

**RYE TOWNSHIP
SUPERVISORS' BUDGET WORKSHOP
October 4, 2018**

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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. A quorum of the Board was established. Supervisor Stahl entered the meeting at 7:20 PM.

CITIZEN PARTICIPATION: None was offered.

OTHER BUSINESS: Zoning Officer Lenny Sizer conducted annual inspections of the two (2) salvage yards located within Rye Township in response to license renewal applications. The inspection at Ryan Michael's Salvage Yard on Cove Hill Road had no outstanding issues or concerns. The inspection at Highline Auto Parts, the salvage yard located along New Valley Road, revealed numerous cars outside of the fenced in area waiting for processing and tires accumulating on-site. According to the owner, the tires are picked up every 2 weeks from someone in the Washington DC area and sold as used tires. The Board noted their observance on several occasions of junked vehicles parked at the bottom of the property for several days.

Upon due consideration and discussion, Chairman Quigley signed the 2018-2019 salvage license for Ryan Michael. It was the consensus of the Board to issue the Highline Auto Parts license with the following conditions:

- No vehicles, employees or salvage, are permitted outside of the fenced area along the driveway access and along New Valley Road. Parking areas should have been designated during the land development process.
- Ensure that all stored tires are picked up and taken off site at least every three (3) weeks

The Board directed Zoning Officer, Lenny Sizer to conduct an additional interim inspection thirty (30) days following the issuance of the license to assure the conditions are met.

The Board discussed enforcement of the vacant parcel on Lambs Gap Road that contains debris and rubbish. The Board directed the Secretary locate the name of the owner of the parcel and when known, send an enforcement notice to clean up the remaining debris.

Supervisor Sabo noted two pine trees near 75 Reed Drive need trimmed. Branches are hanging down out over the roadway. Chairman Quigley directed the Secretary to mention this concern to employee, John Ritter so he can cut the pines back possibly with the tractor mower.

BUDGET WORKSHOP:

The Secretary/Treasurer previously provided the Board with a budget preparation schedule to follow to assure the 2019 budget is adopted by the last regular meeting of the year 2018, which is rescheduled for the third Monday, December 17, 2018 due to the Holidays.

The Secretary/Treasurer also provided the Board with a budget worksheet for the General and Solid Waste Funds including information for prior year budgets for each line item account.

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.** The Secretary Treasurer provided a preliminary budget for the tax revenues. Upon review of the YTD figures, the Secretary/Treasurer recommended a small ½% increase in the Real Property Tax values for 2019. There are a few new homes that were recently completed and the full value of the tax on the property will be realized in 2019. Per Capita tax values were increased again by \$100.

She attributed this increase to diligent follow-up by the office to add new residents moving into the Township to the per capita tax rolls.

With the unemployment rates still decreasing and the stock exchange doing fairly well, the Earned income account #01.310.210 was increased.

The Secretary/Treasurer continued to discuss the **General Fund - Revenues**.

The following items were noted:

1. 01.321.800 The franchise fee for Blue Ridge Cable increased to \$1,700 in 2018. A new agreement with Comcast nets the Township an estimated \$700.00 per year, which is an estimate. The five year agreement with BRC renews in the year 2022. The Comcast Franchise Agreement's term is seven (7) years and renews in 2025.
2. 01.341.010- Interest revenue will increase by \$200 to \$12,200. Interest rates on deposits are increasing slightly on CDs and the general checking account.
3. The Budget allows for two (2) zoning hearings at \$1,500.00.
4. 001.391.100 Sale of Fixed Assets- the Board is not aware of any assets to be sold in 2019. The Road Department still utilizes the 1996 Ford Dump Truck to haul stone.
5. The Budget will be balanced without recognizing Prior Year Balances as a revenue. A brief discussion on the tax levy ensued. Raising the tax levy was considered with the overall increase in all expenses, especially increasing costs road and drainage improvement projects. The Secretary/Treasurer noted that there is a Road Project CD in the amount of approximately \$51,000 that could be transferred to the Capital Reserve and utilized in the 2019 Budget for anticipated road expenses. In addition, there is a general certificate of deposit that the Board could designate a portion for future road projects. However, a budget cannot continually be balanced with reserves or the reserves will be depleted.

