

I. OPENING

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

II. PRESENTATIONS/HEARINGS

III. DEVELOPER ITEMS

IV. TOWNSHIP BUSINESS ITEMS

- A. Presentation of 2017 Draft Budget – Leslie Huhn, Township Manager & Department Heads
- B. Questions and Answers

V. MISCELLANEOUS BUSINESS ITEMS

VI. PUBLIC COMMENT ON NON-AGENDA ITEMS

VII. COUNCIL & STAFF REPORTS

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

VIII. ADJOURNMENT

Next Planning Commission Meeting: October 27, 2016
Next Council Meeting: November 2, 2016
Next Park & Rec Meeting: November 7, 2016
Next Saucon Valley Partnership: November 9, 2016 @ LST
Next EAC Meeting: November 15, 2016
Next Zoning Hearing Board Meeting: November 21, 2016
Next Saucon Rail Trail Oversight Commission Meeting: November 28, 2016 @ HB

I. OPENING

CALL TO ORDER: The Budget meeting of Lower Saucon Township Council was called to order on Wednesday October 26, 2016 at 6:00 p.m., at Lower Saucon Township, 3700 Old Philadelphia Pike, Bethlehem, PA with Mr. Ron Horiszny, presiding.

ROLL CALL: Present: Ron Horiszny, President; Sandra Yerger, Vice President; Glenn Kern, Priscilla deLeon and Donna Louder (arrived at 6:20 p.m.) Council Members; Leslie Huhn, Township Manager; Linc Treadwell, Township Solicitor; Kal Sostarecz, Assistant to the Manager.

PLEDGE OF ALLEGIANCE

ANNOUNCEMENT OF ANY EXECUTIVE SESSION (IF APPLICABLE): Mr. Horiszny said Council did not meet 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 do choose to speak, we ask that you use one of the microphones. He asks that you give your fellow public the courtesy of the floor. We ask that you state your name for the record so the transcriptionist knows who is speaking in the minutes. If you are up at the table, please speak into the microphone.

II. PRESENTATIONS/HEARING – None

III. DEVELOPER ITEMS – None

IV. TOWNSHIP BUSINESS ITEMS

A. PRESENTATION OF 2017 DRAFT BUDGET – LESLIE HUHN, TOWNSHIP MANAGER & DEPARTMENT HEADS

Mrs. Huhn introduced the Department Heads present: Cathy Gorman, Director of Finance; Guy Lesser, Police Chief; Chris Garges, Zoning Officer; and Ken Luybli, Roadmaster. Mrs. Huhn went over the budget message for this year. She said the Township budget is the financial blueprint for the policy decisions which will be implemented in the upcoming fiscal year. The Council and Township staff use the budget process to maintain a culture of perpetual improvement. The goal is to provide the best service to our residents. There are no tax increases, rate increases or fee increases in this budget. The Director of Finance has prepared the 2017 budget with a narrative, graphs and financial charts as a means of accomplishing our goal. Lower Saucon Township expects to conclude 2016 in good financial position with a \$439,628.00 fund balance surplus. Mrs. Huhn went over the major factors leading to the increase in the combined fund balance.

Mrs. Huhn said the new rescue truck for LST Fire and Rescue arrived this month. The third payment of five installments will be paid in 2017. They are recommending the continuation of the .25 mill fire tax which results in \$112,000.00 in revenue per year.

Mrs. Huhn said Public Works continues to help limit our spending on projects by working to complete the final stages of the Steel City Park project as well as other Township project's. In 2017, the direction will be focused on the upkeep of our roads and building maintenance and improvements. Mrs. Huhn said an increase of 16.6% is expected in employee medical expenses in 2017.

Mrs. Huhn said we received funding from the Gaming Authority for the 2Q16 grant awards. They received notification that the Casino Grant Funding program is under review by the state. The officer that was funded with the grant money will be retained due to the retirement of a senior officer. Her recommendation is to hold off on hiring any additional officers until the outcome of the State's review and also for the results of the Township Police Operations Study that is currently being conducted.

