldn't drain in.

Ms. Gorman said under Contributions, we budgeted \$183,467.00 based on Council's decision, we can modify that to what we have on the estimated reports or we can leave it as it is and then Council can direct her as to what they are going to contractually pay at the end of the year and that's what we'll pay.

Ms. Gorman said Conservation and Natural Resources is a little less. We keep some money in there in case some of those members of those committees want to go to seminars or some extra training.

Ms. Gorman said Intergovernmental Expenses, that's an in and out type of account. Our DUI grant program, we are the lead agency on that. We receive the grant money and then we in turn pay Freemansburg and Hellertown their portion that is due to them.

Ms. Gorman said page 67 is our Insurances, our Business Insurance and Vehicle Insurance is pretty much stable. We're anticipating a slight increase, but not much. Worker's Comp, we did do a thorough review and the cheapest price is where we are at right now. We also are recognizing a 13.9% increase from the State Worker's Insurance Fund for the volunteer fire departments Worker's Comp Insurance coverage.

Ms. Gorman said Employee Benefits, Dental and Vision will remain the same. Hospitalization there's a 5% increase assumed and also in that number of \$791,829.00 are the costs related to the New Affordable Health Care Act which is a PCOR fees and the HHS fees. Basically the PCOR fees, we're funding for a Federal study to see if it works and the other fees are trickle down fees. It's the first year and it's \$63.00 per person and next year it will be \$48.00 and the following year it will be \$24.00, so that price will go down. We budgeted \$10,000.00 additional for that.

Ms. Gorman said Group Life Insurance, we are with Benecon. With that, as well with a cooperative insurance agreement and they rebid their agreement and we got an 8% decrease in our group life; also, our short-term disability with the same coverage. Unemployment Compensation, which you were referring to before, we budgeted \$25,000.00. We received notification that our percentage would be 5.75% for 2014.

Ms. Gorman said Pension Fees, we budgeted \$70,000.00. Contractually, we are obligated to pay any of the administrative fees to our pension plans. Our Minimum Municipal Obligation (MMO) for the non-uniform plan is \$88,962.00. Our obligation for the Police plan is \$272,162.00 which was presented to the Pension Advisory Board and was brought to Council's attention in September. Ms. Gorman said we always budget \$5,000.00 for a grant allocation just in case one should present itself, and the bills paid for prior years is \$30,000.00 which leaves us a contingency for next year of \$131,755.00.

Mr. Horiszny said the dog announcement just came over his phone.

Ms. Gorman said for Special Funds is on page 76. Mr. Willard said the contingency is much more lower than in the past, could you say a little bit more about that? Ms. Gorman said it's primarily we're not requesting any transfers from the Landfill Fund and basically with the revenue we are projecting and the revenue that we are anticipating that will be our contingency for the end of the year. That becomes the carryover.

Ms. Gorman said in our Operating Reserve Fund, we're requesting that Council transfer \$100,000.00 from the Landfill Fund to get us to our target of \$1 million. This will be 15% of our General Fund budget and as we discussed before, it should be maintained in there for an event of an emergency. If we anticipate any storms or any major catastrophes, we'll be able to have funding available to facilitate those costs that should occur. Mrs. deLeon said we never used that fund for anything? Ms. Gorman said no. If you see on the budget the full amount is in the contingencies, so they would have to come back to Council if they ever needed to use that money. Mrs. deLeon said do you have to come back to Council if you transfer line item to line item. If a line item was short and another line item underneath it had money in it, do you need a budget transfer for that? Ms. Gorman said typically we come to Council if we are taking money out of contingencies. Mrs. deLeon said right, but within the fund you don't? If a line item runs short, where does the money come from to bring the money back up? Mr. Cahalan said if it's in a particular project and funds have been allocated, Cathy tries to divide it up into what she estimates it would be spent on. If the funding is allocated for the project, that's where she would take the funds from. Mrs. deLeon said regardless of where the line item was? Mr. Cahalan said the line item is divided up into several things. Ms. Gorman said if it comes to a point where the contingency amount would be needed, then...Mrs. deLeon interrupted and said what about the contingency amount? Mr. Maxfield said you are talking about transfers from line to line within the fund. Mrs. deLeon said she's trying to

think of an instance. She said keep going, and when we come to one, she'll let her know. Mr. Maxfield said why don't we use Engineering Services, for instance. If it runs over \$40,000.00, where would we get more money? Ms. Gorman said typically if Engineering is grouped as a department it comes to the point where she feels we're going to go over in the department, then it would be something she would bring to Jack's attention and our Controller's attention on a monthly basis. We're still falling in line with what we're projecting to expend for that year. Most of the times in those types of funds, they are more capital related and that's difficult to ascertain as to where those monies are going to end up, whether you are still at the planning stage, the engineering stage, or the actual construction stage. Mr. Maxfield said but typical activity would not be to slide it from line to line in a fund? Ms. Gorman said not typically. Mr. Maxfield said that's not the first choice on the way to go. Mr. Willard said we have the Budgetary Fund which is the first line item in the budget of the \$1 million or whatever the carryover is at the end of the year and that's used to balance the next year's budget and that may be as low as \$131,000.00 going into 2015. Ms. Gorman said correct. Mr. Willard said then we have operating reserve, which is good practice and if the revenue is there, or transfers are added to the beginning balance, we'll have \$1 million there. Ms. Gorman said correct, by the end of next year, we'll have a million in there.

Ms. Gorman said the Landfill Fund, our projected beginning balance is \$1,076,732.00. We're anticipating \$2,080,000.00 in hosting fees and BRE royalties of \$6,000.00. The expenses are for our consulting services and our debt payment and the transfer of \$400,000.00, a \$100,000.00 going to our Reserve Fund and \$300,000.00 going into our Capital Fund which leaves us to a contingency of \$1,783,755.00. Mr. Willard said you are basically using those as balancing entries in each fund. Ms. Gorman said correct.

Ms. Gorman said the Open Space, we are projecting \$4,069,147.00 balance. Earned Income Tax comes in with the interest rate and contributions from our Council members, we're projecting \$2 million in open space purchases. Our engineering appraisal fees are in there as well leaving a contingency of \$3,073,897.00. If for whatever reason a open space acquisition is more than what is budgeted, obviously we'll be coming to Council requesting a resolution if that were to happen.

Ms. Gorman said Fund No. 7 is our Compost Center Fund. Mrs. deLeon said let's back up to Open Space. There are contingencies of \$3 million and the land purchases you have is \$2 million. Why wouldn't you put more money into the purchases? Ms. Gorman said she's just basing that on historical. She's estimating enough in there so Council can get a decent idea of where they are at. This is a plan. If you make purchases next year that total less than \$2 million, you'll have plenty in there to do so and if you make purchases more than \$2 million, then she would be coming back to you asking for a resolution to move money out of contingency to cover those expenses. Mr. Maxfield said you are basing it on historical activity? How much has basically been purchased? Mr. Cahalan said right. Mrs. deLeon said if the appraisal line item of \$14,000.00 exceeded to \$16,000.00, where would you get the \$2,000.00 from? Ms. Gorman said typically if it's a service and would fall into those line items, she would make sure there's money in engineering and planning. If nothing is paid in legal of \$15,000.00, if that came at the appraisal and we were estimating more, she would advise Council at this moment, although we didn't expend as much as we thought we going to, we did go over that line item. Technically, she could pay \$100,000.00. She's budgeting over \$2 million from expenses we could only pay \$100,000.00. Of that \$100,000.00, if we went over \$1,000.00 for appraisals, she would tell you at this point. Mrs. deLeon said she was always under the impression that in order to pay a bill, the money had to come from a line item, not the contingencies from a line item. No bill could get paid unless there was money in that line item, and if it wasn't, it didn't get paid, unless we shuffled money around. Mr. Cahalan said you have to look at what Council has authorized to be paid. It's done through the budget. We also give you a budget for a project such as a park construction project and if there is sufficient money in the budget to cover the project, if there is a line item that's exceeded, we still have money in the park project to fund that expense. Customarily, we haven't been coming to you with every bill saying we need this approved because it's a little bit higher than we thought it was.

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If it's within the park budget, it's approved by the Manager. Mrs. deLeon said she doesn't see it that way. She just thinks that from now on, it should at least be brought to her attention. She doesn't know how the rest of Council feels, but that's why we have a budget and she'd have to refresh her memory for the Administrative Code for appropriations which she hasn't done. Mr. Cahalan said they are following the Second Class Code. Mrs. deLeon said it's the Administrative Code, not the Second Class Code. Mr. Maxfield said as you have quoted so often, it's the Home Rule too which is a strong manager. Mrs. deLeon said that's not true. It's Council Manager. A lot of people are under the misunderstanding that it's a strong manager, that's inappropriate according to all the conferences she's attended. Mr. Maxfield said we'll let this one go, let's move on please. Mr. Willard said same question, different way. The Earned Income Tax that's collected, can that only be used for the actual purchases on that first line item or can you use it for the supporting? He's just thinking of Priscilla's example, so the appraisals go over, can you move contingency money to appraisals or can you only move it to the actual purchases themselves? Mr. Cahalan said no, the open space funds can be used to pay for appraisals. Council made that a policy decision. If we need it to come out of the contingency line item, we have to come to Council and ask that to be moved.

Ms. Gorman said page 87, Recycling Fund, or the funding for the Compost Center. You'll notice the municipal contributions are \$20,000.00, and \$10,000.00 of that would be ours which comes from the General Fund. The other \$10,000.00 is from Hellertown. \$3,000.00 is also listed for Williams Township.

Ms. Gorman said Fund 10 is an in and out, which is any money received for the Gaming Authority. Any applications we would receive, the grant funding would go in here. Once the expenses are made, then she would move the expenses to the fund where the expense were paid out and typically that's either capital or the Police vehicles or back into general to cover the compensation of the officer.

Ms. Gorman said Storm Sewer Capital, Fund 19, nothing different. We budget \$5,000.00 a year for anything that Roger may need.

Ms. Gorman said Fund 30 is the Fire Equipment Fund. Council imposed a tax specific for fire equipment. We're estimating at the end of this year to have \$121,000.00 and by the end of next year, \$232,970.00.

Ms. Gorman said Fund No. 31, Landfill Closure Fund, there's no difference. It's balanced at \$307,101.00.

Ms. Gorman said Fund No. 33, Capital Fund, we're estimating a balance of \$1.5 million at the beginning of the year with our allocation from the Landfill Fund of \$300,000.00, we are anticipating expenses for primarily the work that is needed at Seidersville Hall which includes roof repair, window replacement. We're also requesting \$598,606.00 for vehicle replacements based on our inventory schedule. There are several vehicles, if you look in the narrative, under 481.700, the PW has been delayed in getting, and the PD is looking to fund one vehicle, but we will be applying to the Gaming Authority for that. The vehicles that Roger has scheduled are Truck No. 4, No. 6 which was in the 2012 budget, and in 2013, it was Truck No. 14, the Gator vehicle and for this year, he had Truck No. 3 and No. 9. We've also include the road line striper for \$12,600.27. Mr. Cahalan asked Roger to make comments about the truck replacement and how the road striper will be used. Mr. Rasich said the truck replacement as you can see in the budget, they were in the 2012 budget. They were in the 2013 budget, but up until this point, they didn't replace any of them. The vehicles are used very hard as you can see from some of the projects they have done. Obviously, they have to be kept up to snuff, especially letting them down in the middle of a snowstorm or another emergency where they need every one of them out on the road. He doesn't remember what year the Gator is, it's pretty much ridden out and it's used around our park system. It's used to

haul dirt and material and things of that nature. The road line striper is something new. He's been after this for quite a few years to alleviate the situation that we experience year after year after finishing our road projects in late September or early October, it's already getting too cold such as it is now for the line stripers to paint roads. They won't come out for a few miles of roads because the mobilization is not even what they can charge to do the job. This machine will allow them to do the striping for our parking lots and the road lines on minor roads, not counting 378. They will let the big boys do that, but it will also give them capabilities of painting double yellow lines. When they finish a road, instead of waiting for 3 to 6 months to get yellow lines back down on it, they will get them down the same year, possibly the same week. It would greatly enhance their ability to get the roads striped. Mr. Maxfield asked how much is that piece of equipment? Ms. Gorman said that was \$12,600.00.

