

I. OPENING

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

REVISED

II. PRESENTATIONS/HEARINGS

III. DEVELOPER ITEMS

IV. TOWNSHIP BUSINESS ITEMS

- A. Presentation of 2018 Draft Budget – Leslie Huhn, Township Manager & Department Heads
- B. Questions and Answers
(Handouts will be available at the meeting. For those unable to attend, the information will be posted on our website on Thursday.)
- C. Ordinance No. 2017-06 – Draft Local Services Tax Revisions – Authorize Advertisement

V. MISCELLANEOUS BUSINESS ITEMS

VI. PUBLIC COMMENT ON NON-AGENDA ITEMS

VII. COUNCIL & STAFF REPORTS

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

VIII. ADJOURNMENT

UPCOMING MEETINGS

Planning Commission: October 26, 2017
Township Council: November 1, 2017
Parks & Recreation: November 6, 2017
Saucon Valley Partnership: November 8, 2017 @ LST
Environmental Advisory Council: November 14, 2017
Zoning Hearing Board: November 20, 2017
Saucon Rail Trail Oversight Commission: November 27, 2017 @ UST

I. OPENING

CALL TO ORDER: The Budget meeting of Lower Saucon Township Council was called to order on Wednesday, October 25, 2017 at 6:05 p.m., at Lower Saucon Township, 3700 Old Philadelphia Pike, Bethlehem, PA with Mr. Ron Horiszny, presiding.

ROLL CALL: Ron Horiszny, President; Sandra Yerger (arrived at 6:50 p.m.), Vice President; Priscilla deLeon, Glenn Kern, and Donna Louder, Council Members; Leslie Huhn, Township Manager; John Scruggs, Interim Police Chief; Cathy Gorman, Director of Finance; Roger Rasich, Director of Public Works; Chris Garges, Zoning Officer; Lou Mahlman, Controller. Judy Stern Goldstein, Township Planner; Linc Treadwell, Township Solicitor; Brien Kocher, Township Engineer, were absent with prior notification.

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

Mr. Horiszny said Council has not met in Executive Session since the last meeting.

PUBLIC COMMENT/CITIZEN AGENDA ITEMS

Mr. Horiszny said if you are on the agenda, you have Council and Staff's undivided attention. If you choose to speak, we ask that you use one of the microphones and state your name for the record so the transcriptionist knows who is speaking for the minutes. He asks that you give your fellow public the courtesy of the floor.

II. PRESENTATIONS/HEARINGS - None**III. DEVELOPER ITEMS – None****IV. TOWNSHIP BUSINESS ITEMS****A. PRESENTATION OF 2018 DRAFT BUDGET – LESLIE HUHN, TOWNSHIP MANAGER & DEPARTMENT HEADS**

Mrs. Huhn gave a brief overview of the 2018 budget message, which will be part of the budget document. Mrs. Louder said she attended the Gaming Authority meeting and there was a motion to start the restricted round of funding, which failed at 4-4. There was more conversation and then another motion which passed to start the round. She voted no because there is a clause in this round for the monies, which do not belong to the Gaming Commission, but to the Sands Casino, that the payment of this money would be subject to being refunded to the Commonwealth of PA due to the decision rendered by the PA Supreme Court. The applicant would have to agree to promptly remit the amount they received within 24 hours if requested.

Ms. Gorman said there are three options being presented to Council. The Draft Budget will be put on the website. She reviewed revenues and how they compared to one another, as well as what the landfill fees are being used for. Under "Major Sources of Revenue", they are asking for a .5 mill tax increase, .25 to be provided into the General Fund and .25 to the Fire Fund. Council is asked to consider an increase in our Local Services Tax from \$30.00 to \$52.00; the SV School District portion remains at five dollars. The additional funding can be used for additional fire expenses; most communities are at the max.

Ms. Gorman said the other sources of revenues mostly stayed the same. Interest income is up slightly, intergovernmental revenues are an offset of expenses that we pay out of our general fund, and Federal, State and safety grants are all related to the Police Department. Our Pension State Aid will go down, and fire insurance tax reimbursement goes to the Volunteer Fire Relief Association. Regarding landfill fees, we are assuming \$1.5 million next year, but may get more. Mrs. Louder asked if there was an increase in the fees for the SE Realignment. Ms. Gorman said not for that, but there is going to be an increase in the escalator clause by 4%. Mrs. deLeon asked what we are getting this year? Ms. Gorman said we projected \$1.7 million and right now we are at \$1.8 million.

**Budget Meeting
October 25, 2017**

Ms. Gorman said the only other increase in revenues is the refund for prior year's expenses. We are anticipating additional money in our insurance programs for our medical insurance. Regarding tax increases, going forward doing incremental increases while trying to control expenses, and tie that into what our fund balance is, will make it gradual, instead of one large increase, which is preferred and we can wean off of landfill money. Mr. Horiszny said he thinks we should round it up to 6 mills instead of 5.89 mills. Ms. Gorman said that would increase each fund by an additional \$30,000.

Ms. Gorman reviewed the expenses for each department and their requests. Mrs. Louder said the budget includes two office employees in the PD, are we going to just retain the one we have, or hire a second employee? Mrs. Huhn said they are going to evaluate the position and see what it entails, address it with the current staff, and come back with a recommendation.

