

**HILLTOWN TOWNSHIP BOARD OF SUPERVISORS  
2007 BUDGET WORKSESSION MEETING  
Wednesday, November 8, 2006  
3:00PM**

The 2007 Budget Worksession meeting of the Hilltown Township Board of Supervisors was called to order by Chairman John B. McIlhinney at 3:10PM and opened with the Pledge of Allegiance.

Also present were: Richard J. Manfredi, Vice-Chairman  
Barbara A. Salvadore, Supervisor  
Kenneth B. Bennington, Township Manager  
Christopher E. Engelhart, Chief of Police  
Thomas A. Buzby, Director of Public Works  
Lorraine E. Leslie, Township Treasurer

Motion was made by Supervisor Manfredi, seconded by Supervisor Salvadore, and carried unanimously to authorize the advertisement of the Nextel/Sprint Conditional Use Public Hearing to be held on Friday, December 1, 2006 at 1:30PM. There was no public comment.

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

B. YEAR 2007 PROPOSED BUDGET: Mrs. Leslie presented the Board with Draft Budget #1-A, which is no different than what was previously provided, except for the addition of a 2005 "Actual" column for General Fund only.

Supervisor Manfredi suggested that the format for Budget Worksession meetings be changed from that of previous years in that each Supervisor should ask any questions they may have, rather than go through an entire presentation of the proposed budget. Chairman McIlhinney and Supervisor Salvadore agreed.

1. Discussion took place as to how each line item is shown with actual dollar amounts and whether those items are over or under budget.

2. Supervisor Salvadore questioned the line item for contributions from the Cutler Group. Mrs. Leslie explained that the Cutler Group donates \$2,000.00 per building permit application. The Township had anticipated 135 dwellings being constructed by Cutler in 2006. The dwellings anticipated to be constructed in 2007 are less.

3. The Board discussed the allocation for one additional employee from the Public Works Department in the amount of \$75,000.00 for mowing and maintenance, etc. of parks and recreation property. Mrs. Leslie explained that the maintenance of parks and recreation property would be funded through the Park and Recreation Fund, however the

expense would show in the General Fund via an inter-fund transfer to cover the addition of one individual to the Public Works Department. She reminded the Board that labor would still be allocated appropriately, however that is accomplished with a different formula. Supervisor Manfredi asked why the dedicated Park and Recreation funding is being shown in the General Fund. Mrs. Leslie replied that it is being done that way to pay the employee through the General Fund. Supervisor Manfredi suggested that a separate line item be established to facilitate tracking those funds to show where that money is being spent and to avoid co-mingling of funds. Mrs. Leslie anticipates invoicing the Park and Recreation Fund based upon what was paid out through the General Fund.

Last year, the Board asked Mr. Buzby to track expenses for maintenance of park and recreation properties. Supervisor Salvatore asked what the actual expenses were compared to the \$75,000.00 that has been budgeted for 2007. Mrs. Leslie has not yet posted all of those figures, however she anticipates that the labor hours alone will total approximately \$40,000.00, not including the cost of additional benefits for an employee. Supervisor Salvatore wondered if the Board should begin considering subcontracting certain maintenance operations, such as mowing, snow plowing, etc. Mr. Buzby requested a quote from an outside contractor. Though specific figures have not yet been received, the contractor provided a rough estimate for mowing the Township building property at approximately \$200.00 per mowing. Supervisor Manfredi suggested that the Township seek Requests for Proposals for whatever subcontracting work they so desire, such as mowing or snow plowing, and if proposals are received for less than \$75,000.00, then that work could be contracted out. Discussion took place concerning the mowing and maintenance of open space properties.

Motion was made by Supervisor Manfredi, seconded by Supervisor Salvatore, and carried unanimously to authorize the advertisement for Request for Proposals for all open space mowing needs, as defined by Mr. Bennington and Mr. Buzby. There was no public comment.

4. Supervisor Salvatore questioned the rationale for purchasing the following public works equipment, including a tandem dump truck, a trailer-mounted leaf loader, a pressurized crack-fill machine, and a brush chipper. Mr. Buzby noted that the pressurized crack-filler would facilitate approximately 3-4 times the amount of work because it provides for indirect heat versus direct fire, and is only 60% the cost of the machine presently being used.

Chairman McIlhinney recalls that payment for the tandem dump truck won't be made until April or May of 2007, and asked if the same scenario holds true for the purchase of the leaf loader, the crack-fill machine and the brush chipper. Mr. Buzby affirmed that

was correct. Discussion took place concerning the leaf pick-up process and the latest DEP mandate that requires a leaf pick-up on every Township road once per year. Mr. Buzby advised that the current brush chipper is no longer safe to operate.

5. Discussion ensued concerning Mr. Buzby's request to hire an additional Public Works employee. He reminded the Board that he has been down one employee for the past several years, due to a former employee being on Worker's Compensation benefits.

6. Supervisor Salvadore noted that the Board had previously discussed and supported any efforts to build the Township Reserve Fund to 10%. Supervisor Manfredi does not recall that the Board ever officially agreed to create a Reserve Fund or agreed to a specific percentage. The Board discussed the Debt Service Tax, which is currently 1.5 mills. Supervisor Manfredi suggested reducing the Debt Service Tax by .5 mills and then increasing, by .5 mills, the tax for General Fund purposes. He noted that the following are permitted uses for Operating Reserve Funds – Emergencies involving the health, safety, and welfare of the residents; to counter-balance potential budget deficits resulting from shortfalls or dissipated revenues; to provide for anticipated operating expenditures related either to the planned growth of existing projects or programs, or the establishment of new projects or programs, etc.