Ms. Gorman said we also budgeted \$20,000.00 for a lean to building or a shed for Roger to have his signs. Right now they are in a storage facility that should be replaced. Mr. Cahalan said a trailer that used to be the former home of the LSA which is ready to collapse if you've seen it. Mr. Rasich said originally when our LSA came about, they were put into a construction trailer you see on job sites. When our sewer system was put in by Alan Myers, way back when, then they left, and they left the trailer and it became their home. When they built their new building, they gave it to PW and they purposed it as a sign room because their original sign room was where this building sits. It was taken down to make room for this building and it is now the case where it's in pretty sad condition.

Ms. Gorman said they also budgeted funding for video equipment to make modification to the Council room and also it's been noted that this building is 12 years old and there's external painting required on this building as well as Seidersville Hall and the PW building. That would leave us a contingency of \$918,267.00. Mrs. deLeon said that number changed from what they are looking at in the budget? Ms. Gorman said there are some documents she gave Council that she needed to update and they are at your podium. Mr. Maxfield said to jump back to the lean to building, it says after it, a new generator, is that the generator we got? Ms. Gorman said it's the generator we have just taken care of. Mr. Cahalan said that's been taken care of. Mr. Maxfield said is that going to be housed in that shed also? Ms. Gorman said no. Mr. Rasich said the generator is actually housed in the metal pole building attached to the north side of the existing PW. Ms. Gorman said she's trying to eliminate creating new line items in some of the budgets because our auditors are requesting a little condensing of some line items in the Capital Fund. If it's a one-time expense, she tries to use the same line item for different expenses. Mrs. deLeon said is there other improvements with this building as it's 12 years old, it needs painting. She's been told there's always been an annual inspection of the Township-owned properties, so like painting, what else is needed? Mr. Cahalan said they have a list they will go over with you shortly for this building and other buildings. It is inspected by PW. Mr. Willard said on page 98, the last entry which is the rationale for the vehicle, the reference is made that the funds will be used from Fund 10 afforded by the Gaming Authority. These are things that would be submitted for future grants? Ms. Gorman said yes. She would imagine as Council has the last couple of years, the next round which is opened next year, we will be requesting payment for the officer and another cruiser. Mr. Cahalan said the Gaming Authority looks favorably on request for police equipment, but not for any other type of Township equipment. They won't pay for that and he doesn't think they paid for any fire equipment. Ms. Gorman said anything we can think of to submit, we will submit to defray the cost. Mr. Cahalan said the money is supposed to be for us. Mrs. deLeon said it doesn't seem to go that way. Mr. Willard said next week is his first experience of voting. He did the one over the phone. Chief Lesser was there and there's an impact rule which nobody is able to demonstrate it. If there's a way to demonstrate, that's what they are looking for. Mr. Cahalan said we've demonstrated impact from the beginning. Even when you do that, there still doesn't seem to be any will to fund a variety of expenses for the contiguous townships who are supposed to be given preferential treatment.

Ms. Gorman said Fund No. 34 is the Detention Pond. Nothing is anticipated to be spent from here next year. Mrs. deLeon said we still have detention ponds? Ms. Gorman said yes, we have some we are responsible for.

Ms. Gorman said Fund No. 35, State Aid Fund, which is our liquid fuel funding. We're anticipating receiving less next year. She's sure that's due to the problems that the State has in deciding what to do with the repairs of highways and bridges. All of these expenses are road related. The increase in road material is because PW was not able to finish their road project this year, so they'll be finishing it up next year and continuing with their next project as well. That would leave us with a \$469,442.00 contingency. You also should note on here that there is major equipment of \$150,000.00 coming from there to pay for the PW vehicles that were on the inventory list. According to State regulations, whatever money we receive from them, 20% is to be held in a fund within the fund to strictly be used for equipment purchases. Mr. Horiszny said 35 doesn't seem to be on his disk. Mr. Cahalan said they will check that.

Ms. Gorman said Fund No. 36, Town Hall Park Fund, we've assumed the repairs that Council approved this past Fall and will have a proposed beginning balance of \$30,306.00. With any maintenance that's required and any general expenses, we'll have \$2,406.00 in contingencies if there is anything required to be worked on. Mrs. deLeon said were there any repairs supposed to be made in 2013 that didn't get made? Mr. Cahalan said we are anticipating the repair to the pavilion will take place in 2013 and that's the only one we had scheduled. Ms. Gorman said last year they were going to be looking at the replacement of the roof, but these emergency repairs will hopefully take care of that. If it doesn't, then they will come back to you and let you know. Mrs. deLeon said how much were the roof estimates? Mr. Cahalan said we didn't get an estimate for the roof but we brought you an estimate for the repair of the beams. Mrs. deLeon said it should show up in the column for 2013. Mr. Rasich said the contractor that gave the quote you approved in September is Robert Israel. Ms. Gorman said that was \$4,000.00. Mr. Rasich said that included patching the existing roof. He feels he can hold the roof if he can solve the structural issues with the beam that is sagging. The support column is giving away. Mrs. deLeon said what was budgeted in 2013 for Town Hall? Ms. Gorman said they budgeted \$24,000.00 to replace the roof and to do other maintenance repairs at the park. They weren't done, so other than what was the emergency repairs that will be done this year, so they are moving the money forward to next year. If the roof needs to be replaced, then the money will be there to do it. If it's not, the money will stay there and stay in that fund. Mrs. deLeon said you talk about repairs. We talk about them in the Fall, and that she would think that repairs to our Township building would happen in the Spring so you would keep our building maintained. Mr. Rasich said the repairs and maintenance of our buildings are ongoing. It's not seasonal or related, at least, not normally. Sometimes it is like today when it got a little chilly and he tried to turn the heat on, it didn't come on in PW. Now he facilitated a call to get that resolved. Normally the maintenance is an ongoing thing such as replacing batteries in a clock this afternoon, so they had the correct time. As things are needed, they are done.

Ms. Gorman said Fund No. 37, Heller Homestead Fund, we're projecting a \$12,441.00 beginning balance. They had allocated \$10,962.00 for expenses that would leave \$1,579.00 in contingencies and she thinks we will be talking about the repairs to the stairs shortly. Mrs. deLeon said her computer turned off, right at the Heller Homestead, but we talked about repairs last year. Are there any repairs in that line item from last year? There were a lot of repairs that needed to be done. The garage ruins were put on hold. Mr. Cahalan said they didn't have anything scheduled. The only thing since the root cellar was finished, that has been paid for and completed. The painting of the windows was completed. There hasn't been anything else scheduled until they got the estimate for the stairs which they will discuss. They don't have anything else scheduled except minor things like a shingle or slate off the roof like that which PW would look into. Mrs. deLeon said the Conservancy put together a list of repairs that need to be done and some of these things were on the Christine Ussler list. She had sent Roger and email and she forgot all about it until she was looking over her notes and she knows the last one she had was 2008, was there an updated list from that

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point? Mr. Rasich said yes, there is. He doesn't have it with her. He did get her email this afternoon and did not have enough time to compile it. Mrs. deLeon said she has a list here and different repairs need to be done. Mr. Maxfield said let's finish up the budget and then go to that.

Ms. Gorman said Fund No. 38, Southeastern Park Fund, they have projected \$35,271.00 in the fund. Any maintenance or repairs, they just allocated that money into that line item. If it's not used, it will be rolled over to the following year.

Ms. Gorman said Fund No. 39, Steel City Fund we have a \$119,000.00 in there. Once Kingston Park is completed, we are estimating that \$45,000.00 would be able to be transferred into this fund which would give us \$162,000.00 which we did put into building and improvements. If Council is inclined to move forward with it or continue, or if it's going to be delayed, the money will stay in that fund until it gets to that time. Unfortunately, PW has a lot on their plate and they've done a lot this year. Assuming last year that some of this other work would be done, some of the work at Kingston Park took a little longer than they thought, so a lot of items have been delayed. Also Meadows Road and the culvert on Black River were not anticipated.

Ms. Gorman said Fund No. 40, Polk Valley Park we have estimated that \$94,242.00 will be going in there. We will discuss with Council about the proposed tot lot and pavilion. Once the tot lot is installed, we will petition Northampton County for their funding and she's still waiting on DCNR for a final closeout of theirs. We'll have money into there to finish out that phase of the park development.

Mr. Willard said will you go back to the Steel City one, page 111. In 2013, under the building purchase, there was a \$356,000.00 budget and it appears to be offset by \$157,000.00 grant, so let's say \$200,000.00 of our own money. Ms. Gorman said we also applied for a grant last year to cover most of the expenses of the development of that park. Mr. Willard said the zero actually indicates we didn't get the \$157,000.00. Ms. Gorman said we didn't get it yet. We do have the \$127,000.00 from Northampton County, that's a definite. With the park programs, especially grant funding, you have to expend the money first before you get reimbursed. Mr. Willard said last year we had planned \$356,000.00 in building purchase and we only spent \$100.00. This year we're showing \$162,000.00, so what changed? Ms. Gorman said we estimated that we were going to get the entire project done within that year and it didn't happen. At that time, Boucher & James also revised their cost estimates for the development and a lot of the initial estimates, a lot of the upgrades were extremely high in assumptions, so this is more realistic. She didn't assume for the grant award from Monroe County, but obviously, we're looking for other funding sources to complete this project. Mr. Willard said he thinks the revised estimate is the basic answer.

Ms. Gorman said Fund No. 41, Historical Structure Fund we have \$37,241.00 in that fund. There is nothing she's aware of that we're projected to use for that fund, but we have \$5,000.00 listed in maintenance in Council directs staff to do anything with the historical structures.

Ms. Gorman said Fund No. 43, Lutz-Franklin, we have \$24,407.00. There are two projects pending, cupola repairs and the painting. We'll be discussing with Council those repairs in a little bit.

Ms. Gorman said Fund No. 44, Easton Road Ballfields, we have \$35,65.00 estimated to be in that fund. We have budgeted \$33,315.00 for construction improvements. It's still being reviewed, however, a parking lot is probably on schedule for next year. Mrs. deLeon said a cost is listed here for a parking lot? Ms. Gorman said the estimated cost.

Ms. Gorman said Fund No. 45, Kingston Park, by the completion of this year, we should have \$57,000.00 still left in that fund and we'll be moving the \$45,000.00 to Steel City and the minor

equipment would be any of the tables or the amenities that might be needed out there after the pavilion is done.

Ms. Gorman said Fund No. 47, Roeders Glen, that is a development matter. PW is going through the punch list of what needs to be done. After she gets clarification from them as to what's needed to be done, we can transfer that money and close that account and move it to wherever Council directs.

Ms. Gorman said Fund No. 48, Rail Trail, we have \$6,538.00. We are estimating spending \$5,563.00. Primarily the only item that she's aware of is the wood for the kiosks. There's a Boy Scout. Mr. Cahalan said we advertised for volunteers, primarily a Boy or Girl Scout for Eagle or Gold award projects. We did get a Boy Scout who approached us. He's interested in doing the project and he was also contacted by a resident who uses the rail trail who said he'd like to donate the money for the cost of the kiosk. That's the only thing we are missing at the trailhead.

