

**HILLTOWN TOWNSHIP BOARD OF SUPERVISORS
BUDGET WORKSESSION MEETING
Saturday, November 27, 2004
8:30AM**

The third 2005 Budget Worksession meeting was called to order by Chairperson Kenneth B. Bennington at 8:42AM.

Also present were: George C. Egly, Jr. – Vice-Chairperson
Richard J. Manfredi – Supervisor
Gregory J. Lippincott – Township Manager
Lorraine E. Leslie - Township Treasurer

Marilyn Teed – Township Resident

- A. PUBLIC COMMENT ON AGENDA ITEMS ONLY: None.
- B. YEAR 2005 PROPOSED BUDGET: Mr. Lippincott presented Draft #2 of the proposed 2005 Budget and the memo prepared by Mrs. Leslie of the outstanding items.
- C. 2005 BUDGET DISCUSSION: To fund the prioritized list from the Police Department will cost an additional \$139,869.35, which is equivalent to the old millage rate of 2.8. He advised that the cost for Public Works equipment and salaries, if the park is not constructed, is an additional 2.2 mills at the old millage rate, and an additional 2.6 mills at the old millage rate. The cost to hire an additional officer for half year is \$32,069.35, the cost for purchase of a Ford Crown Victoria is \$28,300.00, and the cost to purchase a Chevrolet Tahoe is \$37,300.00. Supervisor Manfredi wondered if the purchase of two additional vehicles would affect the level of service to the residents of Hilltown Township. Supervisor Egly replied that it would affect this budget, because the existing vehicles will require significant repairs and would have to be taken out of service for those repairs. Therefore, if additional police vehicles are not purchased this year, Mr. Lippincott noted that five would be needed in 2006. It is Supervisor Egly's opinion that Chief Engelhart's prioritized list is necessary and not out of line with what is required for the police department to function adequately. He is also aware that the amount of manpower is well behind what he projected, as the former police chief, six years ago with a rapidly growing community.

Public Comment:

1. Mrs. Marilyn Teed of Mill Road suggested that 2004 leftover police vehicles be purchased, rather than 2005 models, which would save money but still provide for new vehicles with warranties. Mrs. Leslie explained that 2004 leftovers are not available through the State Contract and these vehicles are specifically designed to be used by police departments.

Supervisor Manfredi commented that the Public Works and General Fund budgets have been supporting general operations and maintenance of the parks to this point, and the Board has the ability to levy a specific tax for that purpose, which would free up those General Fund monies for general road repairs. A Park and Recreation Tax could be earmarked for the specific construction and maintenance of the park system so that the residents would know exactly why the tax was created and what the revenues would be used for. Supervisor Manfredi does not know how this could be accomplished without a major tax increase in 2005, and most likely an additional tax increase in 2006. He is concerned about funding the construction of a new park system while the Public Works Department is presently struggling to fund and maintain the existing parks. Under SALDO requirements and state law, Mr. Lippincott explained that the Township must use the park and recreation escrows within three years of receipt. In 2005, \$188,000.00 of funding must be used for park construction, or be returned to the developers. A very lengthy discussion took place regarding a tax increase, with those funds being earmarked for specific purposes – such as parks and recreation, and public works.

Mr. Lippincott stated that Phase I of the Forest Road Park includes the construction of an access road and parking lot to the site, with a field planted with grass to be used for pick-up ball games or for walking. Supervisor Manfredi believes the Board must re-think what is included in Phase I of the park construction, perhaps to include a walking or fitness trail. He is not in favor of constructing an access road and parking lot for something that may never come to fruition. Supervisor Manfredi asked if the equipment purchased with fees in-lieu-of recreational land can then be used for anything other than park construction, once the park has been completed. Mr. Lippincott replied that it could not. If a Park and Recreation Tax Fund were created, Supervisor Manfredi stated that it would be a separate fund. Mrs. Leslie agreed, but noted it would depend on how the accounting was established. For instance, at the present time, the Liquid Fuels Fund is a separate account, however most municipalities do it as a “due to-due from” style of accounting, with all the bills paid from the General Fund, which is then reimbursed by the Liquid Fuels Fund. Supervisor Manfredi asked Mrs. Leslie to obtain a letter from Dunlap Associates, the Township’s CPA, stating that type of accounting is acceptable, and he would agree to it. Mrs. Leslie commented that the only problem with a separate fund is that she would not be able to do any payroll out of that fund, since payroll is its own software program. Rather, she would have to transfer the funds to cover a payroll from that account, or the Township would have to purchase a separate payroll software program. Supervisor Manfredi just wants to insure that this Board is never accused, during his term in office, of co-mingling funds. A lengthy discussion took place.