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Mrs. Huhn said Council authorized the Open Space ballot referendum, which if approved will provide \$876,861.00 in additional payment to principal on certain loans as referenced in the ordinance. Thereafter, the provision will be in place to provide for maintenance of open space purchased. Mrs. Huhn said funding for the Black River Road project is in the capital plan and will be carried over into 2017. They will advertise for bids and then be able to determine a date for completion.

Mrs. Huhn said the budget being presented includes the recommendations from the Budget Advisory Report (BAR) as approved by Council. Mrs. Huhn said using the anticipated surplus for 2016, the 2017 recommended budget of all funds is balanced at \$11,360,309.00. She went over all the figures in the General Fund and the Capital Fund.

Mrs. Huhn said she assures Council and the community that the Township will continue to make prudent financial decisions in 2017 and still provide high quality services in the most cost-effective way. She thanked Council and staff who assisted in the budget process, in particular the Director of Finance, Cathy Gorman.

Ms. Gorman provided a PowerPoint presentation. Mrs. deLeon thanked Mrs. Huhn for the report, stating the highlight is the plan for the maintenance of all buildings and structures which she has repeatedly asked for over the years. Mrs. Huhn said she will be working closely with Public Works on this project.

Ms. Gorman reviewed the assessed value of the Township and gave a summary of the revenue sources. Three of the largest in the recent years have been real estate tax, enabling taxes and landfill host agreement fees. Ms. Gorman said the landfill funding has been used for paying down debt, funding capital plans, futures savings, as well as balancing budgets in difficult times.

Ms. Gorman went over the major sources of revenue which were real estate tax and the enabling tax was \$2,692,000.00, an increase from last year. Some more major sources of revenue were landfill host agreement fees, an increase of 42%; state shared services, an increase of \$23,122.00; fines which decreased from 2016; and permits/licenses. Mrs. deLeon asked why fines decreased? Ms. Gorman said she hoped people were following the law. They will be allocating \$626,000.00 from our fund balance, \$340,000.00 of that is going to our Capital and our debt payments.

Ms. Gorman said expenses include some noticeable changes due to the BAR and expenses related to Council. This includes contributions to programs that Council typically provides funding to. We have provided several options you may want to consider in funding which includes amounts previously provide with an option for a 25% or 50% reduction in contribution you may wish to entertain. Mrs. deLeon said she thinks if she were to prioritize it would be to give money to the LV Coalition on Affordable Housing to help the homeless, the Spirit Parade and the Miracle League of Northampton County she would like to keep the same. She would support a lower amount for the sports-related donations. Mrs. Louder said she would like to cut all of the amounts in half because the Township has a lot of uncertainty going on. We need to make this budget a little leaner.

Mrs. Yerger said she is in favor of cutting it by 25% right down the line so it's a start and the organizations can have time to wean themselves off of our contribution and look elsewhere. Mr. Kern said this is not a major budget category. He would be in favor of leaving it as it is. Mrs. Yerger said if we cut by 25%, she's sure we are going to be asked by other organizations and we would be able to consider giving to something new without adjusting the budget. Mrs. Louder said she has no problem with that. Mrs. deLeon said Hellertown gives \$1,000 to the parade and she would like to match that.

Ms. Gorman said we will keep the budget at \$20,000.00 and we're paying the LV Coalition and the Spirit Parade the same amount, and the others will be reduced by 75%.

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Mrs. deLeon asked about a donation under EAC for \$500.00. Mrs. Yerger said that's if we want to go to the EAC local conferences. Ms. Gorman said under Administration, you have the Township Manager's budget of \$421,744.00 which includes the four staff members, the newsletter expenses that were transferred to that department as well as the BAR recommendations.

Mrs. Yerger said the first line for administrative compensation; she noticed there was not a 3% increase for that position? Ms. Gorman said that would be up to Council. Mrs. Yerger said she would like to propose a 3% increase is put onto that line item. Mr. Kern said she's done an exemplary job and deserves a Manager's salary, he would like to see her make \$90,000.00. Mrs. deLeon said salaries should be discussed in Executive Session. Mrs. Yerger said she'd like to make sure we meet in Executive Session as it needs to be addressed.