Mr. Cahalan said that's a review of the budget. They want to go into a list. Mrs. deLeon said Cathy didn't go over the three different loans when you went over the Landfill. Ms. Gorman said it's included in the debt service. Mr. Cahalan said we usually include it, but doesn't know that we go over it. Ms. Gorman said it's in there and the principal on the interest payments are in there. Our debt payments are covered. Mr. Willard said can we take a look at those three pages we skipped over. Ms. Gorman said page 82, these are the amortization schedules received from the bank. The first is the building loan which is \$1,051,658.33. That's in principal and interest. The next is the Polk valley Park, with principal and interest, it's \$3,289,699.04 which matures in 2020. The next loan is the Land and Acquisition Loan which we've been using to fund all our park developments, and that's at \$1,470,030.32. That matures in 2020. Mrs. deLeon said what's left out of this loan that hasn't been spent. Ms. Gorman said whatever is left in Kingston and Polk Valley Park and Steel City. Mr. Cahalan said we have to get you an exact accounting of that. Ms. Gorman said she would say that between \$200,000.00 to \$300,000.00 is left. Mrs. deLeon said there are three parks. Ms. Gorman said it covered property acquisition, and the continued development of Polk Valley. It funded Kingston Park, Steel City, Easton Road Ballfields, and part of the Rail Trail. Mrs. deLeon said she would like that number. Mr. Willard said the last time we looked at this we noted the columns that said monthly principal and monthly interest; it's actually annual, right? Ms. Gorman said correct. Mr. Willard said are the interest rates renegotiable at all? Ms. Gorman said not at this time. They will be coming back with resetting the interest rates for the last loan we talked about in 2016 and the other one if you go back to the second loan, 2015. Mr. Willard said does resetting mean going up or down? Ms. Gorman said it depends on the market and the Federal Reserve interest rate. There are a lot of variables involved. Typically, they will lower the interest rate. The Polk Valley loan originally started at 4.25%. Mr. Willard said his reason for asking was he's familiar of a non-profit loan in the million dollar range from a major bank where they were able to approach them out of cycle and renegotiate it under 3%. Ms. Gorman said she can check with our borrower. Mr. Willard said is there a penalty for early payment? Ms. Gorman said you can pay 20% of your principal and then there's an escalator variable depending when the note was set, between 5% and 1%.

Mrs. deLeon said this will be put online after tonight. Ms. Gorman said whatever changes Council makes tonight, she will draft that as the Preliminary and it will come back to Council and then it will be advertised for public inspection at that point. Mrs. deLeon said last year we put it on the website. Ms. Gorman said correct, and if Council wishes her to do that again, she will do it. It is protocol for a budget preparation that it's a 45-day. Mrs. deLeon said absolutely, that was pre-internet, pre-websites. Not many people come in and go through the entire document. Mrs. deLeon said they don't come in, they go on-line and look at it.

Mr. Cahalan said they put together a list of security maintenance and repair needs for the Township and it covers all the Township building and equipment that's needed for the departments. We'll run down each of them. Roger can start off with the first three items and explain what they are.

Mr. Rasich said the winterizing of the sprinkler system is for the upstairs of Town Hall. When the building was constructed, the unoccupied portion had a dry system put in and the occupied had a wet system put in; however, after one winter, we discovered on several cold days the pipes are above the drop ceiling upstairs in the building can and do freeze. When that happens, it pops the sprinkler head and we have a mess. The only way to combat this, because if that would happen during hours when nobody was around that could be catastrophic, they have a policy of moving drop ceiling tiles throughout the upstairs of the building during the cold months. They slide them to the side so the room heat can further penetrate up above that space. Obviously, that's not a good use of resources of allowing our heat to get out of the building, the only way of combating that is to convert it over to a dry system which is extremely expensive or put antifreeze in the system. This is the lesser of two evils, but he believes it will be a well earned cost savings in the energy they will save instead of putting it up through the roof, not to mention the labor to move the tiles and clean up after this and bring them back and the damage you inevitably do as they aren't meant to be moved like that. The second thing is the replacement of the door at Town Hall. It has deteriorated substantially since it's been put in. It's non-functioning in its capacity as an automatic, locking door not because of the lock system, but because of the door mechanisms. It's worn out. It really needs to be done. We've repaired it on numerous occasions. They have strengthened it and it's beyond repair and needs to be replaced. They discovered to our dismay during some of these recent super storms when they actually needed the backup generator, the PD is adequately covered with emergency backup and supplies and the administrative side of it is very poorly covered. Pretty much they couldn't get too many of the PC's to run, if any. There was very little lighting. What this \$7,400.00 would do is have the existing backup generator tied into more circuits to provide functionality over in the administration side of the Town Hall complex. They did low test and calculations utilizing their contractor and yes, it will handle this side. Mrs. deLeon said the replacement for the front door, wasn't it in the 2013 budget? Ms. Gorman said it was, but due to Roger handling the maintenance and it got delayed because of their schedule. Mrs. deLeon said there's too much of this happening. It's supposed to be in the 2013 budget and they just get pushed off. That's \$5,000.00 we could be spending towards something else. Mr. Cahalan said we have a PW Department that is really strung out with projects we are using them instead of contracting work out, which is saving a considerable amount of money for the Township. All of these parks that have been done, your PW helped to build most of those which saves millions of dollars for the taxpayers. They are doing that and juggling their road projects. They couldn't get done with them this year and in between we call on them to do repairs for the buildings. They are doing the best they can do. We can put a lot of these things out for bid and pay a lot more money for them. They are doing the best they can with the staff they have. Mr. Horiszny said he doesn't see why it would hurt to delay an expense. It's not like you wasted the money. You still have the money there, so you do it next year.

Mr. Horiszny said on the sprinkler system, it has the antifreeze in it, the antifreeze comes out and the regular water does the rest of the sprinkling in an emergency? Mr. Rasich said yes in an emergency situation. It will need to be added to yearly because of the quarterly and annual tests that are required of the system to keep it to code. They have to do a flow test. It's not where they open it up at the heads, they open it up at the drain points and they lose certain quantity. It's nowhere near that amount every year. It's a maintenance amount. Mr. Maxfield said that's too much pipe for heat tape? Mr. Rasich said yes. He doesn't trust the reliability of that. Mrs. deLeon said this has been going on for the twelve years since the building has been here, and that's the first time she's learning about it. She knows Jack started ten years ago, so why wasn't this brought to the attention and maybe there was a maintenance or architects that we paid a lot of money to design this building, and there's all kinds of flaws with it that we're finding out. Mr. Rasich said he has asked for this to be done for quite a few years. Mrs. deLeon said she's sorry that she didn't know

about it and sorry for the amount of money we spent on this building, we have to shuffle ceiling tiles around. It's an embarrassment, and it shouldn't happen. Mr. Cahalan said we are finding out several things about how the building was built. The biggest thing that was just mentioned, they put a generator out here and they didn't hook this wing up to it. Mrs. deLeon said she remembers talking about that last year. Mr. Cahalan said we brought that up because of the storm. The upstairs problem we've been managing because it was very expensive to fix it. The first cost was for the dry system. He asked what that cost was? Mr. Rasich said he thinks it was around \$50,000.00. Mr. Cahalan said we didn't bring that to Council, so they've been managing it. It's not a major problem, but long-term, this is the solution to taking care of it. Mr. Maxfield said it's not a major problem until it doesn't work.

Chief Lesser said the next item is accreditation requirements. In the PD, they've been working toward accreditation. They had a preliminary assessment of the PD recently and during that assessment, several items were identified that need to be addressed regarding the building. The first bullet is relative to our Evidence Room and is to add additional tracking. This will address that recommendation entirely. The second bullet is to add a secure area in their carport. It's an area that would only be used intermittently. This would allow for the continuation of that as a carport for the cruisers, but on occasion, it would provide for a very secure area for a vehicle for evidentiary purposes. It would also address a concern from our preliminary assessment. Third, there are some rooms that are not equipped with smoke detectors and that would address that. Mrs. deLeon said again, this modern building doesn't have smoke detectors in some of the rooms? Chief Lesser said they have smoke detectors and have the sprinkler system, but the assessors were looking for additional smoke detectors to address that. The assessors in our preliminary assessment. Assessors came to their building and walked through the building and spent a day assessing the PD and this was one of their recommendations. Mrs. deLeon said who are these assessors? Chief Lesser said they are trained by PA Chief Police Association. They are identified as assessors and they submit recommendations for accreditation. They do the initial preliminary assessment and final assessment is scheduled for November. Mrs. deLeon said no one before them ever picked up on this? Chief Lesser said as you may be aware, they have a sprinkler system, alarm system in the building that they felt was adequate. There were additional smoke detectors that they recommended for areas. Mr. Rasich said the building does have adequate smoke detectors and fire protection according to all applicable codes. The building is fine, it's just for the accreditation, they go above that. For example, fire extinguishers, they need to inspect them a certain amount of times for the accreditation. They need to do it more often than that. The fire protection in this building is fine. Chief Lesser said he can give you one quick example. They have an evidence room and it's been secure since they moved in and feel very confident regarding the integrity in that room. When the assessors were here, they lifted the ceiling tiles to see if someone could work their way up to the top of the ceiling to see if they could get into the evidence room and they had looked at that a couple of times years ago in anticipation of this. They made improvements. PW came over and they secured that. There were a couple of areas where a really thin person might be able to slide through so that was another area they identified and they added some aluminum bars to create a tighter space. We are excited about the assessment and they identified areas that will improve the PD. They are more meticulous than the average person is, but that's a good thing.

Mr. Horiszny said there was an article in the September issue of the PSATs and the exact subject. He could send it through to Chief Lesser or the Council. He clipped it out and the subject just came up. Mr. Maxfield said is there any other benefits to the accreditation, insurance breaks? Chief Lesser said there may be an insurance credit.

Mr. Rasich said heating and air conditioning system in the administration side of Town Hall, the system is a balancing system meaning that from every room it takes the returning air temperature and measures the air temperature that's coming back and averages all the rooms. It puts the appropriate heat back in. The problem with that system is a lot of the offices either have closed

doors at certain hours of the day or worse. Some of them have southern exposure and therefore they get a lot more sunlight and are warmer as opposed to the northern exposure. What this has done is we have some of the rooms that are extremely warm and others are extremely cold. To get the southern exposure rooms down to a temperature that's comfortable, the northern exposures are like ice boxes, so this request is to rezone this portion of the building to stop doing that.

Chief Lesser is to replace the laptops in the police cruisers. This was scheduled on their timeline for 2014 just due to the age of the laptops. In addition to that, the manufacturing of their current laptops cease this year and repair of the laptops will be challenging at best. We would recommend maintaining our plan on their timeline to replace them in 2014, five laptops.

Chief Lesser said the additional security cameras for Town Hall is an item that they looked at many years ago and the Township just didn't proceed with that during the budget session. This year they took more of a focused look of security after the Ross Township tragedy and would recommend this for added security throughout the municipal complex and it would add cameras to the exterior that would also cover the parking lot and the perimeter of the building additionally. The stairwells has no security right now, the Council room, additional cameras in the area outside the Council room, so they feel it would very adequately cover this facility. Mrs. deLeon asked if the cameras include sound? Chief Lesser said it's just video.

Mr. Maxfield said on your laptops, it's over \$4,000 for laptop. Does that also include the downloading of the necessary software, or is that just the raw machine? Chief Lesser said this should cover that and we rely on their admin clerk, Kal, who is their technical guy and is pretty sharp and on that. It's a passion of his, so they are confident this would cover that.

Chief Lesser said the next item is ballistic face shields for the officers. They do have a number of ballistic helmets over in the PD and they are recommending that all the officers be equipped with ballistic helmets and ballistic face shields be added to each helmet for every officers.

Chief Lesser said night vision for police cruisers, and that speaks for itself. It's a night vision type binocular that would be added to each cruiser.

Chief Lesser said their bikes, two of three bikes for the Bike Officers were purchased in 2000 and the third was purchased in 2002, and they got quite a lot of years out of those bikes. They've had some downtime, but the minimum years of use on those three bikes is eight for one, nine for the other and eleven for the other bike. That would incorporate the time when they didn't have a Bike Officer assigned to a particular bike.

