

**RYE TOWNSHIP
SUPERVISORS' BUDGET MEETING
October 1, 2014**

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PRESENT: Chairman Ken Quigley, Vice-Chairman Jim Sabo, and Daisy Lightner, Secretary/Treasurer.

EXCUSED: Supervisor Tom Speck due to illness

The meeting was held at the municipal building and called to order by Chairman Ken Quigley at 7:15 PM. A quorum of the Board was established.

CITIZEN PARTICIPATION: None was offered.

DISCUSSION – OFFICIAL ZONING MAP: The Secretary/Treasurer provided the Board an update of the printed zoning map discrepancy discussed at the September 22, 2014 board meeting. Tim Jones and Jason Finnerty of Tri-County stopped by the Township, looked at the concern and reviewed previous zoning maps. It appeared that an area was incorrectly colored on the map and confusion resulted because of the topographical map overlay, which showed a green color in this area, which should have been yellow/cream color for designation as Residential 1, (R-1). The green color is actually a green field. The Secretary offered that the representatives from Tri-County advised the Board to use the zoning map without the topo overlay as the “official” map so the zoning designations of the individual parcels are clear. The Board agreed with Tri-County’s comments and recommendations. Tri-County offered to revise and reprint the official zoning map for the Township free of charge. Chairman Quigley requested two maps: a large zoning map clearly showing zoning districts and a large topo map for display in the meeting room for reference during planning and also board meetings.

BUDGET WORKSHOP:

The Secretary/Treasurer provided the Board with a budget preparation schedule to follow to assure the 2015 budget is adopted by the last regular meeting of the year 2014, which is rescheduled for the third Tuesday, December 16, 2014 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 2014 for all line item accounts.

RESOLUTIONS: The Secretary/Treasurer explained the need to address two resolutions that involve the finances and therefore next year’s budget for the Township.

Upon due consideration and discussion, Chairman Quigley made a motion with a second from Supervisor Sabo to adopt **Resolution 14-25**, which authorizes the Secretary/Treasurer to transfer Highway Aid monies into a short term certificate of deposit at .65% at the First National Bank of Mifflintown, Shermans Dale. This transfer will net an additional \$100.00 in interest revenue for the fund for 2015. Motion carried. This special rate will end the first week of October.

Chairman Quigley made a motion with a second from Supervisor Sabo to adopt **Resolution 14-26**, which authorizes the Chairman of Rye Township to sign an Agreement and the Secretary/Treasurer to attest to the same. Motion carried. This Agreement and Authorization is required to electronically access PennDot systems ECMS, Engineering and Construction

Management System online for entering information into and exchanging data with the system involving construction contracts involving the Pine Hill Road Bridge Replacement. This is necessary to facilitate the bidding process through PennDot for the Pine Hill Road bridge replacement contract with construction and completed anticipated in 2015.

The Board began their review and discussion of line items in the **General Fund-Revenues, Section 300 Taxes, account #s 01.301.10 to 01310.20**. Upon review of YTD figures for taxes received and knowing the zoning permits have slightly increased this year, the Secretary/Treasurer recommended approximately a ½% increase in the Real Property Tax values. There are three (3) new homes that should be added to the tax roles in early 2015. Per Capita tax values will remain the same. The office continues to update the per capita tax roles throughout the year by sending a new resident's name & address to the Perry County Tax Office. It was the consensus of the Board to keep the Tax Levy set at .90 mills for 2015.

Chairman Quigley moved the discussion to the **General Fund - Revenues**.

The following items were noted:

1. 01.321.80 The franchise fee for Blue Ridge Cable will remain the same at \$1,500 with BRC. The two year agreement renews in the year 2016. A proposal with Comcast is pending which could net the Township \$2,000 additional revenue.
2. 01.341.01-Interest revenue was once again decreased to \$12,000 with rates at record lows.
3. The Board decided to budget for one (1) zoning hearing at \$500.00.
4. 01.362.48 -YTD Zoning permits issued are in line with last year. Most permits issued are for sheds, garages or small additions.
5. The Budget will be balanced without recognizing Prior Year Balances as a Revenue. No increase in the tax levy is anticipated for 2015.

With no further discussion on the General Fund revenues, Chairman Quigley 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 in February.
2. Legal expenses will increase slightly to \$10,000 from \$9,500.
3. The Administrative expenses for the office are all in line with prior year's figures.
4. Full time wage increases for 2015 were established in the employee agreement at 3%.
5. Budgeting for SEO wages is not necessary since sewage enforcement is outsourced and contracted with Lenny Sizer of Madden Engineering. This also saves payment of workers compensation fees and payroll taxes for sewage enforcement. The account was increased due to more activity with the requirement for alternate site testing when development is proposed.
6. Discussion ensued relating to expenses for engineering. The main project proposed includes a large culvert pipe replacement on Millers Gap Road that was not completed in 2014 as anticipated plus ongoing engineering studies and design with Wilson Consulting for the Pine Hill Road Bridge replacement. However, the Pine Hill Road engineering and inspection expenses will be included in account #01.439.02. Chairman Quigley will talk with Wilson Consulting before the next meeting regarding the culvert installation for better insight and estimates.

