

**RYE TOWNSHIP
SUPERVISORS' BUDGET MEETING
October 6, 2011**

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PRESENT: Chairman Robert Lightner, Vice-Chairman, Ronald Evans, Supervisor, Ken Quigley, and Daisy Lightner, Secretary/ Treasurer.

The meeting was held at the municipal building and called to order at 7:01 PM. Chairman Lightner convened the meeting with the pledge of allegiance to the flag.

CITIZEN PARTICIPATION: No citizens were in attendance to offer citizen participation.

BUDGET WORKSHOP:

The Secretary/Treasurer provided the Board with a budget preparation schedule to follow to assure the 2012 budget is adopted at the last regular meeting of the year 2011, which is rescheduled for the third Monday, December 19, 2011 due to the Holidays.

The Secretary/Treasurer also provided the Board with a budget worksheet and an updated fund balance report for October of the General and the Solid Waste Funds, which shows the MTD-month to date and YTD-year to date and the corresponding YTD budget balance figures for 2011 for all accounts.

The Board began their review of line items in the **General Fund-Revenues**. The Secretary /treasurer placed tentative amounts in the tax revenue accounts and a few other accounts and asked the Board to review the amounts for approval or revisions for each line item. They reviewed and discussed each revenue account in the General Fund beginning with account number 01.301.10 to and including 01.492.65. Evaluating tax revenues received to date following the County-wide reassessment, the Secretary/Treasurer recommended approx. a 1% increase in the Real Property Taxes values. Per Capita tax values will remain the same as last year. The Tax Levy was adjusted & reduced to .90 mills in 2011 due to the reassessment.

The following items were noted:

1. The Real Estate Transfer Tax 01.310.10 was discussed and reduced from \$22,000 to \$16,000. The YTD for October is only \$15,000 down \$3,000 from this time last year. This is reflective of the continuing downtrend in home values and sales in Rye Township with the state of the economy.
2. The Secretary/Treasurer noted a decline in the Earned Income Tax Account 01.310.20. \$249,000 was budgeted in 2010 and the YTD is at \$235,000 with two months remaining. The Secretary/Treasurer recommended that the value of this line item might be increased slightly to 2009 amounts. This account continues to reflect high unemployment rate due to the recession.
3. The franchise fee 01.321.80 will remain the same at \$1,500 with BRC. The agreement renews at February/March of 2012.
4. Interest revenue was decreased to \$15,000 with rates at all time lows.
5. Reimbursement of sewage fees is no longer available from DEP due to the State's budget crunch. SEO Higgins has graciously agreed to not charge for expenses.
6. The Board decided to budget for one (1) zoning hearing at \$500.00.
7. YTD Zoning permits 01-362.48 will remain the same as last year. Building is down and very few permits for new construction are anticipated.

8. Funds from the Capital Reserve will be utilized to fund the following:
 - ◆ Additional Road Projects not utilizing Liquid Fuels monies
 - ◆ Engineering-Culvert Replacement-Miller Gap
 - ◆ Engineering-Bridge Replacement/Pine Hill Road
 - ◆ Purchase of 4 wheel drive backhoe
 - ◆ Emergency Generators
9. A Transfer from the Solid Waste Fund to add to the revenues for the General Fund monies received from the sale of the garbage truck was discussed.
10. The Budget will be balanced without recognizing Prior Year Balances as a Revenue. No increase in the tax levy is anticipated for 2012.

With no further discussion on the General Fund revenues, Chairman Lightner moved the discussion to the **General Fund-Expenses**. The Board began their review with account #01.400.11 and continued to account # 01.492.65. The following items were noted:

