

I. OPENING

CALL TO ORDER: The Budget Meeting of Lower Saucon Township Council was called to order on Wednesday, October 23, 2019 at 6:05 p.m., at Lower Saucon Township, 3700 Old Philadelphia Pike, Bethlehem, PA with Mrs. Sandra Yerger, presiding.

ROLL CALL: Present: Priscilla deLeon, President; Ryan Stauffer, Vice-President; Sandra Yerger, Donna Louder and George Gress, Council Members; Leslie Huhn, Township Manager; Cathy Gorman, Director of Finance; Jim Young, Zoning Officer; and Roger Rasich, Director of Public Works.

PLEDGE OF ALLEGIANCE

ANNOUNCEMENT OF ANY EXECUTIVE SESSION (IF APPLICABLE)

Mrs. deLeon said Council did not meet in Executive Session prior to this evening.

PUBLIC COMMENT/CITIZEN AGENDA ITEMS

Mrs. deLeon said if you are on the agenda, you have Council and Staff's undivided attention. If you do choose to speak, we ask that you use one of the microphones and state your name for the record. She asks that you give your fellow public the courtesy of the floor. If you can't hear, please let her know. You can sign up for agendas and newsletters on our website.

II. PRESENTATIONS/HEARINGS – None

III. DEVELOPER ITEMS – None

IV. TOWNSHIP BUSINESS ITEMS

A. PRESENTATION OF 2020 DRAFT BUDGET – LESLIE HUHN, TOWNSHIP MANAGER & DEPARTMENT HEADS

Mrs. Huhn said Jim Young, Zoning Officer; Cathy Gorman, Director of Finance; Roger Rasich, Director of Public Works and Lou Mahlman, our Controller, were present. Chief Barndt was not able to attend, he is in training, but is in the building if we need him. The 2020 budget is balanced at \$12,148,420; the General Fund at \$8,647,122; Capital Fund at \$919,523; and the Special Fund at \$2,581,775. We are estimating that going into 2020 the balance in all funds will be \$20,478,723. The Township will continue to make the same prudent decisions in 2020 as we have done in 2019. She thanked all department heads and Cathy Gorman who oversees the entire budget process.

Mrs. Gorman reviewed the projected revenue. Mrs. deLeon asked why was the first page changed. Mrs. Gorman said we had made adjustments to expenses which she will get to and that reflects the change in the amount that is going to be projected to be left over. Mrs. Gorman said the first item is our assessment and the three main sources of revenue we receive, is real estate tax, enabling tax and the landfill funding. You can see over the course of the year how much came in and how that compares to the other sources of revenue.

Mrs. Gorman said for the Real Estate Tax we are projecting no tax increase so the line item is \$2,418,000 that's inclusive of the current real estate tax which would be at 5.39 mills for General Fund purposes. Prior income, because we collect real estate tax up until February 15th, delinquent tax and interim taxes which is assessment changes during the year. Real Estate Transfer Tax, Earned Income Tax and Local Services Tax are the enabling taxes. We are projecting a total of \$3,237,000 for the total. She's projecting a very modest increase this year for Earned Income Tax. It ebbs and flows from year to year. The Real Estate Transfer Tax is staying basically where we are going to be at the year-end, that's the .5% tax we get from the sale of property. Local Services Tax will probably never change for the most part unless new businesses come into LST. We are at the max of \$52.00 per employee. Businesses and Licenses which we budgeted at \$118,108.00 includes some licensing and permits that we charge that rarely change and the cable franchise tax which is the most. We received slightly less; and why we need to start projecting we'll get less is more because people are going to internet-based cable channels, which is not taxable. Mrs. deLeon said all these years we were missing out on other stuff and she's always said that.

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Mrs. Gorman said County Court Fines are tickets and violations issued by the Police Department and Zoning. We've noticed declines over the years on these line items and she's not sure why.

Mrs. Gorman said Interest Earnings we are projecting at \$27,500 which is a significant increase. We've done some aggressive reviews at other financial institutions and currently work with three local banks. We have money market accounts in two of them and CD's in one and we try to get the best interest rate for the funds that are in reserve, which we invest based on the budget advisory report. Mrs. Gorman said Intergovernmental Revenue is \$5,000; and it's a pass through line item.

Mrs. Gorman said there's not much she can say about grants as opposed to operational costs. We do get grants for Police Department and different patrol items that they do, such as DUI or Buckle-Up or Aggressive Driving. The DUI is in the Federal Funding Program. State Grants would be your host inspector, which we get 50% reimbursement of costs for the landfill, but significantly less than we used to for operational costs.

Mrs. Gorman said State-Shared Revenue is revenues we receive from the State of PA for specific purposes and we're budgeting \$337,284.00. PURTA is Public Utility Real Estate Tax Assistance program, which there are properties in LST that are tax-exempt and the State reimburses us as to what they feel the property is worth for their own reporting of common level ratio. Mrs. deLeon said that doesn't include pipeline easements and things like that. Mrs. Gorman said no these are more energy PPL properties.

