

**HILLTOWN TOWNSHIP BOARD OF SUPERVISORS
BUDGET WORKSESSION MEETING
Thursday, November 11, 2004
7:00PM**

The second 2005 Budget Worksession meeting was called to order by Chairperson Kenneth B. Bennington at 7:00PM.

Also present were: Richard J. Manfredi, Supervisor
Gregory J. Lippincott, Township Manager
Thomas A. Buzby, Director of Public Works
Christopher Engelhart, Police Chief
Lorraine E. Leslie, Township Treasurer

A. PUBLIC COMMENT ON AGENDA ITEMS ONLY: No one from the public was present at the beginning of the meeting.

B. YEAR 2005 PROPOSED BUDGET: Since the first Budget Worksession meeting of October 20, 2004, the staff revised the draft of the proposed 2005 Budget to reflect the changes as discussed by the Board of Supervisors.

C. 2005 PUBLIC WORKS BUDGET DISCUSSION – Mr. Lippincott explained that \$290,000.00 of income was added from the Park and Recreation Fund to offset the purchase of trucks and for two salaries to begin work at the Forest Road Park. Supervisor Manfredi was under the impression that the Board was not going to do that. At the October 20, 2004 Budget Worksession Meeting, Mr. Lippincott recalls that Supervisor Egly was in favor of this proposal, but Supervisor Manfredi was not (Chairperson Bennington was not present at that meeting). Supervisor Manfredi disagreed with Mr. Lippincott's recollection, stating that he believes Supervisor Egly agreed with him not to purchase the 10-wheeler truck to be used in park construction since there are no Township employees who are experienced machine operators or who have the skills necessary to construct the park. Supervisor Manfredi recalls that the discussion was to revise the Ordinance to permit the use of park and recreation funding for maintenance of the parks, not for the actual construction. Mr. Buzby believes that the shop foreman, Steve Britsch, is a qualified equipment operator, and could certainly begin site work for Phase I of the park with the assistance of an additional employee. Mr. Buzby noted that Mr. Britsch assisted with the site work during construction of the Civic Field Park, and with the site work during construction of the new Public Works Building. A lengthy discussion took place. Supervisor Manfredi suggested that a specific fund category be created for all of the expenses that will be used during the construction of the new park. Chairperson Bennington agreed. Mrs. Leslie noted that one of the advantages of the Public Works Department doing the site work on the new park is that the prevailing wage issue would not come into play.

Mrs. Leslie advised that there is \$140,000.00 allocated for paving projects in the Liquid Fuels fund in the State Highway Budget. She advised that estimated revenues from PennDot include \$270,927.59 with an additional \$15,050.00 in turnback funding. Mr. Buzby stated that funds for the purchase of sodium chloride also come from the Liquid Fuels budget. Supervisor Manfredi asked what is included in "road materials" for which \$71,000.00 is budgeted. Mr. Buzby replied it includes pipe, box culverts, paint, hot tape, aggregates, blacktop for patching, etc. Chairperson Bennington asked the order of importance of roadways that will require paving in 2005, for which \$140,000.00 has been budgeted. Mr. Buzby advised the order of priority is Bypass Road, Moyer Road, and Seven Corner Road. Discussion took place.

Supervisor Manfredi asked the status of the drainage work for Narothyn Road. In Mr. Buzby's opinion the drainage for Narothyn Road was never properly done. He believes that stormsewer, not just a swale should have been installed. It is Mr. Buzby's intent to overlay the road, however no funds are available to install stormsewer.

A lengthy discussion took place about the possibility of increasing taxes. If the Board were forced to raise taxes, Supervisor Manfredi would like to dedicate those funds for a specific purpose, such as road improvements, police, or recreation. Supervisor Manfredi requested that Mr. Buzby prepare a five-year plan of what he hopes to accomplish, and how much is required to fund that plan.

D. 2005 POLICE DEPARTMENT BUDGET DISCUSSION: Mr. Lippincott explained that all of the proposed Capital Projects purchases were removed from the Police Department budget.

Chairperson Bennington wondered if Officer Kane would be medically able to return to active duty in 2005. Chief Engelhart was not certain, but doubted that would be the case. Discussion took place as to whether an additional officer would be required for 2005. It was suggested that an additional officer could be hired as of July 1st, which would only require one half year's worth of salary.

Public Comment:

1. Mr. Jack McIlhinney of Broad Street asked if the Township could recover any expenses from the alleged drunk driver who hit Officer Kane. Chief Engelhart explained that the man had very limited liability insurance of \$15,000.00, which would not even cover the cost of the helicopter flight to the hospital. Discussion took place.

Supervisor Manfredi asked what is required to maintain the current level of service of the Police Department. Chief Engelhart presented a prioritized listing of the 2005 expenditures that he has requested. The first four items include a Building Feasibility

Study in the amount of \$12,800.00, the purchase of a Ford Crown Victoria in the amount of \$28,300.00, the purchase of a Chevrolet Tahoe in the amount of \$37,300.00, and the hiring of an additional officer in July in the amount of \$32,069.35. Chief Engelhart explained that if no additional vehicles were purchased in 2005, five would be necessary the following year to maintain the rotation schedule.

