

**Union Township Board of Supervisors
Budget Workshop
November 3, 2021 @ 5:00 p.m.**

The Union Township Budget Workshop was called to order by Supervisor Heather Daerr at 5:00 p.m.

The Pledge of Allegiance was recited.

Proof of Publication Confirmed

Board Members in attendance by roll call were Chairperson Heather Daerr, Supervisor Charles Trax, Supervisor Richard Lawson, Supervisor David A. Esken and Supervisor Hal Breinig.

Also, in attendance were: Frank Palermo, CPA – Palermo/Kissinger & Associates; Roberta Singer, Secretary/Ass't Treasurer; Karen Brown, Administration; Terri Gladus – Township Administrator.

Public Comments: None

Discussion Items:

Discuss regarding 2022 Budget 2nd Workshop –
Mr. Frank Palermo coming in with recommendations on items based on what we discussed from the first workshop.

He recommended for Overlook Sewage we budget for that. I budgeted \$20,400.00 that is average monthly charge and does not include any overages of the budget count. I am asking for recommendations from the Township on numbers that we should use for operational cost, sewage treatment charges, I annualized that, on Overlook sewer we need to use educated guesses. What do we do with debt services? Do you know of any other expenses that would be involved in operating the facility and charges coming from South Park?

Supervisor Lawson recommended that we put a linear foot maintenance cost on all the pipes that are in and also gave more recommendations on how to budget for the maintenance.

Mr. Palermo commented there is a \$200,000.00 allotment in capital upgrades in WESA and that was just a recommendation that is what was budgeted from last year.

Mr. Palermo commented on Elrama sewage budget was based on actual data accumulated over the past year. The debt services included in there estimated next year to pay off \$47,000.00 in debt \$11,000.00 in interest for cash flow purposes.

He spoke on Liquid Fuel Account the money coming directly over from the state to be used for state eligible roads. 2020 there was a decrease in review due to pandemic, I recommend for a similar decrease until the effects of Covid-19 are completed done, if ever the case, which is a gas tax done by the state. I think \$185,000.00 is a conservative number. I recommend the Township budgets for similar, total of \$189,000.00 with interest.

Supervisor Lawson asked when will we get credit for the new roads from the new housing plans after they go in? Do we have to fully accept them? Mr. Palermo responded with I think that is the case, that is more of a Harshman or Sweat cost, that is typically the way it is done.

Mr. Palermo commented the Township has a reduction because of the unknown.

General Fund - Revenue side

He spoke on Real Estate taxes have been manly consistent, I recommend the Township budget for approximately \$432 with the unknown of Covid.

He spoke on Act 511 Tax-Earned Income Tax been relatively consistent over the years, I don't want to recommend this number be higher until the housing plans hit where more residents move in I would recommend a similar number.

He spoke on License and permits I have budgeted for \$124,000.00 that number is fairly similar to the past years.

He spoke on \$112,000.00 is cable tv franchise that number is pretty consistent more people cut in the core which makes me believe this number is going to go down I think that is a conservative number and I would recommend go in that ballpark.

He spoke on Funds for the Magistrate \$8000.00 it is down from years past due to the goings on in the Township, interests rates are 0 and I recommend somewhere on those lines is where the Township stays.

He spoke on Governmental Revenue \$30,700 is Foreign Fire that is passed through to the fire department of the Township, will see that later. LSA gaming is significantly lower that is the funds coming over from the casino based on the tax collected there, we are not sure where that is going to go I would recommend that the Township be highly conservative with that.

He spoke on the Act 13 impact fee money that's the gas money from the gas money you receive calculated at the state level that the drillers pay, and the rig operators pay, past year numbers were lower, I recommend we don't go much higher than \$100,000.00. Supervisor Esken asked with the 3 pads coming in? Mr. Palermo responded that will drastically impact that number that calculation is done at the state level. You receive more funds the more pads you have in your Township or very close to your Township, that number is also a trailing number, where you might not receive

those funds until 23. So that number I think is conservative if the Township wants to go under \$100,000.00 I am completely on board.

He spoke on day in and day out revenue that is received and are pretty consistent and redevelopment or rezoning coming in 2022 I recommend you budget for it, but my recommendation would be somewhere in this ballpark.

Expenses

He spoke on preliminary budget recommended from last meeting Township manager budgeted for, its \$100,000.00 the base salary the actual number to be determined, this is what we recommend the Township budgets for, health insurance, life insurance based on family covered is included in this amount.

Chairperson Daerr wanted Mr. Palermo to give explanation of what was budgeted for this position.

He spoke on solicitor and is looking for recommendations from the supervisors there.

He spoke on secretary treasurer from last meeting budgeted with part time treasurer we included a 3% cost of living increase for the secretary treasurer our recommendation and recommendations from the Township to keep that in or adjust that number how you determine that. We also have a part time in there we budgeted \$20 hour. This is just a recommendation we can change that.

He spoke on general government admin the ins and outs service, a line item that is for sub-contractors we removed that which is why you see a cost savings that is really the only big fluctuation that is in that account. We will look for recommendations from the supervisors on keeping that in or take that out so that is why you see that significant decrease there.