Ms. Huhn said the cleaning of carpets and the floors was done once since they moved into this building. You can look around the carpets at the Council room and there are stains and some spills, the same throughout the administration and PD side. The PD side has the linoleum flooring in the squad room that's used very heavily that needs to be stripped and re-waxed. It's in tough shape. That would also include the tile floor in the foyer which needs to be stripped. Our cleaning people maintain them by sweeping and wet mopping, but it really needs the good cleaning and the rewaxing, so they are recommending that be done.

Ms. Gorman said if you remember the cleaning of Seidersville Hall, they had budgeted \$10,000.00 for that last year. If they anticipated this being an expense, they would have to contract it out. It's not something our staff could do. In reviewing preliminarily to a GSA contract, there are companies that do this type of work and based on their listing there, she would assume for the square footage of the building, it would cost about \$20,000.00 to do; however, if we bid it out here locally it would be less. Just to do a comparison of a Federal government contract, the estimated amount per square foot, the estimate was about \$20,000.00. Mrs. deLeon said it seems like a lot of money. Who is going to sort it and decide what stays and goes, or does everything go. Mr. Cahalan said it's basically everything that was built out in the basement. It's totally useless. It's

sheet rock and ceiling material and other partitions. Because of the moisture, they are totally unusable and they are just sucking up more moisture. It needs to be cleaned down to just the stone and timbers down there. Mrs. deLeon said is there any storage there? Mr. Cahalan said you could store stuff, but the humidity and moisture is an issue down there. The rain barrels are fine down there. The issue with this is to continue using the upstairs portion and to improve that for community use, you have to start at the basement and clean out all of this material so we're not in danger of any mold or air quality issues coming up to the upstairs portion. Mr. Maxfield asked if there was a dirt floor in place? Mr. Cahalan said there is a portion in the rear that has a dirt floor. Mr. Maxfield said couldn't we put vapor barriers there? Mr. Cahalan said yes, we could. Mrs. deLeon said when was the sheet rock put up? Mr. Rasich said it was put up by piecemeal. The original back portion has been up prior to 1984. The front portion when it was still being used as a municipal building, which was done by the PW where they created a locker room, a little foyer, vestibule, and a weight room for the PD. Mrs. deLeon said she thinks the Boy Scouts used it as a meeting room at one time. Mr. Rasich said in all honesty, it never was very nice. The shower drained right into the floor drain and it went right out to a sump pump in another room. It was always damp and wet. Whenever it rained, there was always water on the floor. It's an old stone building. He knows Jack answered yes to putting in a vapor barrier on the stone portion of it, where it was dirt and they put stone in, in all honesty, he has yet to realize or get through his mind how that's going to work because during a rain, the water pours in. There are two pumps there and they run continuously just in that one room and the two pumps in the front run continuously. Mrs. deLeon said she would think mold would build up underneath the vapor thing and you'd have the same problem. Mr. Rasich said that's why we need a specialist. Mr. Cahalan said that was just a recommendation. They had an environmental inspection done several years ago and that was one of the recommendations.

Mr. Willard said in the budget there are four pages of use of Seidersville Hall of which this is one line item, but we're going to discuss that in total, correct? Mr. Cahalan said they gave that as a background. They weren't going to get too deep into it, but basically it's the direction they'd like to go with improvements to Seidersville Hall. They do have some funding for the windows. The roof has to be addressed. They'd like to in the future do some interior minor remodeling so that both multi-purpose rooms can be used simultaneously for meetings, keeping the senior activities there, but the first step would be cleaning out the basement. Mr. Willard said for 2014, this is the only thing anticipated from that future use? Mr. Cahalan said if we can get this done and can utilize the funding for the windows, and move on to some other improvements.

Chief Lesser said the next item is the Police speed trailer that's actually a radar speed trailer. He's not sure why it's blank, it's not free. That's approximately \$7,850.00. Mrs. deLeon said is that included in the total? Ms. Gorman said no, it's not. It was an error on her part. They did try to apply for a Gaming Grant for this and it was denied. Corporal Connell is still requesting it. We would need to add that amount to the bottom line. Mr. Maxfield said there's nothing we can do? Ms. Gorman said she can reapply for it, but like we said before, it's difficult. Mr. Willard said he assumes all the police related items we are going to attempt grant funding through the Gaming Authority? Chief Lesser said he would say that anything they can relate to traffic they could, but all the Police funding, they wouldn't do that. It would be challenging to relate a DVR and the property room to the casino, but any item that relates to traffic and response to a traffic issue and the increase that the casino has caused, yes, that is always a consideration that we make for a casino grant. Mr. Willard said you play by the rules. Chief Lesser said they try to. The Police speed trailer would be more in line between \$3,800.00 and \$4,000.00.

Chief Lesser said the dental work for K-9 is also on there. He had an unfortunate accident and lost portions of both his teeth. The replacement costs were somewhat staggering. He wouldn't come to you a recommendation with the figures he was provided; however, they do have a very kind veterinarian who is offering to make a substantial donation toward that, so they are recommending

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that Council consider placing aside some funds towards that. Those are some of the figures to give you an idea of the cost.

Chief Lesser said another item on there is the safety flooring for the Police weight room. That's mats which would extend through the entire weight room. The concrete floor has a very thin carpet on it and no padding and that would provide for the complete lining of the floor.

Chief Lesser said another item is the license recognition software. That's a fantastic piece of equipment that Patrol Police use. They are hopeful they will receive approval of a casino grant to fund that software.

Mr. Cahalan said the security camera for the PW kennel area is something they'd like to have as a deterrent to any vandalism to the kennel area now that they are utilizing it. That would be positioned on the wall of the PW garage facing towards the kennel.

Mr. Cahalan said the Lutz-Franklin Schoolhouse cupola repair was discussed with Council. They had Robert Doerr Construction go out and take a look at that. It does need some support on the interior. It is sagging and he did give us a cost estimate of \$16,800.00 for that work. The Heller Homestead step repairs, this is the two sets of stone steps leading from the parking lot up to the front door including the steps going to the porch. They are cracking and crumbling and stones have fallen out of them. They had Ron Rickert give an estimate of \$8,100.00 for the repair of those stone steps.

Mr. Cahalan said this is the list of what they feel is needed security and maintenance and repair items. The total is \$181,437.26. They did not put this in the budget. They'd like it to be funded and recommended it be funded and that money come from the Landfill Revenue Fund. That basically concludes the budget presentation. Cathy will go back and review some of the totals and that will finish their presentation.

Ms. Gorman said the 2014 proposed budget is at \$6,470,278.00 for the General Fund. The revenue for Enabling Tax is \$2,559,000.00; Permits & Licensing \$98,100.00; Fines is \$104,986.00; our cash balance is assumed at \$1,119,840.00; Interest Income of \$5,000.00; Other Revenues are \$133,850.00; Grants are \$412,901.00; and our Public Safety Revenue is \$223,501.00 which brings us to the \$6.4 million of our budget. Expenses in the General Government would be \$38,582.00; Executive \$269,897.00; Finance \$149,997.00; Legal \$223,350.00; Engineering \$156,500.00; Data Processing \$61,762.00; Building is \$349,184.00; Fire \$366,941.00; Emergency Management \$7,763.00; Police Department \$1,724,162.00; Zoning \$184,385.00; Recycling \$13,700.00; Road Department \$811,957.00; Library Contribution \$183,467.00; Conservation \$1,100.00; Parks Department is \$158,414.00; Insurances \$274,150.00; Benefits \$1,303,213.00; Other Expenses \$60,000.00; and that would leave our contingency at \$131,755.00. The overall net change from last year's budget that was passed is a negative 5%.

Mrs. deLeon said what is going on with the Blair House? Mr. Cahalan said it's not being used. It's storage for some materials, some historic large items are still there from the Historical Society and we are using it for storage of our adopt-a-road equipment and things like that. It still alarmed, it's not heated, it's structurally fine. Mrs. deLeon said we should really come up for a use for that building other than that, but she doesn't know what. Mr. Rasich said in order to do that, you would have to install a heating system. The furnace is not operable. Mrs. deLeon asked about the garage? Mr. Rasich said the garage is being used as dual purpose. It houses many of their small park equipment such as mowers, groomers, blowers, rakes, and grade boxes. The second purpose it it's secured and has a process that if the PD does need it for evidential storage of a vehicle, they move their stuff out and the PD moves their stuff in and puts a different lock on it.

Mrs. deLeon said she wanted to show pictures of the 2004 budget. Way back when we acquired the Lutz-Franklin schoolhouse, this is what it looked like. It was in a terrible, terrible shape. The school district owned it and it was an embarrassment being a taxpayer of the school district. The Township purchased this building for a dollar and assumed it. There was a reorganization of the Historical Society. They received a donation to fix it and the Township has then proceeded with repairs to it. She showed more pictures of the disrepair. She showed pictures of the sunroom at the Heller Homestead and she told the Manager and Council that this has probably been going on since 2008. There was a discoloration and mold in that corner. Last year she went in the sunroom after a heavy rain and there was water on the table. The wall was wet, the floor was wet. You can start seeing there's staining on the wall. There was the garage ruins which is on hold. It's dangerous and would like to know when this is going to be done. We talked about a plan and had our Planner design something two years ago. Mr. Cahalan said they brought it to Council and they didn't take any action on it. Mrs. deLeon said it was supposed to come back to Council as she looked at the minutes and there was some planning's that had to be revised and it never came back. Mr. Cahalan said they'll bring it back. Mrs. deLeon said she wants to call this a kiosk. Mr. Cahalan said it's a bulletin board. Mrs. deLeon said it needs to be addressed and it's all stained inside and needs to be fixed. There was a Christine Ussler report done in 2005 which the Township did address many of those items on the Heller Homestead, and Roger would remember this, we cut down trees down in that area to get a better visual when you are coming down Friedensville Road. Mr. Rasich said he doesn't think they cut down trees. He thinks they trimmed trees and they removed some plantings that were out of control. Mrs. deLeon said there's trees along the side of the house that may be causing some moisture inside. We don't want to lose the trees, but there might be some trimming that is necessary. While she was snapping pictures, there's the push button for the crossing sign, you can't see it. That needs to be dealt with. Another side picture of the garage ruin area. This is a picture of the sunroom roof above where the corner is and the mold and staining, maybe some flashing or caulking needs to be put on. The next picture is inside and you can see the plaster is just crumbling. The staining has spread, so something is going on behind that wall or up above. She doesn't know if Council is aware we put this in and it's tentative for the budget, the crumbling stones out front. On the "to do" list would be the windows in the Widow's House. These aren't so bad, but there's one window that's really bad. She saw this in the picture she looked up at the chimney and you can see underneath the bricks where it's all crumbling. That's going to have to be addressed. You can see there's one or two shingles missing from the roof. On the porch on the ceiling, it looks like it's leaking and is right underneath where the shingle is missing. We come back that we don't want the Homestead to look like that. It's on the National Register and we want to be proud of our historic sites. She's always supported the park system, but all we're doing is adding on more maintenance costs and neglecting to take care of the existing properties we have so we really need to address this. She'd be interested to hear what your suggestions would be.

