

**RYE TOWNSHIP
SUPERVISORS' SPECIAL MEETING AND BUDGET WORKSHOP
October 6, 2016**

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

This special meeting of the Board of Supervisors was held at the municipal building and proof of publication is on file. Chairman Ken Quigley called the meeting to order at 6:35 PM.

CITIZEN PARTICIPATION: None was offered.

OPEN/AWARD THE MILLERS GAP ROAD CULVERT REPLACEMENT BIDS: The bid request for Millers Gap Road culvert fabrication and excavation were advertised in the Duncannon Record on September 22 and September 29 and proof of publication is on file.

One sealed bid for the fabrication of the culvert and wingwalls was opened by the Secretary/Treasurer and read by Chairman Quigley as follows:

<u>BIDDER</u>	<u>TOTAL BID</u>
Terre Hill Concrete	\$89,945.00

With the bid bond in place, Chairman Quigley made a motion with a second from Supervisor Sabo to accept this bid and award the fabrication contract for Millers Gap Culvert replacement to Terre Hill Concrete in the amount of \$89,945.00. Motion carried unanimously.

Three sealed bids for the excavation of the culvert were opened by the Secretary/Treasurer and read by Chairman Quigley as follows:

<u>BIDDER</u>	<u>TOTAL BID</u>
Farhat Excavating, LLC	\$97,000.00
J. H. Gleim, Inc.	\$81,227.00
Weber Trucking & Excavating	\$79,000.00

With the bid bond in place, Chairman Quigley made a motion with a second from Supervisor Sabo to accept the lowest bid and award the excavation contract for Millers Gap culvert replacement to Weber Trucking & Excavating in the amount of \$79,000.00. Motion carried unanimously.

The Secretary/Treasurer will notify the bidders and acquire necessary contract paperwork and signatures. At the same time she will notify them of the mandatory pre-construction meeting to be held on Friday, October 14th at 10:00 AM.

NEW BUSINESS: Upon due consideration and discussion, Chairman Quigley made a motion with a second from Supervisor Stahl to approve a three year contract with the auditing firm of Smith, Elliott, Kearns and Co. to conduct the financial audit for the years 2016, 2017, and 2018 at a cost as follows: 2016- \$9,700; 2017 - \$9,900; and 2018 - \$10,100. The Chairman will sign the contract when it is received on behalf of the Board. Motion carried unanimously.

Chairman Quigley announced the following upcoming events:

- October 10 – Office closed for the Columbus Day Holiday; no change in trash collection
- October 13 – 7:00 PM at the Township building. An evening with Harriet Magee along with a book signing by author Brian Hummel with light refreshments.

BUDGET WORKSHOP:

The Secretary/Treasurer previously provided the Board with a budget preparation schedule to follow to assure the 2017 budget is adopted by the last regular meeting of the year 2016, which is rescheduled for the third Monday, December 19, 2016 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 2016 for all line item accounts.

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 once again 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 completed in early 2016. Per Capita tax values will remain the same as last year. She noted that the office continues to update the per capital tax role against the trash billing lists and the detailed earned income listing from Capital Tax Collection Bureau. Each new resident's name & address is emailed to the Perry County Tax Assessment Office.

Discussion ensued on the current tax levy that has been in place for over 20 years. Chairman Quigley offered that he would rather see a small increase in taxes now and not wait until a larger increase is necessary. That makes it too hard on the tax payers. The Township keeps spending down reserves and is not able to replenish them as quickly. It was the consensus of the Board to keep the Tax Levy set at .90 mills for 2017. However, they would take a serious look at a small tax increase for 2018 and more vigorously pursue violators of Township ordinances in 2017 in hopes to recover costs and fees expended for enforcement efforts.

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 2018.
2. 01.341.01-Interest revenue will remain the same at \$12,000.00.
3. The Board decided to budget for one (1) zoning hearing at \$500.00.
4. 01.362.48 YTD Zoning permits increased slightly. More permits were issued this year for sheds, additions and three new homes in comparison to last year.
5. 001.391.10 Sale of Fixed Assets- the Board anticipates the sale of the 1996 dump truck with spreader estimated at a minimum of \$10,500 and the sale of the 1977 grader estimated at a minimum of \$1,000 for a total of \$11,500. This revenue will help to offset the cost of the new dump truck purchase.
6. The Budget will be balanced without recognizing Prior Year Balances as a Revenue. No increase in the tax levy is anticipated for 2017.

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. 01.404.310- Legal expenses will decrease to \$10,000 from \$12,000.