Mrs. Huhn said if you are advertising the budget for public review, it's more transparent to let the public know instead of waiting until after we advertise for the review for the 20 days as required. Mrs. deLeon said she appreciates putting this information in as previous manager's didn't.

Ms. Gorman said the Finance Department requests \$207,277.00. Ms. Gorman said Legal budget requests \$187,200.00 which includes work from the solicitors, special counsel, and any court transcriptionist that you would need. Mrs. deLeon has issues with special counsel. Mrs. Yerger said this is an estimate. Attorney Treadwell said you don't have to provide an hourly rate. Ms. Gorman said we still need an amount for the budget. We'll be working in 2017 to negotiate the police contract for 2018. Mrs. Huhn said they will take out the hourly rate.

Ms. Gorman said under supplies and IT, we lowered the request by \$1,000.00. The overall IT is \$33,753.00. Other items traditionally booked into this category were related to a specific department were assessed to that department.

Ms. Gorman said Engineering budget request is \$157,500.00 which includes general engineering, zoning, consulting fees, building code enforcements, and our SEO. Mrs. Louder asked Ms. Gorman to explain the grant money. Ms. Gorman said years ago they reimbursed 50%, they pretty much shut that off.

Ms. Gorman said Building and Maintenance request is \$377,381.00. One item requested is compensation for maintenance of \$13,103.00. Due to the changes that have evolved for that position, we are recommending that as a part-time person on our payroll, so we have more oversight of what they do and when they do it. Sub-contractors received 1099's and had more freedom. It would fall under the non-uniform contract as a part-time laborer. There would be no health insurance benefits.

Ms. Gorman said our fuel costs have gone down. We have money in this item for winterization for Town Hall sprinkler system and the security cameras. Mrs. Louder said she's amazed there's a pay phone. Ms. Gorman said she'll check on the usage. Mrs. deLeon said do you need a quarter or a dime? Mrs. Huhn said 9-1-1 is a free call. Mrs. deLeon said we need something in there when no one is in the PD. That's supposed to be a safety place. Ms. Gorman said the vestibule is open to the public all the time.

Ms. Gorman said Police budget request is \$2,706,037.00 and that encompasses benefits and IT related expenses. The Chief has specific expenses related to major equipment. Chief Lesser said we do receive reimbursement for the bulletproof vests, which has been active for years. He explained how the portable scales work in tandem by weighing an axle at a time. Two scales were requested for the 2016 budget and one was removed so we have one in the current budget which would provide four scales. Chief Lesser said when the landfill is open, they would use the landfill for weighing. The mobile scales provide the ability for vehicles throughout the Township and they are available 24/7. Mrs. Louder asked how much money did it generate last year? Chief Lesser

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said the revenue is in the report. Mrs. Huhn said in 2015, there were 26 citations. Mrs. deLeon said she'd like to see a report and have it separated landfill vs. township. Chief Lesser said they've been planning to use a utility vehicle and that vehicle will carry the scale 24/7.

Mrs. Huhn said the report states on 9-20-16, a citation was issued and the fine was over \$7,000.00 on Meadows Road bridge and on 9-01-16, they had another truck and the fine was \$6,133.00 on Meadows Road bridge. Mrs. Yerger said it's a \$5,000.00 item which is less than 1/100th of the budget, which she thinks we certified with what Mrs. Huhn has said.

Mrs. deLeon asked about the thermal camera. Chief Lesser said this there's time when officers are dispatched where there's a prowler after dark and would give them more capabilities. Mrs. Louder said this is her first budget and she would appreciate if Council would afford her the ability to ask questions and look into things. Mrs. Yerger said she truly respects that, but there needs to be some moderation of balancing questions on a \$5,000.00 item. It's paid for itself and we have to balance that. Mrs. Louder said the PD is the biggest expense in our Township and that's where we should spend the most time. Mrs. Yerger said there is significant purchases that she has a problem with Mrs. Louder questioning, she's not sure that a 10 minute discussion on a \$5,000 item that was explained in 2 minutes is relevant.