7. 01.409.740- Capital Improvements- There are no major capital improvements proposed.
8. 01.430.260- Minor Tools & Equipment. No major tool purchases are proposed. This line item will be reduced slightly.
9. 01.430.740- Road Equipment Capital Purchase – No major equipment purchases are anticipated for next year. This line item will be set at zero (\$0).
10. 01.439.01- Road Construction - Discussed annual road paving projects for 2015. Supervisor Quigley anticipates the following roads for paving next year: Lee Drive and Woods Drive at a cost of approximately \$53,000. Supervisor Quigley was unsure of the total projects anticipated. He will review the road history list and come with final estimate for projects anticipated for paving next year. Paving a portion of New Valley Road near Marysville Borough was discussed. The Secretary/Treasurer noted that the annual Liquid Fuels estimate for 2015 was not yet available.
01.439.02- This account keeps track of construction expenses for the Pine Hill Road bridge replacement. The bridge was not constructed in June of 2014 as originally anticipated. Construction date is set for June of 2015. Bill Wilson of Wilson Engineering estimated \$105,000 to cover the 20% costs for which the Township is responsible. Chairman Quigley felt \$102,000 would cover since a 15% contingency calculated in the cost is rather high.
11. 01.457.156- Health insurance expense will be estimated at 105% of the current annual amount. PCI Chamber Insurance is unsure of renewal rates with the new insurance regulations from Obamacare. Rye may actually see rates either stable or a decrease. But that remains to be seen. We are thinking increase.
12. 01.484.00- Worker's Compensation Insurance was increased by \$5,000 due to Marysville Borough's request for Rye to pay their share of Worker's Compensation Insurance for the Marysville Fire Company.
13. 01.486.351- Property and liability insurance expense anticipates a whopping 25% increase per an insurance review with H A Thomson & Company due to the trash truck incident that occurred in October 2010. With this liability pending, changing insurance companies would not would not be an option at this time.

Even though it was getting late, since the Solid Waste Fund budget is a much smaller - only one page fund, the Secretary/Treasurer moved the discussion to the **Solid Waste Fund-Revenue** accounts to balance the budget for this fund:

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 residential and commercial trash collection fees. A certificate of deposit is maturing in 2015 so a decrease is anticipated in the interest income for 2015. However, in order to balance the fund, monies are budgeted from a transfer from the Capital Reserve Solid Waste certificate of deposit that matures in January. This certificate is designated as a general use certificate for the trash collection to insulate the fund from future rate increases or at least keep the increases minimal. The Secretary/Treasurer noted that delinquencies are still running higher than previous years. Certified letters will be mailed by Capital Tax in the near future. She will continue to monitor the delinquent list and pursue overdue collection of the accounts with Capital Tax Collection Bureau to attempt to gain more revenue income for the fund.

The Board continued their review & discussed the following expense accounts in the Solid Waste Fund beginning with account # 09.403.31 to & including # 09.492.30 as follows:

1. Costs for recycling expenses remain constant with the two (2) year renewal of the annual contract with Advanced Disposal at a cost of \$230.00/pull. Rye Township averages 4.5 pulls per month. However recycling continues to increase with the co-mingling so 5 pulls per month = \$1,150.00 X 11 + (4) additional = \$13,570.
2. The contract with Penn Waste was renewed for two years per a clause in the contract. The cost increases from \$10,440 per month to \$10,700 per month X 12 = \$ 128,400.00 per year for trash collection in 2015.
3. The expense for tipping fees will remain set at \$600.00 for disposal of tires from the bulk clean ups at Mahantangos in Liverpool and an occasional clean up of trash/debris by the road crew along the unpaved mountain roads within the Township.
4. Salary expense includes labor for the spring and fall clean ups and administration/accounting for the fund, delinquent accounts, & trash billing changes, preparation, mailing of commercial trash bills etc.
5. Overtime expense will include labor worked on Saturdays to assist with the Spring and Fall Bulk Clean ups.
6. The Solid Waste Budget is balanced at \$183,100 with an \$8,000.00 transfer from Capital Reserves for the year 2015 with no increase proposed in the residential or commercial quarterly trash rates for 2015. However, since this is the second year that the Fund is balanced with reserves, the Board wants to revisit the trash rates charged for next year's budget - 2016.

The next budget meeting was advertised for Thursday, October 15th at 7:00 PM at the Township building. However, this conflicts with the Capital Tax Bureau Earned Income meeting and the County Tax Collection Commission meeting in New Bloomfield. The Secretary/Treasurer requested the Board check their calendar to see if the budget meeting could be rescheduled to Thursday, October 16 at 7:00 PM and to let her know so she could advertise the change of the meeting as required by the Sunshine Law.

The Secretary/Treasurer indicated she would work with the information discussed, research a few items and attempt to fill in the blanks to work toward balancing the General Fund and Solid Waste budgets. If all information is available, a draft would be provided for the Board to review at the next budget meeting on October 16.

ADJOURNMENT OF THE MEETING: Chairman Quigley adjourned the budget meeting at 10:45 pm.

Respectfully submitted,

Daisy Lightner, Secretary/Treasurer