Discussion once again took place regarding the possibility of increasing taxes and how much of an increase would be permitted under the new taxation structure. Chairperson Bennington commented that every other municipality in the area faces the same situation that Hilltown does, particularly with the EIT issue, and the rising cost of medical insurance. Mr. Lippincott agreed, noting that the only other municipality with a lower millage than Hilltown is Doylestown Township, with a total of 28 mills. Both East and West Rockhill Townships' millages are much higher. He believes that Warwick Township intends to go to court to raise taxes. Warminster Township obtained a court order approximately three years ago to raise taxes, and New Britain Township went to court last year to go over the regular 14 mills. He reminded the Board that Hilltown Township encompasses a larger area than New Britain Township, with more police officers and public works employees.

Public Comment:

1. Mr. Jack McIlhinney of Broad Street would not be opposed to a tax increase if that funding were necessary for public safety and road improvements. Supervisor Manfredi believes that most residents would feel the same, if they were aware that the increase is to fund specific issues.

If the millage rate were to be raised to specifically fund police and road improvements, Supervisor Manfredi commented the Township would still be "cashed out" and would result in an almost zero contingency as of January 1, 2006. Mrs. Leslie agreed. Supervisor Manfredi asked what is required to get through the first quarter of 2005 prior to the receipt of tax money. If the Board were to adopt draft #2 of the proposed budget, Mrs. Leslie replied that the \$250,000.00 from the General Reserve Fund would be used for the beginning of the 2005 year, but that would result in no contingency available for 2006. A lengthy discussion took place.

E. 2005 LEGISLATIVE AND ADMINISTRATIVE BUDGET DISCUSSION: Mr. Lippincott advised that \$7,500.00 for the purchase of three laptop computers, \$9,200.00 for reducing the cost of printing newsletters, and \$10,000.00 for the PACC water study, have been removed from the proposed budget. With the reduction of the cost of printing newsletters, Supervisor Manfredi was concerned that the Township would be unable to provide good quality newsletters. Mr. Lippincott believes that a quality product would be provided. Chairperson Bennington explained that the reduction of the amount necessary

for the PACC water study was as a result of additional funding from Growing Greener, so that the required amount from each municipality will most likely be \$600.00 rather than \$10,000.00.

With respect to the proposed Administrative Budget, Mr. Lippincott advised that \$8,926.00 of salary reductions for the six administrative employees, along with \$553.00 and \$129.00 for the associated FICA and Medicare were removed, along with \$1,400.00 for the purchase of an exchange server. The purchase of one laptop computer in the amount of \$2,500.00, and the purchase of building permit software in the amount of \$25,000.00 were also removed from the proposed budget. Discussion took place.

With respect to the proposed Fire Protection Budget, \$14,393.00 for supplies, tools, uniforms, dues, subscriptions, and capital items has been removed. In the category of Planning and Zoning, \$10,000.00 for consulting services was removed. In the category of Parks, turf care has been reduced to \$2,000.00. The entire Safety Committee budget of \$2,500.00 has been eliminated. Discussion took place.

Public Comment:

1. With the current budget crunch and the possibility of a tax increase, Mr. Jack McIlhinney of Broad Street questioned why the position of Fire Marshal is necessary at all. Chairperson Bennington explained that the Fire Marshal is set to begin performing inspections of commercial buildings for the health, safety, and welfare of the community, from which revenue fees will be generated. Mr. McIlhinney asked if the funds generated from these inspections would cover the Fire Marshal salary. Mr. Lippincott replied that those fees would not completely cover the Fire Marshal salary, however that is not the only function required of the position. He explained that the Fire Marshal's job description also includes assisting with building inspections and zoning/building permit reviews. Mr. McIlhinney commented that the Township already had a Building Inspector when Mr. Jenkins was hired. Mr. Lippincott agreed, however he noted that assistance is necessary because there are so many building inspections and permit reviews. Discussion took place regarding what anticipated revenues might be from the proposed industrial/commercial inspections in 2005, the cost of which would be determined by the square footage of each building.

If a healthy tax increase would be proposed this year, Mr. McIlhinney is concerned that unnecessary expenses have not been cut from the proposed budget. Mr. Lippincott noted that over \$700,000.00 has been cut from the first draft budget to this second draft budget. It is Mr. McIlhinney's opinion that any funding for the PACC water study is a waste of money. Further, he questioned what dollar amount has been budgeted for construction of the Pennridge Senior Center. Chairperson Bennington replied that the Township has not committed to any additional funding until all of the other surrounding municipalities and

boroughs have agreed to a uniform way of funding. He has heard rumors that the Pennridge Senior Center will be receiving \$500,000.00 from the State. Supervisor Manfredi would like to find a way to provide funding for the Pennridge Senior Center, however if that occurs, he believes the Township should have some clearly defined control as to how it is established, how the funds are spent, and who is held accountable. Discussion took place.

Mr. McIlhinney asked what the Township's future financial commitments are with respect to the County Line Road realignment project and the Rt. 113 Heritage Corridor project. Mr. Lippincott advised that funding for those projects is not available in this proposed budget.

A lengthy discussion took place regarding the possibility of borrowing funds or a possible tax increase.

G. SUPERVISOR'S COMMENTS:

1. Motion was made by Supervisor Manfredi, seconded by Chairperson Bennington, and carried unanimously to authorize the advertisement of the next Budget Worksession Meeting, once a date has been determined. There was no public comment.

H. PRESS CONFERENCE: No one from the press was in attendance.

J. ADJOURNMENT: Upon motion by Supervisor Manfredi, and seconded by Chairperson Bennington, the November 11, 2004 Budget Worksession Meeting was adjourned at 9:20PM, at which time the Board entered into Executive Session with Mr. Lippincott in order to discuss personnel issues.

Respectfully submitted,



Lynda Seimes
Township Secretary

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