Mrs. Gorman said we received \$20,000 more this year in Pension State Aid which is good news. That actually gets allocated and deposited into the pension plans where the unit value is expensed. Mrs. Gorman said the Fire Relief Funding, is also a pass through. You'll see under the Fire Department budget we are recognizing a fire department to pay that money to. Lower Saucon Fire Rescue and Steel City Fire Company are part of the LST Fire Association so this is part of the money they use to help with their operating costs and it's specific to what they can use it for.

Mrs. Gorman said the Beverage Licenses are restaurants or liquor stores that sell liquor in the Township, they pay to the State and we get a percentage of that. Mrs. Gorman said General Government we're budgeting \$16,300. Zoning and Subdivision fees, depends on applications received throughout the year and is based on pretty much a historical value of what we were getting. Tax Certification fees are to certify if there are any taxes due. This is decreasing because title companies are able to get their information in other ways. Mrs. Gorman said the Duplicate Bill Fee is a fee for a bill reprint.

Mrs. Gorman said for Public Safety, we're budgeting \$74,900 and that includes Police Services. This is a line item that offsets some of our police overtime costs, which are services provided to the school district, Lehigh University, some of the other schools that have graduations at Lehigh or Stabler. Mrs. Gorman said for accident reports, security alarm fees, building permit and sanitation permits, is inclusive in this line item too. Sanitation is an offset as well, it's for the SEO. Mrs. Gorman said mandated State UCC Fees are fees we collect through the permitting process.

Mrs. Gorman said for Highway Street Charges, this is the fuel used by the LSA and fire departments. If the Fire Departments are over the \$12,000 that Council designated to them, that's when this would trigger in. Mrs. Gorman said for Sanitation, this falls into two different items, one is \$24,500 which is the Contributions which directly goes to the General Fund budget. The Compost Center is a \$10,500 contribution by LST and Hellertown and Williams Township also pays for use of the Compost Center. That revenue goes directly into that fund. Mrs. Gorman said the Host Fee is \$2,000,000 and it seems that's the amount we get every year. Since it is not a set figure, she tries to budget what she thinks is actually going to come in and if it

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comes in less, it can be absorbed. Mrs. Gorman said BRE was also another revenue. Mrs. deLeon said do we know what's going to happen with Aria. Mrs. Huhn said she believes they said there would be some type of residual fees, but she's not sure what that is. Mr. Gress said BRE shut down, so we aren't getting that \$6,000. Mrs. Gorman said not right now, but we have some past fees coming in. Mrs. Gorman said the \$2,500 for the Compost Center is for the \$10 fee for mulch.

Mrs. deLeon said maybe you should change BRE to gas royalties. Mr. Stauffer asked if the current actual number is right? Mrs. Gorman said we did get some in this year. They were catching up for a couple of quarters and are paid up to date. Mr. Gress said BRE doesn't own it anymore.

Mrs. Louder said keep in mind the \$2,000,000 that we take in; there are also expenses the Township incurs because of this landfill. Mrs. Gorman said it's only about \$40,000 for engineering and that's pretty much it expense-wise. When that money comes in, it goes into your General Fund savings account and the three things it's used for was debt, capital and fire. Now we've finished paying the debt so it's just capital, so in this budget it will look a little different because we're not making appropriations to pay down the debt, so you'll see we are putting a significant amount into our savings accounts or reserves.

Mr. Stauffer said have we ever tried to ballpark the additional cost of road work over there due to the wear and tear of the trucks. Mrs. Huhn said that's a state road. Mrs. deLeon said Ringhoffer is weight-restricted. The alternate route when Shimersville is blocked is Easton Road to Lower Saucon Road and then back through Applebutter, but they are not allowed to go that way unless there's a detour. Mrs. Louder said it's not costing us money, it's costing the residents who live around it money. There are residents who lost their property value and residents who have their reassessment done, the landfill will be taking away their value.

Mrs. deLeon said the \$40,000 it costs the Township now, in four years there's not going to be any more reviews of existing or proposed expansions as they will be closed. Mrs. Gorman said that's when the environmental reserves kick in. That's what the \$300,000 was for, to pay for expenses for post-closure and professional services. Mrs. Yerger said there's \$300,000 in that fund. Mrs. Gorman said yes, it was reclassified as environmental reserves, and it's over \$300,000. Mrs. Louder said they are bonded. Mrs. Gorman said the Township would still need to pay for consultants too on our end. Mrs. deLeon said years ago we started that fund because we thought the landfill was going to close back then, so we started putting money aside.

Mrs. Gorman said the Health Charges are \$161,200 and another pass through as we have the Lower Saucon Authority on our health insurance and we bill them monthly for the medical coverage of their employees.

Mrs. Gorman said Recreational Fees are for the rental of our pavilions. Mrs. deLeon said are we in line with other municipalities regarding rentals. Mrs. Gorman said yes, we looked at that before.

Mrs. Gorman said \$3,000 is for anything not identified and usually the line item if we have an accident and have a payment coming from there, the auditors require the revenues and expenses and there's no net effect. Mrs. deLeon said your whole budget had to change because of their recommendations. Mrs. Gorman said Police Donations was for National Night Out. Mrs. deLeon said what happens to the other people who donate to the PD, does that go in that line item? Mrs. Gorman said no one donated last year. Mrs. deLeon said that surprises her. Mrs. deLeon asked if most of the donations are for NNO. Mrs. Gorman said yes, we do get some for K-9 but we internally control and categorize that so when there is an expense, we have the donations that were made set aside for that.