3. The Administrative expenses for the office are all in line with prior year's figures. The purchase of new accounting/payroll software along with a computer and all in one printer is anticipated at a cost of approximately \$18,000. A Capital Reserve Fund certificate of deposit will cover the majority of this additional expense. The current accounting software is not compatible with Windows 7 or above. The computer that is currently used for the accounting has a Windows XP operating system, which is no longer supported. It is time to update this system, which has served the Township well since 1999. The Secretary/Treasurer received estimates from two companies for their municipal software and anticipates the receipt of one additional company.
4. Full time wage increases for 2017 were established in the employee contract at 3%. Part time temporary road crew wages will remain the same for 2017. The Board will review the current Fee Schedule and anticipates only slight increases in some of the fees.
5. Budgeting for SEO wages is not necessary since sewage enforcement is contracted with Lenny Sizer of Madden Engineering. This also saves payment of workers compensation fees for sewage enforcement. The account was increased slightly due to more activity and the requirement for alternate site testing increases the amount paid and due.
6. 01.409.740- Capital Improvements- The Board discussed repainting of the metal siding on the original portion of the Township building. A local contractor was recommended. Daisy will contact him and acquire estimates.
7. 01.430.260- Minor Tools & Equipment. The purchase of a welder is anticipated at a cost of approximately \$1,500.
8. 01.430.740- Road Equipment Capital Purchase – A new 2017 dump truck is anticipated for purchase in the Spring of 2017 at a cost of \$125,000.00. The old plow will be installed on the new truck.
9. 01.439.01- Road Construction - Discussed annual road paving projects for 2017. Chairman Quigley anticipates paving next year to include: The entire length of Cove Hill Road along with a small portion of Sites Circle at the entrance from SR 850 to the stop sign at Lambs Gap Road. These projects will be paid for with State Highway Aid or Liquid Fuels Monies. Chairman Quigley also plans to address several drainage pipe replacements on Mountain Road paid for by the General Fund. Resurfacing of the entire road in 2018 and possibly Dutch Cemetery Road, depending on building construction activity along this roadway. The annual Liquid Fuels estimate received for 2017 is approximately \$124,000.
10. 01.441.316- Discussion ensued regarding utilizing in house labor to mow Oak Grove Cemetery. Chairman Quigley offered that employee Brad Sloop offered that his son would like to mow Oak Grove Cemetery one more year. The Board agreed to allow Derrick Sloop to mow the Cemetery one more year a total of 12 times in 2017 at the same rate as this year. It was noted Derrick will be graduating from college next spring.
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. This is such an unstable area.
12. 01.484.00- Worker's Compensation Insurance is reduced slightly to \$15,000 due to a slight decrease in the Township's experience modification factor.
13. 01.486.351- Property and liability insurance expense decreased slightly per an insurance review with a representative from H A Thomson on Tuesday.

The Board moved the review and discussion to the Solid Waste Fund. The Secretary/Treasurer provided a draft of a balanced **Solid Waste Fund**. She discussed the **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 residential and commercial trash collection fees and a small amount of State Recycling Grant monies. The Secretary/Treasurer noted that delinquencies are still running high, but recently a payment of \$2,100 was collected from two municipal liens for two delinquent accounts. Keystone Collections Group is now collecting the delinquent account amounts. Those who do not respond will be pursued and promptly sent to the District Justice for collection and/or liens filed on those that are up for sheriff sale.

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 will increase beginning in January 2017 from \$230.00 a pull to \$235.00 per pull. Rye Township averages 6.5 pulls per month. $6.5 \text{ pulls per month} \times 12 \times \$235 = \$18,330.00$.
2. The contract with Penn Waste was renewed for two years per a clause in the contract. The cost increases from \$10,900 per month to \$11,000 per month $\times 12 = \$132,000.00$ per year for residential trash collection in 2017.
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 mountain roads within the Township. It was noted that beginning in 2017 the Township a permit and stickers for each truck is required to recycle tires at Mahantangos in Liverpool.
4. Salary expense includes labor for the spring and fall clean ups and administration/accounting for the fund, delinquent accounts, & updates to billing, 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. Decreasing the hours worked on Saturday would save additional labor costs and costs for workers compensation.
6. The Solid Waste Budget is balanced at \$188,185 with a \$1,500.00 transfer from the General Fund with no increase proposed in the residential or commercial quarterly trash rates for 2017.

The Secretary/Treasurer indicated she would research a few items discussed, talk with Chairman Quigley regarding the major road/drainage projects, and attempt to balance the General Fund Budget. A draft would be provided for review at the next budget meeting on October 20, 2016.

ADJOURNMENT OF THE MEETING: Chairman Quigley made a motion with a second from Supervisor Sabo to adjourn the special meeting and budget workshop at 9:20 pm. Motion carried.

Respectfully submitted,

Daisy Lightner, Secretary/Treasurer