The Board entered into dialogue regarding the anticipated revenues that will be generated from fire inspections, based upon square footage of commercial businesses, and how those revenues may cover the Fire Marshal’s salary in 2005. Mr. Lippincott noted that there are 432 businesses in the Township, and a conservative estimate of \$15,000.00 in

revenues was projected by Mr. Jenkins. The Board agreed to allow the conservative amount of \$15,000.00 to remain for 2005. Supervisor Manfredi believes that Mr. Jenkins's priority in January of 2005 should be to begin the fire inspections, and to leave building inspections and code enforcement to Mr. Taylor. Mr. Lippincott reminded the Board that an Ordinance must be adopted prior to charging for fire inspections.

Public Comment:

1. Mrs. Marilyn Teed of Mill Road asked if all businesses, including smaller businesses like landscapers and home occupations, were included in the list of 432 businesses mentioned earlier. Mr. Lippincott did not know, and directed Mrs. Teed to contact Mr. Jenkins, the Fire Marshal. Mrs. Teed stated that that the proposed Trade Business Ordinance that has been under review by the Township for some time, if adopted, could generate additional businesses, thereby creating revenue through more fire inspections.

A very lengthy discussion took place regarding the possibility of establishing new taxes to be designated specifically for Road Equipment and Parks and Recreation Maintenance. Chairperson Bennington commented that Hilltown Township has not raised taxes since 1994 for the Fire Tax. If taxes were to be raised in 2005 as discussed, the increase per average property owner would be approximately \$81.00 per year. Supervisor Manfredi asked Mrs. Teed, as a resident, her opinion of establishing new taxes dedicated to these specific funds. Mrs. Teed supports designated separate budgets, because it provides for a sense of confidence for taxpayers to know that their money is being used for specific purposes.

Motion was made by Supervisor Manfredi, seconded by Supervisor Egly, and carried unanimously to authorize the advertisement of the proposed 2005 Budget for possible adoption at the December 27, 2004 Hilltown Township Board of Supervisor's meeting, with General Fund millage at an increase of .65 mills specific to the projects and programs presented for the Police and Public Works Departments as a result of these Budget Meetings, and with the Debt Service, and Fire Fund millage remaining the same, while creating, under Section 3205, subsection 6, "Township and Special Tax Levies" a tax specifically earmarked for the Township's Parks and Recreation Program with a millage rate of 0.8, and creating, under Section 8205 of the Second Class Township Code, subsection 10, an annual special tax to be used exclusively for the purchase of road equipment with a millage rate of 0.8. There was no public comment.

Motion was made by Supervisor Manfredi, seconded by Supervisor Egly, and carried unanimously to authorize the Township Solicitor to make petition before the court to allow the above noted tax millage increases for Hilltown Township for 2005. There was no public comment.

D. SUPERVISOR'S COMMENTS:

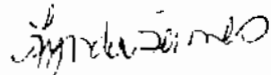
1. Mr. Lippincott advised that he would like to meet with the Supervisors in Executive Session following this meeting to discuss personnel issues.

2. Chairperson Bennington suggested that a Commendation be presented to former long-time Park and Recreation Board member, Robert Wendig, who recently resigned his position from that Board. Discussion took place.

E. PRESS CONFERENCE: No members of the press were in attendance.

F. ADJOURNMENT: Upon motion by Supervisor Egly, seconded by Supervisor Manfredi, and carried unanimously, the 2005 Budget Worksession meeting of November 27, 2004 was adjourned at 10:35AM, at which time the Board entered into Executive Session with Mr. Lippincott in order to discuss personnel issues.

Respectfully submitted,



Lynda Seimes
Township Secretary
HILLTOWN TOWNSHIP

(*These minutes were transcribed from tape recordings taken by Mr. Gregory J. Lippincott, Township Manager).