Mrs. Gorman said for Fixed Assets, she will keep a little bit of money in here but the sale of equipment goes into Capital or State. Mrs. Gorman said the Refund for Prior Year Expenses is

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\$100,000. There are two self-insurance programs, Worker's Comp and Health Insurance. If we have a good year and don't have any claims, for medical insurance it's a turn around the very next year. Worker's Comp is a little bit more complicated and they hold it within a 7-year period and then streamline it across the 7-year period when they give it back to us depending on the claims.

Mrs. Gorman said the amount for revenue is \$8,653,122.00.

Mrs. Gorman reviewed the Expenses. Council compensation is the same, it's fixed by the State. General expenses are for the PSATs conference, the volunteer picnic and items that Council needs.

Mrs. Gorman said Donations are listed as to what we have historically done. We have an additional request from Meals on Wheels. Mrs. deLeon said it should be supported. There are people in the community that need help. Mrs. Yerger said we have a donation to the County of Lehigh for Veterans. Mrs. Gorman said they actually changed that program. That's initially how it came through, it actually services the Lehigh Valley, she will change it. They actually formed their own 501(c)(3) for this specific purpose. If Council wants to set the same amount for Meals on Wheels as the Veterans, it's \$1,500.

Mrs. Gorman said the Administrative budget is \$487,462 and includes four employees and the expenses for administration including ordinance codification, newsletter, and this year we broke down our supplies to hit each department. Every year she's going to try to target one of the expenses and itemize it to each department as it makes it a lot easier to report to other agencies how much the department budget is. Mrs. Gorman said the salaries reflect what was discussed at the last meeting. The Administrative Assistant salary will be bumped up this year based on her review and this amount is inclusive of the salary that was presented to Council the other night. That is the Managers salary, the two Administrative Assistants and Receptionist.

Mrs. Gorman said in Finance the budget is \$251,090 and that includes herself and her assistant; the auditing services and tax bill processing. Mrs. Gorman said the \$1,500 is for tax collection and that's the TCC, which is the Earned Income Tax collector. They take a percentage of much they collect.

Mrs. Gorman said for Legal, she increased this for General. We are constantly doing things that are going on with legal, whether or not we're in negotiations, but the reality is there's always something else. She's setting this as the baseline of what we historically paid for general operating and personnel issues and negotiations, so we will keep that as a baseline for Legal and that way there won't be as much deviation from year to year. We always try to keep it under budget, that's our goal every year. What she tries not to do is come back to Council and say there's a budgetary change as we went over for a certain reason.

Mr. Gress said he sees both Linc and George are asking for a \$5.00 rate increase. What are their current rates? Mrs. Gorman said \$195.00 for both, now it will be \$200.00. Our Labor Solicitor is more than that. Charles Elliott is about \$190.00. Mrs. Huhn said previously with Stevens and Lee they were up to \$375. Mrs. Louder asked what the Labor Attorney is getting, Mrs. Gorman said \$240.00. Mrs. Louder said and Linc's asking for \$200.00? Mr. Heitzman is asking for \$200.00. Mrs. Huhn said they did not have an increase last year. Mrs. Louder said are there any other attorneys. Mrs. Gorman said Attorney Elliott when needed, the Open Space Attorney and the Labor Attorney.

Mrs. deLeon said read somewhere there was going to be 27 pay periods next year. Mrs. Gorman said yes, what's going to happen is at the end of this year, the technical pay date is January 1st and everything is closed. We are moving to January 2nd which would be reportable income. Mrs. deLeon said just for LST. Mrs. Gorman said anybody who is paid hourly and bi-weekly, ends up

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falling into this problem. Mrs. deLeon said that's if the pay date falls on a holiday. Mrs. Gorman said we're bumping it one day after. Mrs. deLeon said so the holiday is on a pay day. Mrs. Huhn said when it has to be submitted is on a holiday. Mrs. Gorman said the reason we did it this way salaried personnel would not have time to plan effectively as they are not going to get paid for a two-week period or they can opt to get the 27 pay periods, one or the other to make sure their salary comes in from January 1st to December 31st so they can either can adjust their salary for 26 or 27 pays.

Mrs. Gorman said for Office Supplies we've allocated that to different departments. It is at \$25,100 and that includes our web host fees, maintenance, and some software that is used by all departments and that's no change from last year.

Mrs. Gorman said Engineering is at \$177,250. Hanover has a lot of things on their plate right now and grants are tied to it. Everything seems to have to go through the DEP process. We're trying to budget so we have enough money for them to complete all these projects that are outstanding. Planning and Zoning we're budgeting less because we are putting more of the expense on grading permits to the applicant as opposed to the Township covering the expense.

Mr. Gress asked about fire inspections. He knows Upper Saucon just got a fire inspection program where they are actually hiring an inspector. Did we ever look into that. Mrs. Louder said Bethlehem Township does the same thing, they charge the business owner \$300 a year and they get inspected and when the inspector is there, if they need a new fire hydrant, you get one right then and there and you pay for it. The business owner is responsible for all the expenses. Mr. Gress said program Upper Saucon is instituting a program on how it's going to be laid out and then the inspections will follow afterwards. Mrs. Gorman said she knows Council adopted the UCC code, which would cover that but we didn't opt for that provision. Mrs. Gorman said we don't have as many businesses as Upper Saucon and Bethlehem Township but we can certainly look at it.