Discussion ensued regarding the permitted uses of the Capital Reserve Fund. Mr. Bennington noted that this building is in need of a new sound system for the meeting room, a new roof and new carpeting for the offices. Chairman McIlhinney commented that this funding could also be used to lower the stage in the meeting room, while Supervisor Manfredi suggested that the Capital Reserve funding could be used to expand the police department.

After lengthy discussion, the Board decided that the millage rate for 2007 for Debt Service would be zero, while the millage rate for the newly created "Operating Reserve Fund" would be 1.5 mills, which would not increase taxes, but would minimize future shortfalls and deficits, and would permit additional funding, if necessary, for the General Fund.

7. The State Highway Aid Fund was considered. PennDot's Road Turnback Rate will be increased in 2007, which will result in an additional \$22,000.00 for the Township. Mr. Buzby advised that the amount of money that PennDot offers, even at the new rate, is insufficient to cover all the maintenance costs that are involved on a yearly basis.

8. Discussion took place concerning rental fees for the Tax Collector office. Mrs. Leslie explained that the previous Board of Supervisors reduced the Tax Collector's salary and also eliminated the office rent, prior to Diane Telly taking office.

9. The Recycling Grant was reviewed and discussed. It is anticipated that the Township will receive \$53,000.00 next year.

10. Supervisor Manfredi noted that he would not be present at the November 13, 2006 Supervisor's meeting since he must attend a special DEP orientation in Harrisburg.

11. Chairman McIlhinney questioned the revenue from building permits for 2007, specifically plumbing permits. It is anticipated that 100 new single-family dwellings will be constructed in 2007.

12. Chairman McIlhinney asked how the General Reserve Fund is actually funded. Mrs. Leslie explained that \$200,000.00 was put aside several years ago, which essentially eliminated the need for the Township to obtain a Tax Anticipation Note each year.

13. Supervisor Manfredi questioned the number budgeted for sick-time buy-back. Mrs. Leslie replied that the number shown is the maximum that could be paid out, however, the number could be much less. She explained that if an employee has accumulated 160 hours of sick time, they might opt to sell 80 hours back to the Township per year.

14. Supervisor Manfredi expressed concern with what he thought was going to be temporary Building Inspection services for which \$101,000.00 has been budgeted for 2007. Mrs. Leslie stated that the number shown is exactly 30% of anticipated permit fees. Supervisor Manfredi commented that he would not be agreeable to entering into any agreement with an inspection agency that is paid a percentage based on permit fees. He suggested that a formal Request for Proposal for Building Inspector/Code Enforcement services be advertised and considered. Lengthy discussion took place.

15. Chief Engelhart advised that the Police Capital Budget currently contains funds for three police vehicles and two speed boards, however he asked the Board to consider forgoing the purchase of the two speeds boards at this time, so that much needed computer equipment could be purchased. Supervisor Manfredi was opposed to forgoing the purchase of two speed boards. Discussion took place as to the positive impact Supervisor Manfredi feels the two existing speed boards are having. Supervisor Salvadore understands that both the Police Department's software and hardware needs to be replaced. Chief Engelhart agreed, and noted that the computer equipment is a basic operating expense that he must have, which is why he suggested eliminating the purchase of two additional speed boards from the budget. He is requesting funding to purchase three computers, two printers, and two fireproof file cabinets, which is critical to the department's operation.

Supervisor Manfredi commented that the direction provided earlier by the Board to reduce the Debt Service Tax by .5 mills and establishing an Operating Reserve Fund with .5 mills of tax would permit those funds to be spent so that the speed boards and the computer equipment could all be purchased.

Motion was made by Supervisor Manfredi, seconded by Supervisor Salvadore, and carried unanimously to authorize the advertisement of the 2007 proposed Budget provided all of the changes requested at this meeting, and in the Executive Session following this meeting with respect to salaries and personnel, are made. There was no public comment.

C. PUBLIC COMMENT: None.

D. SUPERVISOR'S COMMENTS: None.

**\*Chairman McIlhinney recessed the advertised 2007 Budget Worksession meeting of November 8, 2006 at 5:12PM in order for the Board to enter into Executive Session to discuss personnel issues.**

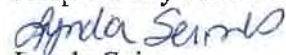
**\*Chairman McIlhinney reconvened the advertised 2007 Budget Worksession meeting of November 8, 2006 at 7:18PM.**

Motion was made by Supervisor Manfredi, seconded by Supervisor Salvadore, and carried unanimously to authorize the Township Manager to adjust the proposed 2007 Budget as presented, and to increase as necessary the line items as appropriate up to \$26,000.00 and to take the necessary personnel actions as he deems appropriate for various personnel under his direct supervision. There was no public comment.

E. PRESS CONFERENCE: No members of the press were present at this time.

F. ADJOURNMENT: Upon motion by Supervisor Salvadore, seconded by Supervisor Manfredi, and carried unanimously, the November 8, 2006 Budget Worksession meeting was adjourned at 7:20PM.

Respectfully submitted,

  
Lynda Seimes

Township Secretary

(\*These minutes were transcribed from tape recordings taken by Mr. Ken Bennington, Township Manager, and are not considered official until adopted by the Board of Supervisors at a public meeting).