Ms. Gorman said there is a debt request of \$651,703.00, which includes an additional \$100,000 to go to the principal. The General Fund balance would be budgeted at \$7,829,622.00 and would not utilize any fund balance, but we would be projecting \$36,868 to be put into the fund balance if Council were inclined to move forward with the tax increase we are recommending.

Mrs. Louder asked about Hanover Engineering providing the SEO duties, is there someone else who can do this or have a part-time SEO who could assist Mr. Garges with other duties? Ms. Gorman said Staff recommended to Council to look at the fees we charge for Sewage Enforcement. She provided a history of what we spent compared to how much we received in those time periods since the funding has stopped from the State, and it's a significant difference. In 2016-17 it's regressing, and when Council reviews the fee schedule and we may want to reassess them. Mrs. Huhn said we can balance fees we are paying as opposed to what we are taking in for the services that the residents are getting. Mr. Garges said there are a couple of components to the SEO, which are mandated by the PA DEP. The SEO performs new system testing and design review, inspection, repairs, and anything that is a permitted activity, including complaint inspection and compliance to carry that out.

Ms. Gorman reviewed the Special Taxes – Fund 2, which are EIT for open space, fire tax, and the state liquid fuel tax. This is balanced at \$2,497,210. They are requesting .25 of the tax increase to go to the fire assessment tax, which would bring \$216,000 in revenue. Under our Capital Fund, we are anticipating spending \$977,194; \$509,594 is for Fire Lane and \$155,000 is for painting the municipal buildings. Mrs. deLeon asked if Roger maintains a building checklist? Mrs. Huhn said yes. Ms. Gorman said \$26,500 is for two Toro cart replacements and a trailer. Mr. Rasich said there's no PW vehicles being requested and Mrs. Huhn said they are working on revising the current plan and will present it to Council.

Ms. Gorman said replacement and upgrading of three police vehicles from sedan to SUV is \$105,500. She said we could utilize the gaming grants for the SUV's and if the County needs the money back, we would have the money to refund it. Capital – Fund 3 are park improvements in conjunction with the Northampton County Funding and the Capital Improvements Program. Regarding historical structures, there is funding available to do the porch, stair repairs and window replacement at the Heller Homestead.

Mrs. deLeon asked what the suggest tax increase is? Ms. Gorman said it's .25, which provides about \$106,000 to \$110,000. Mrs. deLeon asked if there anything in the budget that we can postpone until the following year so we wouldn't have to do a tax increase? Ms. Gorman said she would recommend not appropriating the full amount to the Capital Plan; instead of the \$265,000, appropriate \$100,000 and in March when we have the discussion, in compliance with the budget advisory report of any excess funding from the current year, Council can appropriate that money to any fund they wish which wouldn't impact your budget of next year.

Ms. Gorman said if you are agreeable to this, or if you'd like to make changes, she would provide you with a proposed budget with those changes. It will come back to Council on November 15th; you will

**Budget Meeting
October 25, 2017**

then make a motion to have us advertise it for public inspection for twenty days. If you are inclined to increase the local services tax, you need to direct us to advertise that this evening.

MOTION BY: Mrs. deLeon moved to authorize advertisement of Ordinance No. 2017-06 to increase the local services tax to \$52.00.

SECOND BY: Mr. Horiszny

ROLL CALL: 5-0

MOTION BY: Mr. Horiszny moved to use Option C but increase the millage rate to 6 mills from the current 5.39, with .55 designated to fire services and the remaining 5.45 to the General Fund.

Mr. Kern said for this year, he would support Option B, no tax increase. Mrs. Louder excused herself at 7:20 p.m. as she wasn't feeling well. Mrs. Yerger said she was set with what staff was recommending, and Mrs. deLeon said she would go with what staff was recommending also.

SECOND BY: No second, motion fails

MOTION BY: Mr. Horiszny moved to use Option C with the numbers provided by Ms. Gorman.

SECOND BY: Mrs. deLeon

Mrs. Louder returned at 7:24 p.m., saying she had to step out as she didn't feel well and asked for clarification of what occurred during her absence. Mrs. Huhn said there was a motion for Option C which was the increase that Ms. Gorman explained, Mrs. deLeon made the second, and the vote was 3-1 with Mr. Kern a "no." Mrs. Louder said she would have agreed with that. Mrs. deLeon said let the record reflect those comments.

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

B. QUESTIONS AND ANSWERS – None

V. MISCELLANEOUS BUSINESS ITEMS – None

VI. PUBLIC COMMENT/CITIZEN NON-AGENDA ITEMS – None

VII. COUNCIL & STAFF REPORTS

A. TOWNSHIP MANAGER – No report

B. COUNCIL

Mrs. Yerger – No report

Mrs. deLeon – No report

Mr. Kern – No report

Mrs. Louder – No report

Mr. Horiszny – No report

C. SOLICITOR – Absent with prior notification

D. PLANNER – Absent with prior notification

E. ENGINEER – Absent with prior notification

VIII. ADJOURNMENT

MOTION BY: Mr. Horiszny moved for adjournment. The time was 7:30 p.m.

SECOND BY: Mrs. deLeon

ROLL CALL: 5-0

Submitted by

Leslie Huhn
Township Manager

Ron Horiszny
Council President