Mrs. Gorman Buildings and Grounds is at \$301,665, which covers everything with the building, communications, electricity and fuel for PD and PW. She has \$10,000 in the Capital to make sure we have something in there in case something happens. We are going to look at certain items in here, currently she's looking at bidding fuel instead of using state contract. She knows another municipality had success, it's worth a try. If we can lower that expense, we could lock that in for two years.

Mrs. Louder asked how many cell phones we have. Mr. Rasich said total lines are about 38, that includes units in the police cars, Council tablets, and hot spots. Mrs. Louder asked if everyone has the same phones. Mr. Rasich said it's all the same plan. Mrs. Huhn said some people like the I-phones better and some like the androids. Mrs. Louder said why don't we have all one type of phone, would that make a difference? Mrs. Huhn said she doesn't think the phone would make a difference. Mrs. Louder said maybe that's something we should consider, why don't we all have I-phones? Mr. Rasich said the programming of the Apple is completely different than the programming of the Android phones. He's much more familiar with the Android. Mrs. Huhn said we have allowed employees to choose which they want. Mrs. Gorman said phones are replaced when they break or go bad, they don't automatically get replaced to get a new version. Mrs. Louder said her I-pad is four years old and antiquated, but it works. Mr. Rasich said it saves us a lot of money, and we don't have to carry insurance on all the equipment.

Mrs. Gorman said the Police Department budget is \$3,117,769, which includes wages, benefits, supplies, K-9. In Capital is their major equipment, which is items they are requesting that are under the \$25,000 to trigger it to go to the Capital Plan. They are on schedule with the bullet-proof vests. We receive a grant and every Officer gets a new bullet-proof vest every five years. There's a new radio system which we tied into the grant application but we did not get that grant. Mrs.

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deLeon said where was that submitted to? Mrs. Gorman said that was a Federal COPS program, there were three groups that got all the money. She'll be modifying the Capital Plan to reflect that and the Chief is asking for new radios and a new license plate reader. They've had great success with the one now that the kinks are out of it. Mr. Gress asked what the cost was. Mrs. Gorman said when we originally bought it, we got it through a grant and it was almost \$20,000 they are down to \$13,000. Mr. Gress asked what kind of revenue it generates. Mrs. Gorman said that's a good question, our Police revenue is not as high as it used to be and she doesn't know where that's coming from. Mr. Gress said if we can see what we are bringing in on that and see if it is justified in all the cruisers. Mrs. Louder said Freemansburg has theirs mounted to a pole. Every time a car is out and in the vicinity of that pole, it automatically picks it up in that car and every car now has it in the vicinity of that pole. Mrs. Louder said it's on the pole and then the car is programmed to read off of it, in their highest traffic area. The Chief over there is extremely smart when it comes to technology. He's the one who figured out how to be most cost-effective for the Borough.

Mrs. Gorman said the other item that increased significantly was the Police pension and we discussed this in September when we brought to Council that we are being aggressive in trying to take care of our unfunded liability. We're ahead of the game of most municipalities. The Pension Advisory Committee is taking it very seriously and taking the recommendations from the Consultants seriously. Every one of the consultants that work on our Pension plans applauds Council for making that tough decision that a lot of governments shy away from.

Mrs. Gorman said the Fire Department's total budget is \$389,842. This is for other expenses not associated with the tax, it comes out of your General Fund. There's the \$12,000 for the fuel, which is a donation and we're sticking in line with that. Their Workers Comp is a requirement for us to pay. The hydrants on this side of the Township, we pay the City of Bethlehem for water service, vehicle maintenance and we keep a line item in there in the event something happens to the truck that is in the Township's name. General expenses are for their hose testing and for any expenses needed for the Fire Marshal. Contributions to the fire department is at \$215,000, \$150,000 to LS Fire & Rescue and \$50,000 to Steel City and \$15,000 toward retention, of which is \$10,000 to LS Fire Rescue and \$5,000 to Steel City. There is \$5,000 being held for Steel City when they provide the information that they used the money appropriately, then we will release funding to them. Mrs. deLeon asked if we give to Dewey, Mrs. Gorman said that's under ambulance. Mrs. Louder asked if we received the paperwork from Steel City. Mrs. Gorman said not yet. Mrs. Louder asked if we have any update on the fire truck for Steel City. Mrs. Gorman said she has not. Mrs. Louder said we are sitting here looking at \$389,000 that comes out of the Township plus about a \$400,000 fire tax, so this Township is generously giving our fire companies close to \$700,000 a year. Mr. Gress said no, the \$389,000 is the total out of General. Mrs. Louder said that's what she said, plus the \$400,000 comes to a grand total of \$700,000. The Township is the taxpayers, it's not Council, it's not this room, it's the taxpayers. We are giving over \$700,000 a year, but yet one of our fire departments does not have a working fire truck or a building that is in good shape. She's scared, when she sees the numbers and sees how it could be run, she gets concerned. Mrs. Gorman said as required, that funding is released when they give us the information requested, as it's a policy. Once she gets that, she will release the money.