Chief Lesser said a few other highlights are crime mapping. Mrs. deLeon has accessed that on other sites. It will also provide for additional training in our firearms area and defensive tactics program. It will provide for tasers under a lease program. This will also provide for three additional cruisers through 2017. For the first time, the budget as it is proposed, provides for a reduced number of patrol hours in the Township and reflects the loss of the gaming grant.

Ms. Gorman said there are two other items in the PD. With the donation we received this year from a foundation, a finger printing for children unit was purchased. We received a donation for \$26,000.00 to purchase a training simulator.

Ms. Gorman said the Fire budget request is \$347,771.00 which encompasses fire relief funding and allocations to the volunteer fire departments and our EMS. No changes were made on this. Mrs. Louder said we had discussed the handling of checks to the fire departments, has that been implemented this time? Ms. Gorman said we can. We do have the 501-c3 policy that we will be bringing back to you. The officers have no issue with them submitting a bill like a pay-as-you-go. Mrs. Louder said she would like to see the fire companies submit their needs. Ms. Gorman said it's not a budgetary concern, it's a procedural concern.

Ms. Gorman said Planning/Zoning budget request is \$249,000.00. Benefits and any IT items are reclassified under this budget. The only additional item is a file cabinet. Mrs. deLeon asked about fire proof cabinets. Mrs. Huhn said at this time, we don't need any.

Ms. Gorman said Emergency Management budget request is \$6,500.00 with no change. Crossing Guards is \$5,300.00 with no change. Dog Control is \$6,000.00 with no change. Ms. Gorman said the Compost Center, out of our General Fund budget, they are requesting a contribution to the program of \$10,500.00. As for the expenses for the program itself, Hellertown received a grant for a loader and to do the road work leading up to the compost area.

Ms. Gorman said Publics Works budget request is \$1,179,115.00. A lot of those changes are due to the recommendation of moving certain items and benefits to the departments. The most significant change is that PennDOT is requiring the Township to track and update any traffic sign in the Township. Mr. Luybli said we have approximately 2,100 road signs in the Township.

Ms. Gorman said Parks and Recreation and the library budget request is \$266,610.00. They have discussed with the Community Center the youth program in the summer and the senior program.

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They are still in negotiations and may downsize our children's program or ask residents to pay for a small portion of the fee. Mrs. Huhn said they have met with the Community Center to try and get more seniors interested. Mrs. Louder said she'd like to see Steel City participate in the children's program. Mrs. Huhn said they will speak to Erin about that.

Ms. Gorman said there's \$10,000.00 in the budget for the removal of the Rentzheimer house. Mrs. deLeon asked what are they going to do with that property? Mrs. Yerger said she's been asked by multiple residents to extend the dog park. It's used so extensively that at one point, the grass was just gone and they had to close it. Mrs. deLeon said it's a shame we have to take that house down.

Ms. Gorman said Debt Service budget request is \$638,799.00. They are asking Council to consider an additional principal payment of \$100,000.00. Ms. Gorman said on the BAR, if the referendum passes, we'll be saving more than \$190,000.00 in interest payments.

Ms. Gorman said Insurance budget request is \$263,800.00. We made a change in our agent's representation this year, so we are estimating the same amount and same insurance, but the new agent will be aggressively advocating on our behalf to get our payments down and finding alternatives for us.

Ms. Gorman said Employee Benefits budget request is \$142,000.00. Benefit costs are now located in each department. The water authority is still under our umbrella of medical coverage. Ms. Gorman said they pay us the actual costs of coverage.

Ms. Gorman said the General Fund Balance is budgeted at \$7,583,981.00 and included in that is a \$240,000.00 allocation to your Capital Plan. Ms. Gorman said in Special Taxes, they are still recommending the 0.25% for the fire tax. She reviewed the opens space revenue and expenditures. She reviewed the state liquid fuels revenue and ending fund balance. The Special Funds is balanced at \$2,645,636.00 and whatever transpires with the referendum, they will make adjustments at that time.

Ms. Gorman said the Capital Plan budget request is \$1,130,692.00. She reviewed the projects and expenses associated with these projects. Other items targeted that Council will give permission to upgrade is the audio system.