He spoke on communications pretty consistent in past years, so we kept it consistent just as a recommendation.

He spoke on engineer we took a look at 2021 annual bills looked at what should be 1 offs looking for a recommendation from the supervisors if that is the number or where it should be.

He spoke on building and planning that's just the maintenance here at this facility and the Nike site we recommend the numbers we keep pretty consistent. If anyone knows of any updates we can put that in the budget if need be so that might be a topic of discussion for the final meeting.

He spoke on police department \$404,000.00 we budgeted for police contract for next year is \$380,000.00 we know the Township picked up another shift, so we were not sure of the additional shift cost yet so we recommend the Township put \$20,000.00 until

that number is determined based on actual cost. Question is will that be a continual item or will that be a one off for this year recommend what the contract in the budget.

He spoke on fire department and ambulance need recommendations from the board on what number to put in there.

He spoke on code enforcement similar to the past and if not significant changes looking for recommendations and put a consistent number in there.

He spoke on zoning officer similar to the past and recommend putting a similar number in there.

He spoke on recycling we have \$8,000.00 not aware of any grants being applied for but waiting on recommendations on how to handle them.

He spoke on public works regarding road crew budgeting overtime and wage increase \$239,000 including 2 more road crew members. We budgeted for similar costs we did increase the gas cost, we recommend the Township do something on those lines, \$15,000.00 due to cost increase.

He spoke on highway, vehicle recommends the Township budgets around \$30,000.00 based on the last couple of years. Salt removal recommends budgeting for an increase due to inflation.

He spoke on road maintenance we put in \$25,000.00 from recommendations from Harshman Group and if the Supervisors know of any road projects needed.

He spoke on culture and recreation similar items budgeted for across the board is what we see if the supervisors have any items for the park that they are aware of we recommend some higher carry costs associated with like electricity, maintenance, etc., just due to some improvements that the supervisors are doing this year.

He spoke on the gentleman who spoke at last meeting about the library and if there is any contributions there is a comment for point of discussion.

He spoke on payroll taxes we budgeted for an increase on insurance so about \$66,000.00 for renewal will look for recommendations from the Township if we should do an increase or where we should go.

He spoke on general fund more unrestricted revenue and expenses deficit of \$565,000.00 for the year. we recommend that we look at that number hard and try and cut some of the expenses, staffing or other items our recommendations to try and get as close to balance as possible.

He spoke over budget for 2021 was legal expense he responded to Chairperson Daerr.

He spoke on bottom line 2020 the unaudited number was \$1.2 million surplus 21 knowing that there is some significant bills coming in for some of the work being performed the improvements done to the Township and using some of that \$1.2 million in 2020 currently there is a \$91,000.00 deficit knowing that number will grow so we would recommend as close to a balance budget as possible.

Chairperson Daerr asked if there was anymore?

Mr. Palermo just wanted to present that based on the initial conversations we've had trying to give you guys an idea what you are budgeted for and look at how we want to possible cut costs or where we want to go with generating grants. Just recommendations.

No comments from the board.

Public Comments:

Michalle Dupree – 6178 State Route 88 – You have increased the staff budget, accounting for next year for lack of staff for certain accounting things but you increased the staff's budget for next year so is it for the proposed budget for next year? Mr. Palermo -- I put all into this budget based on the data provided, just a recommendation. Michalle -- I did not understand increasing both if one gets better than the other one less. Mr. Palermo – there is a timing difference in some of the items because of the DCED's cash basis versus a cool basis.

Doug Pasco – SEREMS – I sent over a package, and we are going around to all over our communities and making ourselves available to the boards if you had any questions, concerns, or comments on how we came about that number, but it is standardized funding from the 9 communities with a goal of raising \$400,000.00 annual for the staffing of 1 advanced ambulance shared amongst the communities 24 hours a day 7 days a week. It is based on population. If you could strongly think of putting that amount in because we have been successful with all the other communities, this is your ask and you have a voting seat on our board which is Bobbi, this ask was from all the Municipality leaders of the 9 communities. There is also a hardship, we started this 2 years ago, the hardship clause in there brought up by Elizabeth, major lawsuit we you are really struggling come to the meeting and talk amongst the communities and they can consider a hardship waiver or reduction. We run, staff 4 to 5 a shift. We down shift on night shift. Supervisor Breinig – where would be the closest to Union Township? Mr. Pasco – to Union Township would be Century Dr. and Ridge Rd. and staging down at the Elrama Fire Department. We just purchased a Johnathon response unit at the Gastonville section as soon as that comes in it will be fully equipped ALS and he will be able to respond on a first responder as available working out of his home, it will be a take home vehicle.

No comments from the board.


Motion to Adjourn @ 5:40 p.m.

Motion: Daerr

Second: Lawson

Roll Call: Daerr – yes Trax – yes Lawson – yes Breinig – yes Esken - yes

Motion Carried


ROBERTA J. SINGER, Secretary