Mrs. deLeon asked if we have a policy for the gas and how do you know who is getting gas. Mrs. Gorman said they key in a code and certain vehicles are assigned to certain people. Mrs. Louder said she can forward you a copy of the gas usage for the fire companies up to September. Mr. Rasich said Finance gets a monthly report of all usage and it's broken down by person and vehicle.

Mrs. Gorman said Zoning and Planning is \$272,304 and that's inclusive of wages and benefits for the Zoning Officer and his assistant, and also includes consulting services, which is Boucher & James for planning and some of the consultants for the landfill outside of engineering. They are requesting some minor equipment of \$3,320 for a lateral file for new plans. Mrs. Louder asked if

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this is part of the \$40,000 you told her about for landfill expenses. Mrs. Gorman said that's part of the landfill expenses. Mrs. deLeon asked about the cabinet. Mr. Young said it's going to replace what we currently are using. Mrs. Huhn said this way plans will not rolled up and provide easier access to them.

Mrs. Gorman said EMS and Crossing Guard expenses have not changed. That's the monthly stipend for our EMS Coordinator and supplies. Dog control there is no change. Mrs. deLeon said how are we doing with the update to our plan. Mrs. Huhn said Bryan Evans sent it to us last week. She will get a resolution together for it.

Mrs. Gorman said Recycling is the Compost Center. Hopefully we'll be able to get the pole building done this year. Mrs. Louder said when we take in Williams Township as a contribution, what expenses does that cover. Mrs. Gorman said we put it towards the grinding of the mulch. Mrs. deLeon asked how we arrive at that number. Mrs. Gorman said every year we evaluate how much a grinding is and then we bill them for one of the grinds. We rent the grinding service and it's becoming an issue only because there's permitting involved for the person bringing the grinder to the location.

Mrs. Gorman said Public Works is \$1,365,515, this includes of the entire PW Department, their benefits and signal and vehicle maintenance. What we had included that is outside the norm is additional money for tree removal. We've identified several dead trees that need to come down. Mrs. Huhn said this is going to be ongoing. There are a lot of trees in our ROW that are our responsibility. Mr. Rasich said the other costs are trees that are in wires and too large for PW to handle in-house and we have to get someone else to do it. Mr. Gress said are we taking down invasives or going around the Township and noting here and there. Mr. Rasich said if they are a safety issue, we recommend taking them down. Mrs. Gorman said the other item is a battery for the battery backup system for traffic lights. Mr. Rasich said they need to be replaced every five years so instead of budgeting to replace all of them every five years, we're going to rotate them and buy one each year and then we'll just keep that ongoing. Mrs. deLeon said how long does the battery last. Mr. Rasich said about four hours which is more than adequate to get the back-up generators in place which can run them indefinitely. Mrs. deLeon asked how many we have. Mr. Rasich said one for each light, they are the size of a suitcase. Mrs. deLeon asked if they had to be chained to the telephone pole. Mr. Rasich said yes. Mrs. Gorman said roads, street markings and material costs that are the same as last year.

Mrs. Gorman said Parks and Recreation is \$134,328 and includes any supplies needed at the parks and any maintenance of fencing or tot lots. Contracted services include lawn mowing, which a portion is in the Open Space Maintenance Fund. Field treatments we are anticipating needing a little bit more because we are going out to bid again. Sr. Program is the same. The summer program is going to be budgeted with less money. We're meeting with the SVCC again but they are trying to keep the to what it's costing them, and what they are charging us. Mrs. deLeon asked how the program went this summer. Mrs. Gorman said it was well attended and held at three parks.

Mrs. deLeon said did the Hellertown Library have an increase last year. Mrs. Gorman said no, the last increase was two years ago. The year before we gave them \$5,000 to help them with the roof but it wasn't part of operational costs. This year they are asking for 2%. Mrs. Louder said has Hellertown contributed to the library. Mrs. Gorman said yes. Mrs. Louder said are they getting an increase as well. Mrs. Gorman said she believes so. In this budget, if they don't get what they need they'll have to make some modifications or take it out of their fund balance.

Mrs. Gorman said for Conservation, this is minor expenses for EAC if they need it, they typically don't but we pay for hosting of their website.

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Mrs. Gorman said our debt is at zero, and this is the first time since she's been here and she's happy with that. Mrs. Gorman said Intergovernmental Expenses is more for the DUI program. We are the parent applicant and we work with Hellertown and Freemansburg and coordinate the DUI programs. Officer Winters fills in the paperwork and we get the grant and the, a portion goes to Hellertown and Freemansburg.

Mrs. Gorman said Insurance is \$265,875. We saw a significant increase in our Workers Comp insurance which was out of the norm. She's going to be talking to our agent about that next year and try to work out a plan. This is a self-insured program so it's difficult to change without losing money. Our agent is fully aware and keeping an eye on this. Mr. Gress asked about the Fire Departments Workers Comp. Mrs. Gorman said we go through the State Workers Insurance Fund for them and that actually went down. She checked with our insurance agent but he couldn't find anything cheaper. Mrs. Gorman said Benefits is strictly the LSA medical, STD as they fall under our plan.