1. 01.400.460 Funds are budgeted for one supervisor to attend the Hershey Convention next year and all three supervisors to attend the Perry County Convention.
3. Legal expenses were discussed. This amount estimated is uncertain because of issues pending with the former police department employee. It was noted that road department contract negotiations will also take place in 2012.
4. The Administrative expenses for the office are all in line with prior year's figures. The purchase of two (2) new computers is anticipated for 2012. The board directed the Secretary/Treasurer to purchase a new printer before year end as the cost was budgeted in the 2011 budget.
5. Wages for 2012 were discussed. Road Department employees receive a 4.25% increase in accordance with the current union contract. Discussion ensued on wage increases in the amount of 2-3% for non-union positions. The Secretary/Treasurer will calculate the salary line items and the corresponding payroll taxes for discussion at the next budget meeting.
6. Discussion ensued relating to expenses for engineering. Proposed projects included a large culvert pipe replacement on Millers Gap Road and the beginning of engineering studies and design for the Pine Hill Road Bridge replacement. The Pine Hill Road Bridge is funded 80% State and 20% Township. Wilson Engineering estimated the 20% cost for engineering at \$30,000 for 2012. The project is reimbursable, which means we pay for the expense up front and then the State reimburses us 80% as the project progresses. Supervisor Quigley will meet with Rettew Associates to discuss the Millers Gap Road culvert replacement on October 14th to get a better idea what size culvert and to get a better estimate for costs involved.
7. Road Equipment Capital Purchase – the expense to purchase a new backhoe is proposed for 2012 in the amount of \$89,542. Monies levied for Road Equipment are available to entirely fund this purchase. Tax revenue received in March of 2012 will also provide additional funds.
8. 01.439.01- Road Construction - Discussed annual road paving projects for 2012. Supervisor Quigley anticipates more paving next year to include: Phase III of Trout Lane, a section of New Valley Road, Lone Oak Drive, Woods Drive and a section of Lambs Gap Road south of the "S" curve with the higher SRL.

9. Health insurance expense will be estimated at 105% of the current annual amount.
10. The next regularly scheduled budget meeting is Thursday, October 20th at 7:00 PM at the Township building.

With no further discussion on the General Fund, Chairman Lightner moved the discussion to the **Solid Waste Fund-Revenue** accounts.

The (2) two main sources of revenue generated by the Fund are from a small amount of interest and the collection charges paid by residents for trash collection fees.

Upon due consideration and discussion, Chairman Lightner made a motion with a second from Supervisor Quigley to increase the quarterly Commercial trash bills as follows:

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| 1. Low volume | \$5.00 | from \$110.00 to \$115.00 |
| 2. Medium volume | \$10.00 | from \$155.00 to \$165.00 |
| 3. High volume | \$15.00 | from \$205.00 to \$220.00 |

Motion carried unanimously. The Secretary/Treasurer will prepare the resolution for approval at the next meeting.

The Board continued their review and discussed the expense accounts in the Solid Waste Fund beginning with account number 09.403.310 to and including 09.492.30 providing estimates. The following items were noted:

1. Costs for recycling expenses were discussed. Interstate Waste was awarded a recycling contract at a cost of \$230.00/pull. Rye Township averages 4.5 pulls per month. However recycling may increase with the co-mingling so 5 pulls per month = \$1,150.00 X 12 = \$13,800.
2. The expense for tipping fees was set at \$500 for disposal of tires from the bulk clean ups at Mahantangos in Liverpool.
3. Salary expense includes labor for the spring and fall clean ups and administration of the fund, delinquent accounts, & trash billing changes etc.
4. Overtime expense will include labor worked on Saturdays in relation to the Spring and Fall Clean ups.
5. The Board discussed a transfer from the Solid Waste Fund to the General Fund for the amount, (approximately \$38,700) received for the sale of the garbage truck to assist with revenue available for the General Fund for 2012. The General Fund provided the initial monies to purchase the first garbage truck. The Secretary/Treasurer suggested checking with the auditors for their recommendation. However, she recommended a written resolution documenting the transfer between funds with approval at a public meeting. The Board directed the Secretary/Treasurer to check with Craig Witmer of SEK and Co.

ADJOURNMENT OF THE MEETING: Supervisor Quigley made a motion and Chairman Lightner seconded to adjourn the budget meeting at 9:12 pm. Motion carried unanimously.

Respectfully submitted,

Daisy Lightner, Secretary/Treasurer