Mr. Willard said at the discussion of the lease extension, this is one of the things Tom asked for was a list of maintenance items to be part of the budget. If he read the budget correctly, you're including the \$8,100.00 of the steps in this list that you just enumerated to come from the Landfill Fund. Mr. Cahalan said the whole list they are recommending, yes. Mr. Willard said within the Heller Homestead budget, there's \$11,000.00 maintenance item for the coming year and then the Historical Structures is \$35,000.00 which probably goes between the two or anything else that is historic that needs repairs. The next step would be get the list she brought tonight and put some figures to it and see what can be accomplished. Mr. Cahalan said with some of those items, he met with Roger Jurczak from the Conservancy and they did put together a list which PW has. They'll be doing some tree trimming along Friedensville Road. The missing slate on the roof will be taken care of. The area where the maintenance garage was, they will bring that back. That has been on hold. He thought we were waiting for some input on the plantings, but if that's finished, they can bring that back and have a discussion with Council. Boucher & James can review the plan they put together for improving that area, they'll do that. The interior wall that Priscilla showed had been redone. It had been stuccoed at one point. Mrs. deLeon said the Township did that. Mr. Cahalan said no, a contractor came in and did that. Mr. Rasich said they did the ceiling. Mrs. deLeon said

you did a good job. Mr. Rasich said unfortunately, the person that did the wall no longer is available. It's very difficult to find someone to do the old world stucco sort of process that is needed to match it. Mr. Cahalan said they did do improvements to the gutters and the flat roof in the back of the kitchen was repaired. The Widow's House will have to be looked into. They'll have to come up with a plan for that. You took care of the root cellar, the flat roof in the back was repaired, the painting was done just last year on the windows, so there has been money spent and they have been paying attention to the Heller Homestead to keep up with any repairs that need to be done. Mr. Maxfield said he'd like to see and would hope it would be in the 5-year plan would be a prioritization of those things. Some of it obviously need to be addressed right away. Some can wait a little bit. He feels that is what happened to the garage, it was not a high priority item and sat there. If we are going to be maintaining the building, we need to prioritize what's going on. Mrs. deLeon said she's available next Tuesday, Wednesday or Thursday if anyone wants to meet with her. She'll be more than happy to meet with you to go over all this stuff. Mr. Rasich said the minor things on there are things they will take care of immediately. They try to be diligent in identifying these things and it's always helpful for you who are there on a regular basis if you see them to point them out as does everyone else here. If the Chief sees a problem in the PD, he lets Roger know and they try to address it as soon as possible. They will take care of the trees in the front and they'll check on the flashing. They will check on the sunroom wall to see if they can determine what's going on there; the shingles on the Widow's House porch roof and they will check the porch roof ceiling. The other items will have to be addressed, the repair and painting of the window, the chimney repair. Mrs. deLeon said she will email this to you. She said they had talked not long ago about a Knox box or possible Knox box for not only the Homestead, but the Lutz-Franklin. She doesn't know if that's a priority item or not. There was an incident where the alarm went off and thank God one of them got there as if they had to get in the building, they would have broken down the door. She doesn't know if we want the Homestead or Schoolhouse gone into like that. Mr. Cahalan said he did discuss that with Roger Jurczak out there. Ken Luybli who is our Fire Marshal did come up with a recommendation for a type of Knox box, but it's a couple hundred dollar thing we can discuss with the Conservancy and we haven't discussed it with the Historic Society yet. The Emergency Services people do recommend that the Knox box be there with the keys. At the Homestead there would be multiple keys and at the Widow's House also so it would allow them to get in without having to break for doors down. It could be mounted a few feet from the front door. The proposal is it would be for an iron bar where it could be mounted on nearby.

Mr. Horiszny said you did a tremendous amount of work on the budget and they appreciate it very much. He has a question on the needs thing, the last two items, they appear to be in the budget rather than on the needs list, the cupola and the steps. Mr. Cahalan said they are not. The money in the Lutz-Franklin, the painting they are advertising, and they didn't include the cupola costs in that budget and the steps were not included, even though there are some monies allocated, they didn't include those. Mr. Horiszny said he'd like to know if you could take all the possibilities of grants out of that list, most of the PD stuff, so we'd see a different total. Mr. Cahalan said the ones they put in for grants would be the license plate recognition software which is pending. Dave may have some news on that shortly. The police speed trailer has been submitted, but has been denied. Those are the only two that have been submitted and possibly be submitted for grants. Mr. Horiszny said would the bikes be a possibility? Mr. Cahalan said they could submit them, but as the Chief pointed out, they have this impact threshold which is very difficult to meet. They could attempt it, but he wouldn't be optimistic about receiving funds. Mr. Horiszny said what about the helmets and the night vision stuff? Chief Lesser said the Gaming Authority has been a disappointment regarding the municipalities. They've had items that were clearly relative to traffic enforcement and patrol officer enforcement that were denied. Quite frankly, it would be difficult to make a case for their bicycle equipment based on how they use it in LST. They restrict the bikes to a certain area of the Township. Areas that are not directly related to traffic is quite a challenge to present them. Even when they feel they have a strong case, it's been frustrating. Mrs. deLeon said when she sat on the Gaming Authority, she would either make motions that weren't seconded or they were seconded it, they weren't pass as it wasn't the majority. You can only try your best. Mr.

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Willard said Priscilla served two years and we had another representative, and the next voting meeting is coming up on Monday. From his limited experience, if these are things you really need, we're probably better to budget them in this manner and take it from the Landfill Fund and if we're able to secure these grants, we can resolve it in savings for the Township. Chief Lesser said they will continue to be at those meetings and pitch their grants. Mr. Willard said in his judgment, Chief made the best presentation of impact and backing it up with figures, so hopefully the one pending will be approved on Monday. Chief Lesser said he hopes four more members feel the same way Mr. Willard feels.

Mr. Maxfield said it's in the General Fund and an example kind of thing, there's a line item that says engineering service planning and zoning and underneath it's for engineers consulting services, what's the difference? He thought everything they did for us was a consultation. It's on page 35. Ms. Gorman said what they normally do is under the 310 engineering, it's more staff and Council driven and the 311 is services that they do that we are billed for and responsible for, but we also charge residents fees for. Sometimes we end up paying more than the actual fee is involved and we are trying to get a handle on that. It's something we are going to have to sit down with HEA and discuss with as well. Mr. Maxfield said an overall kind of comment, and after looking at some other municipality budgets, our budget is very complicated. Our budget had so many line items in it. If you wanted to figure out how much our engineers cost is, you'd have to go to so many different places and add it up. When we have an audit, do they make any recommendations on it? Ms. Gorman said certain line items are required to be kept, but they had recommended in the past to eliminate how many funds we have, they are unnecessary. Mrs. deLeon said what funds? Ms. Gorman said all the historical funds, all the park funds, all of them can be lumped into our capital fund and earmarked in that fund. Mrs. deLeon said that would be a huge fund. Ms. Gorman said true, but you'd be able to earmark the money with project codes with opposed to having the money in bank accounts. Mr. Maxfield said it could be simplified. There's a contingency for each park. That's crazy. It should all be lumped into recreation. Ms. Gorman said the auditor's also made recommendations as to identifying some of the funds for their audit which she thinks there are a lot of items we are going to have to discuss with Council to make it a much easier process and much understandable to the public. If we do take those measures, she thinks it will. Mr. Maxfield said it's our duty to make this as easily understandable to the public as possible. If auditors make those recommendations, can we do something like recommend a review of it by an independent auditor that could show us how to set this up and make it more readable? Mr. Cahalan said what they would recommend is that you request that an independent accountant with experience with municipal budgets review the process and come back with some recommendation. Included in that would be conversations with the auditor and review of their recommendations. Mr. Maxfield said he'd like to make a motion along those lines. We have a year until the next budget and maybe we can have one that's more easily examined. It's mind boggling how many line items and different funds there are.

MOTION BY: Mr. Maxfield moved to have an independent accountant review our budgeting system and look for simplification with the idea of having recommendations by June or July so we can be prepared for our October talks of the budget.

Mrs. deLeon said how are we going to find this person? Mr. Cahalan said it would be an RFP for that, which he'll bring back to Council.

SECOND BY: Mr. Horiszny

Mr. Gene Boyer, Saucon Avenue, said he wants to understand this. The comments are relative to getting an independent auditor for review of our budget process or the budget accounts? Mr. Cahalan said the budget itself. Mr. Boyer said he's seen some of the reports that come up. If they change the process of the budgets, would it need new software? Ms. Gorman said she didn't think so, their software can handle any changes. Their software was designed to sustain the 26 funds

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they have and most municipalities don't have that many funds. They are a state-wide contract and would be able to accommodate. Mr. Boyer said the changes sometime require different ways to process things. He did have a comment relative to our auditing. It was in reference to the auditors and what they said in their audit report was not consistent to what was in Cathy's reports that came out that he reviewed. He doesn't know if it's the time to say that, but he does agree that we should get somebody else to do that. He'd like to bring that up later on. Mr. Maxfield said what he's talking about is the form of the budget, not that he's saying there is wrong information in the budget. The way it's presented. Mr. Boyer said that's exactly what he's saying. He's going to bring up his incorrectness later on. He agrees the form could be easier and more simplified.

ROLL CALL: 4-0

Mr. Willard said if we could go back to the 2013-2014 comparison, the budget is 5% less this year, but it appears that it's because the contingency is coming in so much lower. The contingency is half a million dollars lower. Then instead of carrying a million dollars over in 2015, we'll be carrying over \$131,000.00. Should we be concerned about the dramatic drop in the budget carryover which is generating this budget reduction which is thereby telling us we don't have to do anything on the tax base. Ms. Gorman said this is one of the items she wanted to bring to Council next year too. Accounting practices have benchmarks. Our benchmark that she has typically used to insure funding for the prior year is that we maintain 10% of what our operating budget is in contingencies. That will offset any cash flow problems she will have the following year. If in the worst case scenario, everything comes to fruition with what's presented tonight, she will have \$131,755.00 in the bank January 1 of 2015. That is not enough to carry municipal services for the two months prior to revenue coming in from real estate tax in March. Customarily, she would recommend that contingency be more. Mr. Cahalan said historically back in 2004, that's what the contingency looked like. It was a low amount. What they started doing was using money from the Landfill Fund to bolster that contingency and that's been able to carry us through the past ten years and get us through the recession without having to raise taxes except one time which was a good move on the Township's part as it kept us ahead of the curve in 2007. That's the situation. We wanted to show the budget we gave you is the minimum that's needed to operate the Township effectively next year. The additional items are needed. If they are not approved, we are still going to operate without them, but they are something that is a priority. This is the situation that would exist without using the landfill funds to bolster that contingency account which rolls over to the ending balance and keeps us healthy going into the following year. Ms. Gorman said she knows Mr. Willard wasn't here during that budget deliberations, but Council did raise taxes for the 2008 year for General Fund purposes for one mill which was over a 19 year period. That was because our contingency levels were very low and we were relying more on landfill funding to continue operations to make sure we had enough money for the following year. We were fortunate enough in timing of that, but unfortunately that was when the stock market crashed and the recession hit, and since then we haven't been able to pull out. Of that \$400,000.00 that mill raised, we lost \$300,000.00 of it in General Fund in some of the revenues. Now we're probably still at a loss of \$200,000.00. Mr. Maxfield said an additional \$200,000.00 would make you feel much more comfortable. Ms. Gorman said she's sticking to her comfort level of 10%, but that's not her call. There's no policy set. Ms. Gorman said \$600,000.00 for the contingency. If we had policies in place, and that Council approved, you would have a clear path and this wouldn't be a guess or a topic for discussion. Accounting practices in the general governmental finance officers view, recommend that you budget a certain amount and every municipality is different - a certain amount for emergency situations that you keep in reserve, a certain amount for reserves if your revenue drops and this is what has been going on everywhere. It's not just here. There are major cities that were in severe trouble because they did not plan appropriately. You have to assume. There are taxes we don't have that aren't as volatile. Real estate tax is somewhat stable. The transfer tax is not. EIT is somewhat stable, but depending on the sociological and demographics that occur in a municipality, that could drop too. You have to hedge your bets and have an estimated guess as to how much you will need, five, ten, fifteen years from now. If your population is getting older,

once somebody reaches the age of 65 and older, and you start retirement and you stay in the community, that's non-taxable income. There's time when your EIT will drop. Unemployment, your EIT will drop. It's not only governmental accounting, it's sociology, it's demographics, it's everything that comes into play. A lot of municipalities that have business tax, if businesses shut down, that's \$400,000.00 to \$500,000.00 that they are getting in sales tax that they are not getting anymore as certain businesses are closed down. It's a reality that every municipality should be looking at and they should be hedging their bets now and assuming a certain percentage to save in the event that occurs.