Mrs. Gorman said she always leaves about \$20,000 towards the end of the year to pay the bills that should be under this budget that fall into last year's budget. More importantly, the transfer \$1,340,570 is revenue that we are not expending and that is primarily landfill. When that money comes in next year, she'll make the capital appropriation, the money will sit in that General savings account all year. At the end of next year and she sees that our working money market account is going to fall below what she needs, she will come back to you and say we're in a position where we're not going to need cash flow requirements and that's part of the CAFR report. That will trigger a multitude of different things, which she will come back in April and make recommendations.

Mrs. deLeon said since the landfill is going to close in four years, what are we going to do. Mrs. Gorman said her projection is that by the time the landfill closes, we will more than likely have \$12 million in reserves. Two things are happening, every year she's going to come to you and if she's not meeting expected cash flow, that will trigger to ask if you want to cut expenses, to take it out of your unrestricted reserves which we hold \$3 million in, and if we're taking it out of unrestricted reserves, that would trigger you to cut expenses and/or looking for other sources of revenue. We are going to look for as many cuts in expenses as we can. It's a slow process, there are things that we are itemizing that we are going to be responsible for and we are trying to earmark certain revenues for that, but the reality is our assessment level is not going to suddenly increase at any time. So in the next four years, if there's another source of revenue coming in and we're cutting expenses, we'll have to blend it.

Mrs. deLeon asked about the state, when they audit us saying you can't have so much money in an account, so if you are going to have this \$12 million, is there any way we can put that into some kind of a money market. Mrs. Gorman said we already do. Mrs. Huhn said Mrs. Gorman always watches the rates and looks for the best investment. Mrs. Gorman said rates are not that good to begin with. Ideally what we are looking at is that when the landfill closes we have enough revenue so we can look at a year-to-year basis and say we've cut expenses, then we need to find something else or we're going to have to pull it from reserves until we can catch up. Mrs. deLeon said she wishes that conversation would have been said more in this report. Mrs. Gorman said it will be in the proposed budget. Mrs. deLeon said when she read this, she wasn't happy about planning for after the landfill closes. She'd like to see more stronger language in here.

Mrs. Louder said the bottom line is there are other municipalities and boroughs that don't have landfills and they are all surviving, so this is where we need to focus on that aspect of it. Mr. Stauffer said discounting that \$2 million of landfill money, we'd be \$700,000 in the red. Mrs. Gorman said budgetarily yes, but in reality, she always ended up getting \$200,000 or more in

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income than she's budgeting and we've spent \$300,000 less so probably in theory we are looking at a \$200,000 shortfall at some point. But by the end of the year, she's always looking at what the balance is as it's the working fund balance to make sure that fund has enough money to carry us two to three months until the next tax cycle. Mrs. deLeon asked if the PPT would be included on the website. Mrs. Gorman said this document does not go on the website. The proposed budget will go on the website once Council directs her to advertise for public inspection, this is just the working document.

Mrs. Louder said with all the donations, are we comfortable with the numbers that are in place. Mrs. Gorman said the only donations we get any more is for NNO. Mrs. Louder was referring to the ones we make. Mr. Stauffer said you budgeted an additional \$2,000 beyond what's listed. Mrs. Yerger asked if that will cover Meals on Wheels. Mrs. Gorman said she'll add that to the list. Mrs. Louder asked about the Miracle League. Mrs. Gorman said it's a baseball program for children with disabilities.

Mrs. Gorman said Special Taxes, is inclusive of the Fire Tax, Open Space, EIT, and your State Liquid Fuel funding. Mrs. deLeon asked when do we vote on open space again. Mrs. Gorman said at the end of 2021 to move forward. Mrs. deLeon said that's something we are going to have to decide. Mrs. Louder said we don't need to stop it, we need to talk to Congress or the State to ask for the money to be used for other things and then this could be put towards Emergency Services. Right now it's locked, with 25% used for maintenance. Mrs. Yerger said it can be used toward historical and parks. Mrs. deLeon said the key word is to be purchased with open space money. That's why we can't fix Meadows Road Bridge with this money. Mrs. Louder said letters have to be sent and to have somebody change it. Mrs. Yerger said it needs to run its course and then we can address it.

Mrs. Gorman said the fire tax assessment is in the special tax fund and it's \$432,000. There is also \$875,000 for EIT and prior EIT is \$420,000, interest for all funds is \$45,000 and just like the General Fund we are investing in this funding too. Grant funding we anticipate \$91,425 which is the NC Open Space third round she's closing out now. That is the portion that would be attributed to the stream buffer plantings and the ADA boardwalk. Sale of Fixed Assets and State Liquid Fuel funding goes into the State Fund account. In this particular budget we are going to using a fund balance in the liquid fuel fund of \$193,780, in the state fund and in the fire \$109,430. In the Expenses, she estimated \$500,000 in open space purchases. Mrs. Yerger said they are working with some landowners. Mrs. Gorman said they may need an adjustment when that happens. The maintenance funding for lawn mowing as requested. Legal, engineering, planning and appraisal fees are also out of open space which is \$70,000. Fire equipment cost, the \$537,949 is based on the amount that LS Fire & Rescue gave at their presentation on the first year and the rest of it was earmarked for Steel City in the event they get a truck, which is \$245,000 plus an allocation of what next year's funding will be.