With no further discussion on the General Fund revenues, Chairman Quigley moved the discussion to the **General Fund-Expenses**. 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 \$12,000.
3. The Administrative expenses for the office are all in line with prior year's figures.
4. Full time wage increases for 2019 were established in the employee contract at 3%. Part time temporary road crew wages are increased from \$12.90 to \$13.00 per hour for 2019.
5. 01.430.260- Minor Tools & Equipment. The purchase of a plasma cutter is anticipated at a cost of approximately \$1,700. The cost will be updated for better accuracy.
6. 01.430.740- Road Equipment Capital Purchase – None for 2019. Future purchase of a tractor/mower was anticipated as the next major purchase in approximately (2) years.
7. 01.439.010- Road Construction - Discussed annual road paving projects for 2019. Chairman Quigley anticipates paving next year to include: The portion of Cove Hill Road from SR 850 to the end of the paving which was not completed in 2018 as anticipated; a portion of Mountain Road from a point near 285 Mountain Road to the Township's boundary with Carroll Township approximately ½ mile, including several pipe replacements; a portion of Lambs Gap Road from Evergreen Drive to the intersection of SR 850. The majority of the costs for these projects will be paid for with State Highway Aid or Liquid Fuels Monies with the General Fund supplementing the payment.
8. 01.441.316- Discussion ensued regarding mowing of Oak Grove Cemetery. The Board authorized the purchase of two mowers for the employees to mow the cemetery in-house.

9. 01.457.156- Health insurance expense will be estimated at 105% of the current annual amount plus the new enrollment of a single employee, John Ritter, Jr. beginning January 1, 2019.
10. 01.486.351- Property and liability insurance expense will remain stable for 2019 per an insurance review with a representative from H. A. Thomson.

The Board moved the review and discussion to the Solid Waste Fund. The Secretary/Treasurer provided a worksheet for the **Solid Waste Fund**. She discussed the **Revenue** accounts: The main sources of revenue generated by the Fund are a small amount of interest, the collection fees paid by residents for residential & commercial trash fees, a small amount of recycling grant money, & a small amount of cash back from the VISA used for payment of recycling hauls. The Secretary/Treasurer noted that delinquencies are still high. A rate increase may be needed. The Board said to work over the preliminary figures and see what is needed.

The Board continued their review & discussed the following **expense accounts in the Solid Waste Fund** beginning with account # 09.403.320 to & including # 09.492.300 as follows:

1. Costs for recycling expenses will increase to \$270.00 per pull effective January 2, 2019 for cardboard recycling only. The voluntary program will no longer accept single stream materials due to the recycling crisis, volatile markets and violators. Twenty-eight pulls are anticipated annually: $28 \times \$270 = \$7,560.00$.
2. The contract with Penn Waste was renewed for two years per a clause in the contract. The cost increases from \$11,200 per month to \$11,600 per month $\times 12 = \$139,200.00$ per year for residential trash collection in 2019. The cost increases to \$12,000 per month in 2020 or \$144,000.00.
3. The expense for tipping fees will increase due to two (2) clean ups to \$600.00 for disposal of tires at Mahantangos in Liverpool. It was noted that the Township is now required to acquire an annual permit and stickers for each truck to recycle tires at Mahantangos in Liverpool. The Board suggested checking the cost for Mahantango's to provide a trailer on-site to collect the tires.
4. Salary expense includes labor for the clean-up, administration/accounting for the fund, delinquent accounts, & phone calls, updates and changes to billing, preparation, mailing of low income and commercial trash bills etc.
5. The Board agreed to budget to return to two (2) clean ups: one in the Spring and one in the Fall. Dates will be established at the Organization Meeting in January.
6. Overtime expense includes labor worked on Saturdays by full time employees.
7. Increase in postage rates is taken into consideration in the billing costs paid to Keystone Collections Group.

The Secretary/Treasurer indicated she would research a few items discussed and attempt to balance the Budgets for both funds with reserves. Drafts would be provided for review at the next budget meeting on Thursday, October 18, 2018. She appreciated the discussion and input from the Board.

ADJOURNMENT OF THE MEETING: Chairman Quigley made a motion with a second from Supervisor Stahl to adjourn the budget workshop at 9:07 pm. Motion carried unanimously.

Respectfully submitted,

Daisy Lightner, Secretary/Treasurer