Mr. Willard said first point, it's a good point our property and enabling tax is at least stable, a slight increase for next year. We're not facing that in the projection for 2014. He thinks best practice for any organization is an operating reserve, a capital reserve and an emergency reserve. He can see where we're trying to create that in the Township. He says he has a better understanding of how our budget works as it appears to him that you're starting reserve is the carryover contingency if any, from the previous year, then we add the income, and then we deduct the expenses, then there's a remaining contingency at the end of the year. As he went through it, and he doesn't know if it's 2013 or 2014, there's a budgetary contingency of \$1 million which you are just capping off. Ms. Gorman said she's estimating that at the end of this year. Mr. Willard said there's an operating reserve and he believes this is a different figure of \$1 million. There's a landfill fund of \$1,783,000.00 and there's an open space of \$3.7 million which is clearly restricted. There's a capital reserve of \$916,000.00 but that's dropping from \$1.5 million, so he would say any contingency which is projected lower at the end of 2014 versus 2013, we should pay attention and be careful. Fundamentally we are sound, we have a lot of reserves we have a lot of contingencies, the property taxes and EIT are very stable, but we need to look at this contingency dropping by a million bucks and the fact that's where the reduced budget is coming from. Mr. Maxfield said which makes something like starting the year off in the whole pretty scary by blowing out your contingency.

Chief Lesser said he had a clarification on the casino grant question, he focused on what they experienced on in their applications, but a more concise answer to their questions is yes, they will look at submitting any item like the shields and the bikes. They will evaluate every item. Their priority annually has been the additional officer they received through the casino funding and their second priority has been the police vehicles. Those are two items they consistently attempted to gain funding and they will continue to evaluate every other item they may be able to apply for and what their expectations should be.

Mrs. deLeon said on the handout, page 2, work intended for 2014 would be an additional pavilion, tot lot, and rest room to Polk Valley Park. The pavilion, tot lot and rest room, she thought the rest room was supposed to be the composting toilet. Mr. Cahalan said they got a grant for the composting toilet. Mrs. deLeon said the pavilion and the tot lot, was that part of the plan? Mr. Cahalan said Council just approved that several months ago. Mrs. deLeon said that wasn't part of the original approved plan. Mr. Cahalan said the original plan indicated a tot lot and a pavilion. Mr. Maxfield said it may have been in a slightly different location. Mr. Cahalan said they did keep true to the locations for the pavilion and tot lot. The restroom is where the gravel parking lot is. Mrs. deLeon said the Easton Road ball field, the parking lot and walking plan, was that on the approved plan also? Mr. Cahalan said when they acquired them, they had no parking and they had discussions with Council about putting parking areas in there. Two years ago they came to Council with a plan that would put the parking off of Mockingbird Hill Road. Council was not in favor of doing that and asked him to come back with a simpler plan for the parking. That's what they are working right now. That hasn't been approved yet. Mr. Maxfield said they are pulling off of Easton Road and pulling into the grass. Mrs. deLeon said she's not saying she has a problem with it, she just wanted to know if it was approved. It would be helpful to know that in the budget. Mr. Maxfield said was the suggestion for it to be stoned or paved? Mr. Cahalan said they will come to you with both options. Roger is actually working with Brien Kocher on the best fit for that and

there are some trees we have to discuss with you. Mr. Rasich said the biggest challenge is making it ADA compliant because of the pretty severe slope from the parking lot to the player benches on both sides of the field.

Mr. Willard said with the approval of the resolution for the Economic Development Task Force for 2014, he and Jack had a discussion last week, they might need a consultant to work with them and we don't know enough to know if this is necessary, but they are going to scour all the free resources they can find first. If that became a necessity, how would that be accommodated in the budget? Mr. Cahalan said they would go into the fund that is in there for Planning and Engineering and use those funds. We talked about this and haven't brought anything to Council. It's his recommendation that you look for someone to spearhead the group. That's something they have to come back with. Mr. Willard said it depends on the composition of the group and he expects savvy people to be involved with this. It may not be a major expenditure, but it might be a good idea. They will come back with this. Mr. Maxfield said he saw one of the tasks was to look at available real estate in the Township. He knows the P/C has talked about different places over the year, so he'd like to forward that information and you can examine that.

Mr. Maxfield asked if there was anyone on the floor that wanted to speak about the budget.

Mr. Gene Boyer said he gives a lot of credit to Cathy in putting this together in the fact as David pointed out, the budget doesn't include any landfill money this year and it's balanced; however, it has a question with such a low contingency fund going forward. This is a comparison from 2013 and 2014, and he's assuming 2013 is fairly accurate. Ms. Gorman said that was what was passed at the beginning of 2013. Mr. Boyer said this would have been labeled possibly the final 2013 budget. You have estimated, proposed and there are three different categories on line. Ms. Gorman said budgeted 2013 is \$6,798,328.00, that was what Council approved. Mr. Boyer said in his looking at the numbers here and for Dave's comment, at the end of the year in 2013 as proposed, and with all the expenditures that happened, we had a contingency fund listed here as \$684,816.00; however, Cathy says by the end of 2013, her estimate for the cash balance is \$1,119,840.00 which is actually a plus of \$429,000.00 over last year's budget. He's done a lot of looking at budgets. He went back ten or twelve years and he's gone and compared them also to the audit reports and he can say what is typically the ending contingency balance in the budget is not necessarily a smaller amount going forward, but in most cases, there's actually been hundreds of thousands of dollars increased for the following year. He can see there may be a concern to look at \$131,000.00 and he wouldn't be here to place any bets or concerns that that's going to be the number, but he's just saying what goes through the Township and what does not get spent or what gets spent officially at times, we always wind up making hundreds of thousands of dollars at the end of the year. He doesn't think this is that outstandingly incorrect of having such a limited thing to start out with. He would say his feeling would be the Council on a six month basis, if they reviewed what has happening and seeing how the expenditures went, if we're not continually creating over spending, maybe they could move money into the budget other than saying putting money into the budget to begin with. Mr. Cahalan said he'd like to respond to this portion of his question. First of all, there is some landfill money in this budget. It's \$400,000.00 for capital and the operating reserves. What Gene is recognizing is how frugal we are during the year with the budget. What is approved is not necessarily spent unless it's critical to the operation of the Township, so yes, we are able to hold some of the money through the year and carry it over to the next year. 72% of this budget is fixed expenses. We have to pay those by contract agreement or a maintenance type of thing. There's a limited area where we can try to be thrifty and we've been doing that as long as he's been here, and that's why they wind up with a healthy balance at the end of the year, but it starts with a good healthy contingency in the beginning as Dave has pointed out. Mr. Boyer said he didn't get to the fact that he recognizes there's \$400,000.00 that came from the landfill, but it was all pertained into what he calls or what he understands is special funds, which was not really the operating budget which he was talking about to begin with. Typically, in the operating budget, even in 2013, there's \$335,000.00 which was transfers of money which he

believes came from the landfill in the beginning budget of 2013. Ms. Gorman said that did not occur yet. Council approved a \$335,000.00 transfer from the Landfill Fund to the General Fund, and what she typically does and she's discussed this with Mrs. deLeon at previous budget sessions, especially when the estimated amount being transferred was so high, that to insure that we maintain the fund balance of what they are projecting of the future budget. Hypothetically speaking, if she has additional \$100,000.00 in EIT revenue that comes in that she was not anticipating, to maintain that \$1,100,000.00 budget fund balance, she would transfer \$235,000.00 from the Landfill Fund because the idea is to save as much money as you can, but keep your continuing budget for the next year maintained as to what was presented to you. To her, the landfill funding is savings, but it definitely at times is used for balancing your budget. She tries to use it as least as she can, which is they we have a \$1.7 million contingency in there now because that's what they had tried to do for the last couple of years and not rely on that as much. When they budget a certain amount and it doesn't come to fruition, there's one budget like it was \$700,000.00 just to budget the balance and they only transferred over \$400,000.00. That's to maintain that fund and those savings so it doesn't get eaten away in future budgets and we're using it as Council directs them to. Mr. Maxfield said he keeps thinking about the contingency too and thinking about the years we have hurricanes and how quickly costs for PW went up and police costs. Ms. Gorman said that's one of the reasons why they've had additional revenue this year was because they were receiving funding from FEMA and PEMA from the last two storms. They recognized the expenses in 2012. They received the revenue in 2013 to offset those expenses. We had to spend it first. Mr. Willard said if this were a private enterprise, the line you call contingency would be called profit. It's always better to come in with a higher profit than expected. In our case, since we are a municipality, that profit goes back to the taxpayers. The more we're able to save and bring to the bottom line and carry forward to the next year, the better it is for the residents in his understanding. The definitive page is 78 which is the Landfill Fund. Here it shows the revenues from the landfill, it shows the offsets for servicing the existing debt of almost \$900,000.00 per year. It shows the option to transfer to any of these other funds as necessary and Cathy enumerated what's being done this year and next year and it shows a contingency which is built up from \$185,000.00 four years ago to a \$1,785,000.00 projected for 2014. Mr. Boyer said we're not really using a lot of that money any more. We use it definitely to pay our debt as we know it's there to pay our debt. That's a given. He's saying we haven't used that much and out of the last four years, from 2009, 2010, 2011, and 2012, monies that were transferred into the General account were not done as Cathy was saying to balance out, but they were almost the amounts that were in the budget out of the Landfill Fund so it wasn't even used until December, practically. Even though it looks it, it doesn't show that it's there. The other capital fund, there's been transfers from the Landfill Fund in the middle of the year, but each one of those funds that she makes transfers to has a contingency fund of almost \$1 million to begin with. He would ask Cathy for tonight if she could tell him how many contingency funds we have as of this 2014 budget. Mr. Cahalan said they are all in the budget we presented. It's there for review. We don't have a total for you now. It's all there in front of you. Mr. Boyer said he doesn't have anything other than \$131,000.00 and he knows there's contingencies that can be used and Dave just mentioned it and he doesn't see it, what's \$1.7 million in the Landfill Fund. How much contingency money do we have that's available in the budget? Mr. Cahalan said they will put it on-line for the public review tomorrow. Ms. Gorman said they will put on-line the contingency amounts Mr. Boyer was requesting. Mrs. deLeon said if she understands what Mr. Boyer is asking for, each of these line items that say contingencies in the expenditures and the special funds, you are going to put in a chart and total. Ms. Gorman said if Council whatever they deem if they want changes done to this, she will modify this proposed budget and put it on-line. Mr. Cahalan said it has all the contingency amounts in it. Mr. Maxfield said we need to approach the budget differently to make that happen. Mrs. deLeon said she does Quicken and she's a novice and stumbles over these reports, but it amazes her you can't go into our budget and say give me all the contingencies. Ms. Gorman said this budget was developed by Council direction years ago before she was here, when Martha was here, and it's in Excel. This is a very difficult format because it's very easy to make errors in this and if you look at things because she has one master template, which she could easily use that as a budget and it would be like five pages, and we