Mr. Gress asked if Steel City's down payment is in here and next year's allocation. Mrs. Gorman said we can only guarantee what is in this budget, not future budgets. This budget includes what their requests were at that meeting. State Aid funding has \$168,500 for traffic signal and vehicle maintenance, \$125,000 in the State Liquid Fuel funding, which will be used for the vehicle purchases PW is requesting, specifically for the backhoe and steer loader and \$5,000 for minor equipment. We allocate \$140,000 a year for snow removal. Recent years we haven't used that much but never know if it's going to be a year when we need it. We buy salt on state contract and were locked into buying a certain amount, no matter what. Mrs. Gorman said we have \$100,000 budgeted for road maintenance. You'll see on the road projects, she will have to come back to Council as we spent an excess than expected for road projects. Some of them required more material and PennDOT gave their blessing so she'll come back with a budgetary change to increase

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the budget for the amount that was used. We put in more control measures so this doesn't happen again. Mr. Gress asked if they are finished paving and chipping this year. Mr. Rasich said yes.

Mrs. Gorman said to balance the budget, we're rolling over \$800,000 into reserves for open space. Mrs. Gorman said the Capital Fund is primarily all money that's in reserves, and she presented this plan in September. She's already going to have to make modifications as we didn't get one grant. We have \$265,000 that we generally appropriate for the Capital Funds every year and revenue from selling vehicles. The Expenses she's earmarking are the windows now but she's not sure we are going to get that done so that's going to change. Vehicle purchases were itemized in the Capital Plan, the replacement of cruisers Unit 163 and 164. The Police Capital is lower as we lost the grant, but it does include the record management system so we'll lower that budget just to include the record management system to get replaced. Vehicle purchases for PW, are the backhoe and skid steer loader and a pickup truck. She put \$75,000 in for storm water and we are allocating part of the \$200,000 we put in every year for storm water purposes. We are looking at other grant resources to help us. She's working with NC Conservation District on one project for next year. She discussed with HEA getting an MS4 plan from them to itemize what is required for us. They are working with DEP, but basically we are going to be required to do a certain level of work every year to meet federal guidelines to remediate sedimentation into the stream. She asked them to come up with targeted areas each year to make sure we are in compliance and to provide cost estimates each year for the MS4. Mrs. deLeon said you should call it Unfunded Mandates as they make us do it and we have to come up with the money.

Mrs. Gorman said we're still holding the \$500,000 for Fire Lane, it's still in reserve until that gets remediated or resolved. Mr. Gress said is the \$75,000 for MS4 a projected number from Roger of what needs to be done. Mrs. Gorman said that's a ballpark that she used last year because we still don't know, she's just throwing a number in there. She doesn't know if the requirements are kicking in next year for MS4. Mrs. Huhn said we won't know until we get our permit. Mrs. deLeon asked if Hellertown got their permit. Mrs. Huhn said she doesn't believe so. Mrs. Gorman said even if doesn't kick in and the requirements aren't until 2021, there's funding in there for Roger to start working on these targeted areas.

Mrs. Gorman said the Capital for road improvements is for the Lower Saucon Bridge and part of the money is coming out of Liquid Fuels, part is coming out of here and PennDOT gave us a grant for \$209,000. Mr. Gress asked if all that funding is in place. Mrs. Gorman said we're ready to go, we have the money in place to do it. It's the permitting and working with PennDOT. We budgeted \$45,000 for parks, that's for the grant we received this year for the handicap equipment at Polk Valley and Town Hall. \$55,000 is for Historical and that's contingent upon whether or not we receive the grant for windows in Seidersville. If we don't get the grant funding, we obviously have to delay this, but she's hoping Council considers if we don't get the grant, are you looking for something similar to what we have, a newer window with a historic look, completely historic or energy efficient. Mrs. deLeon said she looks at it as if it were an old schoolhouse. Mrs. Yerger said sometimes it's just not feasible. Mrs. deLeon said it has to be as close as we can get it, even the bathrooms have that old quaint look. Mrs. Yerger said are those toilets are 60 years old? Mrs. deLeon said we need to keep that in mind when we're repairing. She's still upset that no one ever took a picture of the old dais before they took it down. We have no pictures of 25 years of government over in that building.

Mrs. Gorman said that's the budget, it's not much different than last year. We're going to continue to work on trying to isolate certain expenses and knock them down, try to find other options of paying for things and still maintain the level of service that everyone is accustomed to, but we need to start looking five years from now. Mrs. deLeon said thank you.