Ms. Gorman said she received a call this evening with an estimate to paint the Township buildings. Painting this building, Seidersville Hall, the salt shed, roof at the pavilion, and police carport was over \$100,000.00. We are going to have to bid this out. Mrs. deLeon said when we approved the roof replacement for Seidersville, isn't it in 2016? Ms. Gorman said the work is completed in 2016, and she'll get a bill in 2017. Mrs. Huhn said the contractor would like to get it finished this year.

Mrs. deLeon asked if there is anything in the budget that can make up the difference for the painting. Do we need three police vehicles, can one get stretched for another year. Mrs. Huhn said she believes some of those have been stretched for another year and some vehicles are nearing their life expectancy.

Mrs. Yerger asked if we can move the painting? Mrs. Louder said why don't we prioritize the need of the painting and stage it. Mrs. Yerger said unless we are going to get a better price for all of the painting at once. Mr. Kern asked why is the door at Seidersville Hall is so expensive? Ms. Gorman said that's for the three doors which were estimated at \$20,000.00, two double doors, one single. We'll be getting quotes from other vendors. Mrs. Huhn will see if it can be staged. Seidersville Hall is more of a stucco and she doesn't think the delaying of the painting will be a problem, but the wood on this building and police car port, you will have rotting issues. Mrs. Louder said we should consider something that's going to be more durable than wood in the future.

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Ms. Gorman said she's hopeful the gaming grants will be reinstated. Public Works on their inventory schedule, there are two trucks that are 2006 and are at their 10-year mark and would like those replaced as well as the trailer. We will use some of the liquid fuels funding for those trucks. Mr. Luybli said the 10-year plan is working out well and keeping our costs down. Ms. Gorman said there is an issue with the sweeper, so we may have to delay Truck 1 if we can't get the sweeper fixed.

Ms. Gorman said the Parks budget she has the fencing for Steel City Park and any expenditures to the Dog Park. Mrs. Yerger said right now DCNR is hot on dog parks and they will jump on funding it right away.

Ms. Gorman said for the historical buildings, she put in money for the stairs at the Heller Homestead. She's not sure what direction we are going in. Ms. Huhn said we received a quote from Zimpfer for roofing and siding. The top of the widow's house needs to be repaired. They first have to contact PHMC. We need to caulk the HH windows as well as look at the Widow's House. Mrs. Huhn said if PHMC approves it, we can get it started this year if it's okay with Council. Mrs. deLeon said let the SVC know when they are doing it. Mrs. deLeon asked about the grading out at the HH and the port-a-john. Mrs. Huhn said Roger did grade that and the port-a-john is in the right place.

MOTION BY: Mrs. deLeon moved for approval to do the caulking on the windows on the Heller Homestead for \$2,180.00 provided PHMC approves the job.

Mr. Kern said asked if we meant glazing? Mrs. Huhn said no, this is for 3300 Geocell caulk. It's not the glazing, it's the outside. It's \$2,180.00 for 32 windows. Mrs. deLeon said she would hope they would stuff the holes with insulation. Mrs. Huhn said she will ask him.

SECOND BY: (COULD NOT HEAR)

ROLL CALL: 5-0

MOTION BY: Mr. Horiszny moved for approval for the porch roof repair on the Widow's House at a price of \$1,350.00 provided PHMC approves the job.

SECOND BY: Mrs. deLeon

ROLL CALL: 5-0

Mrs. Gorman said she will modify the budget with the changes that were requested and will bring it back on November 2, 2016. She reviewed the changes. Mr. Mahlman who is present reviewed this and was instrumental in the BAR.

V. MISCELLANEOUS BUSINESS ITEMS – None

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

VII. COUNCIL & STAFF REPORTS

A. TOWNSHIP MANAGER – No report

B. COUNCIL/JR. COUNCIL – No reports

C. SOLICITOR – No report

VIII. ADJOURNMENT

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

SECOND BY: Mrs. Louder

ROLL CALL: 5-0

Submitted by:

Leslie Huhn
Township Manager

Ron Horiszny
Council President