wouldn't have all this stuff. If you go fund to fund, all that information is drafted into other pages in that template and if somebody accidentally hits the wrong cell and wipes out a key, it won't present right. On her end, on the master sheet, it will show she's balanced, but on the other sheets that are presented here, unless you sat here and added it, you wouldn't know if it's missing a cell. That's one of the reasons why we should be using our software more for this process, less chance for error. Mrs. deLeon said she thought Ms. Gorman was using the software. Ms. Gorman said this budget is in Excel. Once Council adopts it, she puts it into the day-to-day software and then that's used to pay bills and all that other stuff. The way this budget is presented, she cannot use her software to present it this way. Mr. Maxfield said that's why it needs to be created in there and not be done twice. Mr. Boyer said it was discussed a little bit, but if monies are in contingency funds, be it the landfill or anything else and it has to be transferred to somewhere else, it has to come to Council for approval, correct? Mr. Maxfield said yes. Mr. Boyer said any line item that's in the budget to any other line item that's in the budget is it necessary that Council be aware of that? Mrs. deLeon said that's what she has to look up in the Administrative Code. Mr. Maxfield said he thinks we heard tonight, no. He's guessing our Admin thinks no, that we don't have to do that. Mr. Cahalan said there isn't anything in Council direction about that. Ms. Gorman said if it's within the department. Mr. Maxfield said as we said earlier tonight, moving it around from line to line...Ms. Gorman interrupted and said for instance, she's not going to, if we budget incorrectly for part-time wages and the Chief is short \$20,000.00, she's not without Council's permission, going to take it from Roger's budget even if the money is there. If the money is there and she knows he's not going to use it, then instead of dipping from contingencies, she would come to you and say she would need to take money from Roger's department and input it into the PD. Mr. Boyer said from part time to part time, she wouldn't do that as it wouldn't be proper. Any other line item that's an equal basis, if it's engineering or consulting or legal or whatever, then there's no need for transferring to one account from another to pay a bill because Linc submitted a bill because of the landfill or because of Polk Valley Park, if there's not enough money in any one of those, she can transfer the money without you knowing it. Ms. Gorman said if we had all that lumped together, this discussion wouldn't be happening. Mr. Boyer said is this something that should come to you if that be the case at this point? Mr. Maxfield said should and has are two different things. They brought everything to us that they could honestly bring to them when they transfer anything except very, very minor things. Should though, that's what Priscilla is alluding to that we have to check the Administrative Code to find out what it says, whether it has to occur or not. That's a really good idea, we should do that. Mr. Boyer said Cathy is looking for an easier way so she doesn't have to worry about that because if it's all lumped together, it's easier for an adjustment. Ms. Gorman said actually that's how their audit reports are presented. If you look under legal fees, they don't care if she's paying HEA for work for Polk Valley Park or Kingston Park or your MS4 updates. They lump everything in Engineering. Mr. Maxfield said if you are someone who was concerned about how much was paid for Engineering, you'd have to go to each one of those funds and find out how much Engineering was spent on them, then Planning and Zoning and development and all that sort of stuff and add it together. That's what he would like to see changed. Mr. Boyer said he's going to come back about Engineering as he brought that up a couple of weeks ago, and he's like to clarify that.

Donna Louder, Johnston Avenue said could you please put up the General Fund and as you all have been talking, this is a little bit confusing and there's a lot to read and she's been just jotting things down. There's a line that says General Fund Open Space Plan Study. She was wondering if that comes out of the General Fund or if it comes out of the Open Space Fund. Ms. Gorman said there's no money in that line item. Historically, it had been taken out of General Fund money, but Council directed them to take it out of the Open Space money and that's where it comes out of now and has been for the last two years. It's only there for historical purposes because we show the expenses for a couple of years. Hopefully once those line items aren't used anymore, she can phase them out. Ms. Louder said the total for the library, is that the true total or is it going to be less? Ms. Gorman said that's up to Council. She budgeted the highest amount that they would be required to pay. Obviously, transitioning to Hellertown was projected to be a little over

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\$170,000.00. If Council wishes her to leave that money in there, and wait or if you want her to budget the \$171,000.00 that was estimated in the reports, she can do that too. Mr. Maxfield said he likes the idea of leaving it in there, just because we haven't signed any sort of agreement yet. He can guarantee it's not going to be more than that. Ms. Louder said the fire tax, can you tell her where that is located? Ms. Gorman said it's under Fund 30, on page 93. They are estimating they will have \$121,370.00 by the end of the year and it's still at a quarter of a mill, so they are estimating they will get \$109,000.00 again and will have a little over \$230,000.00 by the end of next year. She doesn't believe any fire departments have requested anything at this time.

Mr. Maxfield said we have to approve the preliminary budget later sometime and then final budget in January? Ms. Gorman said customarily you would make whatever decisions you needed to make tonight, and she would modify the budget to reflect those changes and it would come to Council again. She would make that the preliminary and it would come back in November and at that point, you would make a motion to advertise for public inspection and then the final budget would be adopted in December. Mr. Maxfield said there are some things you can touch and some things you can't touch in January. If we discussed contingency between now and January, when we do the final vote in January, can we adjust the contingency? Mrs. deLeon said there's no final vote in January. Ms. Gorman said it's December for the next year. Hypothetically speaking, what we could do is we do have the ability to hold off and wait and if you wanted to transfer money to the Landfill Fund at a later date, it would have to come back as a resolution from Council to do so. Typically you could make those decisions tonight. She wouldn't be able to transfer any amounts until after April. Mr. Cahalan said the two areas they would make recommendations on is the list of the security repair and maintenance needs. They would recommend those be funded and that the money come from the Landfill Revenue fund and that you also address the amount in the contingency fund. Dave has some recommendations on where that money would come from. Those are the two areas they would recommend. Mr. Horiszny said if we made a motion, we would have to have a total of \$181,000.00 plus the speed trailer, approximately, for the needs? Mr. Cahalan said correct. It's \$187,000.00. Mr. Horiszny said we got a couple numbers on the speed trailer went from \$8,000.00 to \$4,000.00. Chief Lesser said the quote was for two. That's what they were looking for with the Gaming grant. A single one is more than 50%. Mrs. deLeon said are we talking about one speed trailer or two? Chief Lesser said one. When he glanced at the quote, it was for two. That's what they were planning to submit for the casino funding. Mr. Cahalan said it would be \$185,000.00. Mr. Maxfield said to include that in the budget, the \$185,000.00 then. Ms. Gorman said yes.

MOTION BY: Mr. Horiszny moved for approval to include \$185,000.00 in the budget.
SECOND BY: Mr. Willard
Mr. Maxfield asked if anyone had any questions? Mr. Boyer said is this just for that one item?
Mr. Maxfield said yes.
ROLL CALL: 4-0 (Mr. Kern – Absent)

Mr. Cahalan said for clarification, that's to come from the Landfill Revenue Fund.

Mr. Cahalan said we also ask that the contingencies be addressed. Mr. Maxfield said you are recommending \$600,000.00 to feel comfortable? Ms. Gorman said she's recommending 10% of your operating budget, so it should be \$640,000.00, but you already have \$131,000.00 in there. So it's about \$500,000.00 additional. This transfer is done at the end of the year, and if for whatever reason we don't spend everything we are budgeted to spend, and we receive excess money we didn't budget on, she would take that into account go forward. Mr. Cahalan said Ron, yes, \$500,000.00 from the Landfill Revenue Fund.

MOTION BY: Mr. Horiszny moved for approval of the contingencies, as stated above.

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Mr. Boyer said he's not a Council member, but a resident. He would like to recommend that the Council hold off on that and possibly do it in June because the budget is balanced and it's not going to be transferred as Cathy mentioned until December of next year. Why do we have to have it in there and see if we can budget this and create some cash like in all the years past? By June, Council can transfer from contingency funds into any fund they like so do it in June instead of tonight. Mrs. deLeon said she likes that idea. Mr. Willard said he does too and that's why he didn't second. Does that change your ability to move it? Mr. Boyer said she has a million dollars already in cash as of January, so for the first three months of this year, she's okay. Next year would be the problem. If you have at least six months to see how she does, then next year she may need that money for the first three months. Mr. Cahalan said if Council votes to transfer it, it's in the budget, it doesn't mean that it's been moved out of the Landfill Revenue Fund. We mentioned several times, she doesn't do it until December. All we are asking for is Council direction that the \$500,000.00 come out of the Landfill Revenue Fund. That's all the vote would be. It can come out anytime during the year. Ms. Gorman said she needs to pass a balanced budget. Mr. Boyer said it is a balanced budget. Attorney Treadwell said he's asking this question as he doesn't know the answer, is there a limit to what you can change in the next year based on the percentage? Ms. Gorman said that is her concern. She believes there is some provision in there, but is from a preliminary to a final budget phase. Attorney Treadwell said or is it from the final budget to the one you can reopen in January as well? Ms. Gorman said it's from a preliminary to a final budget. It can't be more than 10% in any given department and she believes that maybe 5% overall or something along those lines. If Council is passing a budget, and we're anticipating moving a certain amount of money over that's more than the 5% of the total budget, she's not sure if that has to be acted upon now. Mr. Boyer said his question is you can move contingency funds at any time, is there a restriction on how much you can move at any time? Mrs. deLeon and Mr. Cahalan said no. Mr. Boyer said if you can move it at any time, then it doesn't make any difference as the 2014 budget is balanced without the landfill money in the operating budget and there's \$400,000.00 plus now you just gave a \$185,000.00 for a list of benefits they want to get done. Mr. Willard said in 2010 and 2011 we did move \$500,000.00. Mr. Boyer said but not until December. Mrs. deLeon said she still agrees with what she said before. Mr. Cahalan said if Council wants to direct that the money be moved after July, but direct now that it be approved for the transfer, that's what they would be asking for, to put it in the contingency. Mr. Maxfield said for July, we don't know what's going to happen. We could have some sort of a disaster. Ms. Gorman said that's part of the reasons why they finalize this budget and approve it so you are conscious of those possibilities. Mr. Maxfield said you are referring to the Landfill Fund as contingency fund, but it's the Landfill Fund. Mr. Boyer said it's contingency money in the landfill, and can't that be moved as a contingency into any place they wish to move it at any time. Mr. Horiszny said right, and he chooses now as the time even though you think next year summer is better, there's no difference. Mr. Boyer said he thinks there's a difference for the public and he hates to say it that way. It shows the public that you folks are balancing the budget without having to have that landfill money necessary in the beginning of this year. If you need it later on, you know it's there, the people will know it's there, but the point of it is you balanced the budget without the landfill money other than what's in the Special Funds they transferred in \$181,000.00. Mr. Maxfield said we're talking about perceptual things, let's just put it in there and get it over with, why wait.

SECOND BY: Mr. Maxfield

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

ROLL CALL: 2-2 (Mr. Willard and Mrs. deLeon – No. Mr. Kern – Absent)

Ms. Huhn said motion fails. Mr. Maxfield said it goes nowhere at all. Someone in the audience said a balanced budget. Mr. Maxfield said about \$500,000.00 we don't know when it's going to go in there. Mr. Willard said or if it needs to. Mr. Horiszny said it needs to. Cathy needs to be comfortable. Mr. Maxfield said a few years ago when we concentrated on increasing the contingency, Council was upset because the contingency was not much different than this. It was slightly lower than this and everyone was like oh God, the contingency got to be more, now we're

saying it doesn't have to be more. He doesn't feel safe with a contingency of \$131,000.00. Mr. Willard said \$131,000.00 was the ending balance; the beginning balance is \$1 million. Mr. Cahalan said correct. Mr. Maxfield said do you need anything else from them? Ms. Gorman said she doesn't exactly know what she's doing. Mr. Maxfield said he's not really comfortable with leaving this contingency the way it is because of perception. He thinks we need to be ready to do whatever we need to do. Ms. Gorman said she's moving \$185,000.00 of Landfill to General and that's it. That's what she'll move as the preliminary then.