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Mrs. deLeon said every four years the Controller position comes up. She asked Mr. Mahlman what his hourly salary was. Mr. Mahlman said \$7.50/hour. Mrs. deLeon said that needs to be adjusted, we cannot do it for the term coming up, but we need to change that number in the budget for the next time. Mrs. Gorman said we would need to change the code. Mrs. Gorman said there are other numbers in the administrative code financially speaking that we should also address. Such as how much the Manager can authorize and things of that nature. Mrs. Huhn said we had talked previously about the level of spending that she would not have to come back to Council for. It's currently at \$800 which everything pretty much has to come back to you. Mrs. Gorman is saying in the code we could look at all of these combined and bring something back to you. Mrs. deLeon said you can't change Council's salary as it's set by the State. Mr. Gress asked if it would come back as a Resolution. Mrs. Gorman said it would need to be an ordinance. Mrs. Huhn said we can look at that and go through administrative part of the code. Mrs. Gorman said if you are changing things, you might as well get every aspect of it. Mrs. deLeon asked what other things are you talking about. Mrs. Gorman said under the administrative code there are other things that are antiquated and contain old language, her title is still Accountant. Mrs. Huhn said we'll review it and bring it back to you.

Mrs. deLeon said we have talked about videoing our meetings doing live streaming and we haven't done it yet, is that ever going to happen. Mrs. Huhn said we talked about it and we ran it by Tech Data and it needs to be a Council decision if you want to do that. We never came to a conclusion but we looked at pricing. There are different options, like videotaping them and then we could upload them the next day. Live stream would require different software. Mr. Stauffer said what is the process if we have the camera and we have the internet. Mrs. Huhn said the cost of the camera is not that much, it's more the streaming it. Mr. Rasich said the whole cost isn't tremendous. The biggest portion of it is the cost for the live streaming, it's the internet bandwidth. Mrs. Huhn said and the wiring also. Mrs. deLeon said who services this building. Mr. Rasich said RCN. Mrs. deLeon said they should be upping their participation in the Township. When she goes to the conferences, they say the Townships can do all of these things for free, and they don't. Mr. Stauffer said he thinks we could tape it and just post it the next morning on YouTube for free. Mrs. Huhn said she doesn't know if RCN would livestream it. Mr. Gress said you could certainly do it on a web-based link. He doesn't think TV is a wise choice. Mrs. Louder said a lot of people don't have the web, her mom doesn't have a computer. Mr. Gress said there are a lot of people in the Township who don't have RCN either, they have Service Electric or nothing. The web is going to be an option for everyone overall. Mr. Stauffer said everyone can at least go to a library and watch it if they don't have the internet or cable at their house. Mrs. Yerger said to your point, she can't get RCN on her side of the Township. Streaming it through them is not going to help. Mrs. deLeon said people can go online and get agendas. In the past, they'd have to call the Township or you would have to come to the Township and look on the bulletin board. She'd like the Manager to look into this and bring it back.

Mr. Stauffer said the pie chart in the beginning of the packet, Police is our highest expense, if we take out the landfill, which is a little over \$2 million, at that point the Police is nearing 50% of our budget, is that typical? He doesn't know what the percentages are in other Townships, and he's sure it varies based on their situation. Mrs. Gorman said she'd have to look into that. She wouldn't imagine that's typical, but they are a huge portion of operating budgets. Mr. Stauffer said the landfill money keeps that down for now, but in a few years, what will happen? Mrs. Gorman said we can look and streamline services if it's something that's feasible and we can come back with that information at that point.

Mrs. Gorman said if Council is okay with what was presented, she can put it in the proposed budget and have it ready for you at the next Council meeting and you can make a motion to advertise it and we can go from there.

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V. MISCELLANEOUS BUSINESS ITEMS – None

VI. PUBLIC COMMENT/CITIZEN NON-AGENDA ITEMS

- Bryan Evans said an observation when you are talking about Revenue on the police side being down, we also have less police coverage than we did previously. Those shifts are not being back filled when someone takes off and we are running with two officers as opposed to three. In a Township as large as this, with only two officers, and this is purely speculation and observations from being on a lot of calls and listening to the emergency communications, there's probably a lot more instances where officers are backing each other or responding to calls who do not have the same amount of time to dedicate to routine patrol and traffic patrol, and it would not shock him if you could correlate those two numbers with the time we stopped backfilling that third officer when somebody is off and decrease revenue on the police side.

VII. COUNCIL & STAFF REPORTS

A. TOWNSHIP MANAGER – No report

B. COUNCIL

Mrs. Yerger – No report

Mrs. Louder

- Tomorrow evening the Saucon Source is sponsoring a Candidate Night and she's on the fence about this. She talked to Leslie about it because she wanted her to talk to Linc for her. If you can get back to all of us tomorrow so that we are all covered. It wasn't advertised in the newspaper like it should be regarding this and it's actually a meeting of a quorum of Council. Mrs. deLeon said if you read the description of a meeting and a quorum of Council, we're not there to make decisions. Mrs. Louder said she understands what you are saying and that's why she wanted Linc's opinion on this. She would personally feel more comfortable for herself and she's speaking only for her, that there wouldn't be any options or able to say we did vote on something in the back room or do anything that wasn't appropriate. Mrs. Huhn said she'll contact him in the morning and email Council.

Mrs. deLeon – No report

Mr. Stauffer – No report

Mr. Gress – No report

VIII. ADJOURNMENT

MOTION BY: Mr. Gress moved for adjournment. The time was 8:04 p.m.

SECOND BY: Mrs. Louder

ROLL CALL: 5-0

Submitted by:

Leslie Huhn
Township Manager

Priscilla deLeon
Council President