VI. MISCELLANEOUS BUSINESS ITEMS – None

VII. PUBLIC COMMENT/CITIZEN NON-AGENDA ITEMS

- Mr. Gene Boyer said he had a Right to Know about the engineering fees in 2012, Steel City had a budget of \$10,000.00 and it went to \$44,600.00. In the Right to Know he asked the Right to Know Officer to give him when there were resolutions that showed when the money was transferred into that account to pay those engineering fees. He received from the Right to Know Officer one piece of paper to say that \$8,000.00 was transferred. The Council transferred \$8,000.00 and \$10,000.00 in the budget to cover \$44,600.00 worth of bills. He didn't think it was right, so he resubmitted it with a breakdown of all the bills that were made up of the \$44,608.99 and he got an answer from the Right to Know Officer, in response to your Right to Know request that was submitted on October 17, 2013, we have reviewed the request and can advise you that we have provided you with the only resolution that exists transferring funds into Steel City Park Fund. He thought the Council was to know how and when monies were needed in a fund that was under budget. He'd like to know the comment from the Council. Mr. Horiszny said we made a resolution and transferred the money, that's done. Mr. Boyer said you only did \$8,000.00 and \$8,000.00 only covered up to August. There was \$44,000.00, so \$18,000.00 minus \$44,000.00, how did you approve the difference of over the budget and the money that was transferred into the account for engineering fees? Mr. Cahalan said Council approved the budget for the park construction project which included engineering and construction. Those fees were paid out of those funds budgeted for that park account. Mr. Boyer said what was the name of the project? Mr. Cahalan said you tell me what the name of the project was. What project were you looking for? Mr. Boyer said Steel City. Mr. Cahalan said Steel City was the name of the project. Mr. Boyer said is that what you said? Mr. Cahalan said it was taken out of the Park Fund. Ms. Gorman said Steel City Park Fund. Mr. Boyer said out of Steel City Park Fund for the project. Mr. Cahalan said yes. Mr. Boyer said on the same Steel City situation, in the record, in Cathy's detailed report, some 400 pages long, there was a transfer of \$50,000.00 into the Steel City Fund from the Polk Valley Fund, he would like to report that your audit firm showed not \$50,000.00 from the Polk Valley Fund into Steel City, but into the General Fund. They did not audit what was done in detail in the computer in the Township. He doesn't think that's right. He thinks the audit report should reflect what happened in the Township based on the fact that you can see it on the detailed report. He thinks we should review the audit firm. Ms. Gorman said this is one of the items she would like to bring up to Council next year in reclassifying the funds in our audit report because it's very confusing. It's confusing that open space funding is listed in our General Fund money so it shows we have \$12 million when we really only have access to \$7 million. The funds that were identified in our audit are lumped together and that's how it was identified from prior audits from a prior auditing firm and they just continued on with the methodology. Mrs. deLeon said that's why we hired a new firm to fix that. Ms. Gorman said Council needs to identify these firms through GASB 34 requirements. You have to identify certain fund as either restricted, unrestricted, there's a list of five or six of these. If you identify these funds as such and she can present that to their auditors, they will classify them that way and then our audit reports will look more in line as to what Council is intent with those monies. That's part of our problem that we're not identifying money that is what its legal intent is for or what Council's intent to restrict it is for. Mrs. deLeon said how are we supposed to know that if you don't tell us. They are not there on a daily basis. Ms. Gorman said she didn't know it until this past year. She knew what they were doing and where the funds were lumped in as, but the auditor recommended this was something your Council will need to review

and as a financial thing, there's other issues involved with our budgeting and account items. Mrs. deLeon said we need to look for a new CPA firm that's going to do it the right way. Ms. Gorman said they are doing it the correct way. Mr. Cahalan said if Mr. Boyer has a concern and has reviewed the audit report, please submit it to the Township and they'll pass it onto the auditor. Mr. Willard said other than the auditor that Mr. Boyer talked about, do you think the other things would be covered by the project we approved earlier. Ms. Gorman said yes. Mr. Maxfield said what you are saying is they consider what we would consider a special fund for the park, they consider a general fund item. Ms. Gorman said some of them, yes. Mr. Maxfield said they recorded it under general funds, we recorded it under Steel City Park. Ms. Gorman said right. If we identify these as restricted capital assets, it would fall under what capital and Polk Valley funding shows on those reports or you lump everything into capital and monitor it that way and we have one fund and there's sections where there are infrastructure improvements, road systems, vehicles, parks, building. Mr. Maxfield said if they are accepted codes that everybody else in the industry is using, we should be using those codes. If we got the wrong codes, they need to be changed. Mrs. deLeon said the codes we are using, is it DCED, or...Ms. Gorman said the codes are fine and appropriate, it's the amount of funds we have and what their intended uses are for. Over the past year, it's been clear that there's a lot of misunderstanding. She assumes this is prior Council conversation, that these park funds are capital funds. These are for your capital improvements to maintain these parks. You have a capital account for road and infrastructure improvements; you have your General Fund which handles your day-to-day operations. The way the audit shows, it shows the capital fund in Polk Valley Fund as your capital fund and maybe that's because when the initial loan was taken out, that's where it was booked to. That, she was not privy to. That was before her time. It would be wise to identify these funds as restricted or unrestricted or something along those lines or there are certain categories they fall into, so that when you are looking at a budget, or you are looking at audit report, you can see from the audit report that what the money you are allowed to use. Earlier this year, Mr. Boyer was saying we had \$12 million. We spent time at one of the Council meetings saying that there is \$12 million, so \$5 million of that was unavailable to use. It is restricted. You cannot use it for any other purpose other than what it's intended to. If we designate those funds through Council action as such, it would show up different on your audit report. Attorney Treadwell said is it safe to say to simplify it as much as it can be simplified that the audit report and the budget are written in different languages? Ms. Gorman said yes. Mr. Boyer said when was somebody going to bring this to Council? He was the one who brought it up now. It's been happening for years on those audit reports. When was someone going to bring it to Council? Attorney Treadwell said he thinks you just heard someone from the staff say they became aware of it this year and were going to ask Council about it next year and that's part of the whole discussion earlier with regard to having an independent accountant come in and see how it gets set up. Mr. Maxfield said this will be part of that review for sure. Mr. Boyer said he has a question for Jack. We've been playing tag this week. He got a letter from Jack on October 21st stating these are the questions submitted on September 25th at the public hearing. He's asked you to specifically ask and tell him, did you answer these questions or did anybody else. You have been back and forth to him four time with emails saying I'm glad you got the letter. Everybody got a letter. Who answered the questions he submitted? Mr. Cahalan said Mr. Boyer got a response to his questions. He doesn't see what the importance is of who through a collaborative effort put the responses together. He got a response to his questions. That's his answer. Mr. Maxfield said that's about all you're going to get. Mrs. deLeon said if she asks the question, will you answer her? Who put it together? Mr. Cahalan said yes, the staff did. Mr. Boyer said he submitted the questions to Council and he wanted Council and the members and each one of them were somehow that the Council would get back to him with the answers as they are the ones who are going to make the decision on this hearing, not Jack. Mr. Cahalan said the staff put together responses to your questions and submitted them to Council for their review. He did not hear any comments or suggestions from Council to change any of the responses that were put together. Mr. Boyer asked if everybody on Council saw his questions and your answers? Ms. Huhn said they were distributed to everyone on Council. Mr. Maxfield said they did make specific reference to the fact that these questions would be forwarded to the people who are best able to

answer them, which meant staff and our consultants. He doesn't think anybody up here wants to answer technical or legal questions or any of those kinds of things. Mrs. deLeon said she hasn't had a chance to look at those three letters, but she will be doing that tomorrow. Mr. Boyer said he's not going to belabor the point just for the point of belaboring it, but he just wants to make this one comment. Jack, when he submitted this letter to him, he did not submit numbers with the questions, they were listed, spaced, listed, spaced. Jack numbered them from one going down. When he answered the questions, he has comments, things like Saucon Valley Partnership Comprehensive Plan which don't apply to the question that is on his paper, so it doesn't even correspond. That's why he really specifically wanted to know who answered them and why they were answered the way they were because the answers don't reply to the questions. It's one question off.

VIII. COUNCIL & STAFF REPORTS

A. TOWNSHIP MANAGER

- Mr. Cahalan last evening he attended the Hellertown Area Library Board of Trustees to present the Library Consolidation Report to them and they voted unanimously to adopt the plan. This makes the three entities, Hellertown Borough, LST Council and the HAL Board of Trustees have voted to approve the plan. He'd recommend that Council direct the Solicitor to work with the Solicitor from Hellertown and from the HAL to prepare a library agreement to bring back to Council.

MOTION BY: Mr. Maxfield moved for approval to direct our Solicitor to work with the Solicitor from Hellertown and from the HAL to prepare a library agreement to bring back to Council.

SECOND BY: Mr. Horiszny

ROLL CALL: 3-1 (Mrs. deLeon – No; Mr. Kern – Absent)

B. COUNCIL

Mr. Willard – No report

Mr. Horiszny

- He said the Compost Center through last weekend has 300 new cards taken in this year, have had 7,253 visitors, and have taken in \$3,725 of loading fees and that doesn't count everything that gets loaded by people doing it themselves. It's a pretty successful year.

Mrs. deLeon

- She asked if anyone went to the meeting last night at the Community College on the animal problem? Mr. Cahalan said he sent an email out to Council saying the staff had other commitments. You are talking about the Animal Control issue that the County is looking at? Mrs. deLeon said yes. Mr. Cahalan said this was a presentation for public comment and he contacted Lori Sywensky at Northampton County and asked if they could submit written comments to her and she said that would be acceptable and that's what they intend to do. Mr. Maxfield said it almost felt when they were reading the description of it that we moved beyond that already. Mrs. deLeon said she just wanted somebody to know that at the County level and she did read his email, but thought maybe somebody went.

Mr. Maxfield

- He said he spoke to Leslie about this earlier, this goes way back to a couple of years ago, and the initial contact was made from Priscilla. There was a guy who came and talked to you about metal detecting on historic properties. He ran into this guy and he was informed by a policeman that he could metal detect on any Township park. Mrs. deLeon said absolutely not. Mr. Maxfield said he told him that and he seemed to accept that. What he wanted to do was come and speak to us about the possibility of developing some sort of

permit that would have severe restrictions on it. He himself seemed to be pretty responsible. He wouldn't go near historic structures, cemeteries, even on the outskirts of those things, but he said he's been metal detecting the Easton Ballfields now for two years, every other Saturday and he's been told he can do that. It's going to be interesting as he's metal detecting right where the parking lot will go. Mrs. deLeon said as a Council, we are against that. Mr. Cahalan said he did do some research and did bring that issue to Council several years ago and suggested you may want to put prohibitions about metal detecting at the historic areas. There was no action taken on that, so there's no prohibition on the books in the Township against metal detecting on our properties. Mr. Maxfield said that's what he was referring to then as he said he examined our ordinance. Mrs. deLeon said we need to look into that. Mr. Maxfield said the other thing that was interesting that made him think about it, he suggested tight controls on the permit and he said he would be willing to pay \$30 a year for a permit which would be reviewed every year. Mr. Maxfield thought maybe we could work out something and he initially offered his services to you as a person who would find items for you on the Heller Homestead property. He goes to many other places to. Mr. Maxfield thought maybe we could just look at it just to let Council know what's going on. He could ask him to come and we could talk about it, see if it's reasonable or not, maybe it's not. We could take comment from historic societies and see what they think. Mrs. deLeon said the National Register properties, if you would contact PHMC, they would say there's definitely significant archeology artifacts there and they shouldn't be touched. Mr. Maxfield said his argument was that he would find those objects. The most common thing he hears people say is oh it's okay, they should just stay in the ground and these valuable artifacts could tell us a lot about history are rotting away year after year. It's a possibility. He's not say we should or we shouldn't. He'd just like to be able to talk to him and come back with a report. Mr. Cahalan said he'll reach out to him and invite to come to a Park and Recreation Board meeting and discuss it with them and then will come back with guidelines for Council to review. Mr. Maxfield said he has his contact card. Mr. Horiszny said the garage area might be a good spot for an archeology dig at the Heller Homestead and he would think we should put a screen across the other end two sides as it's not enough, or one more snow fence to block it off. That would be his suggestion.

Mr. Kern – Absent

- B. SOLICITOR** – No report
- C. ENGINEER** – No report
- D. PLANNER** – No report

V. ADJOURNMENT

MOTION BY: Mr. Willard moved for adjournment. The time was 9:42 pm.

SECOND BY: Mr. Maxfield

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

ROLL CALL: 4-0 (Mr. Kern – Absent)

Submitted by:

Jack Cahalan
Township Manager

Tom Maxfield
Vice President of Council