

**BOARD OF COMMISSIONERS
BUDGET MEETING
NOVEMBER 3, 2022**

MEMBERS PRESENT John J. Merhottein, President
John K. Gallagher, Vice President
Jan Beatty, Commissioner
Dale A. Sourbeck, Commissioner

OTHERS PRESENT Doug Bruce, Township Manager
Andrew Freda, Finance Director
Anthony Giovannini, Township Solicitor
Richard Kanaskie, Public Works Director
Justin Weis, Public Works Assistant Director
Steve Hunsberger, PPIS Director
Matt Miranda, PPIS Assistant Director

OPENING STATEMENTS Mr. Bruce called the meeting to order at 6:00 p.m. and welcomed everyone to the final budget hearing.

Mr. Bruce said this past week an error was discovered in the 2023 proposed budget. The error involved a glitch in payroll data (employee wages/salaries/benefits) and resulted in the undercounting of estimated 2023 payroll expenses by about \$300,000. The error was corrected and the proposed expenses updated accordingly. The specific error appeared to be that when new payroll projections were put in the system, the base wages reverted back to 2021 levels, missing all 2022 adjustments.

As the original proposed budget had an operating surplus of approximately \$150,000, the payroll changes moved the overall general fund budget from slightly “in the black” to slightly “in the red.”

As such, the following new proposed changes to the budget were made:

Expense changes:

Dept.	Line Item	Change	Justification
400	43400	reference materials 15,275 to 275	Map project underway this year
437	42584	sinkhole repair 10,000 to 5,000	Year-to-date trend
437	42630	vehicles 25,000 to 20,000	Year-to-date trend
442	43510	vehicle parts 10,000 to 5,000	Year-to-date trend
445	42515	service equipment 10,000 to 5,000	Year-to-date trend
450	42450	building/property 15,000 to 10,000	Year-to-date trend
430	42185	engineering non-reimbursable 140,000 to 130,000	Year-to-date and year-over-year trends
430	42460	advertising 20,000 to 10,000	Year-to-date trend
430	42612	ordinance updates 15,000 to 10,000	Year-to-date trend

Revenue Changes	Justification
Taxes – Mercantile/Business Privilege +50,000	Year-to-date and year-over-year trends
Licenses and Permits – Electrical +30,000	Year-to-date trend

Revenue Changes Continued

Justification

Other Agencies – Federal/State +25,000 (10,000+15,000) Grant estimates for non-capital items

Based on information received this week from Bethlehem Township Volunteer Fire Company, changes were made to the proposed acquisition of SCBA air tanks from an outright purchase to a lease-purchase, amortizing the \$300,000 cost over a four-year period. The township has used lease-purchases for other major equipment purchases, including large vehicles, Mr. Bruce said.

After the changes were factored in, the updated proposed general fund budget had revenues of \$20,466,151 and expenditures of \$20,404,256, with an operating surplus of approximately \$62,000.

Mr. Bruce noted that he inadvertently left out of the budget message employee wages. Based on contractual obligations, the following employee groups will receive the specified wage increases in 2023: AFSCME union (2 percent), Teamsters union (3.25 percent), and police union (3.25 percent). He said he also proposed and built into the budget a 3.25 percent salary increase for non-union employees.

Mr. Bruce apologized for the error in the original proposed budget.

PUBLIC WORKS

Mr. Kanaskie reported a slight drop in materials and supplies costs and said the budget for line painting increased because of inflation. Mr. Gallagher said many roads in the township are bad and would like to see them added to the paving schedule. Mr. Bruce said adding more at this time would create an operating deficit. Mr. Gallagher asked if electric cars would cause the money they receive for Liquid Fuels to decrease. Mr. Freda said the state does not know. Mr. Kanaskie said they plan to sell the dump truck and use the money towards the purchase of a new one through a lease purchase. He said the department is also trading in the oldest zero-turn mower every two years. No other changes to the budget were discussed.

PPIS

Mr. Bruce said Mr. Hunsberger will retire at the end of the year. He will work as an independent contractor with the municipal authority in the new year. Mr. Bruce explained that the PPIS employees' salary and wages are split between the general fund, sewer fund, and small portion in the stormwater fund. Mr. Freda said there was no increase in sewer treatment fees from the City of Bethlehem. Mr. Sourbeck asked what staff changes will occur when Steve Hunsberger retires. Mr. Miranda they will be going from two crew leaders to one crew leader and one laborer. Mr. Miranda said they are increasing the cost for consultants as they are needed to make sure that jobs such as sewer mapping and the GIS system are performed correctly. Mr. Miranda said the jetting unit, which is scheduled to be replaced next year, is their most critical vehicle. Mr. Bruce asked what the life expectancy was. Mr. Miranda said they are heavily used and can last about five to seven years.

STORMWATER

Mr. Bruce gave an overview of the stormwater budget. Mr. Freda said 2022 was the pilot year for the stormwater fee and there is no rate change planned for the first four years. Mr. Sourbeck asked what happens if someone doesn't pay the fee and what the collection rate was. Mr. Freda said a lien can eventually be placed on the property if a bill is not paid. Mr. Freda said there has been a 90% success rate in collecting the fee. Mr. Gallagher said he would like to see positions being paid partially by stormwater funds to be broken down for transparency's sake. Mr. Bruce said they are noted in the monthly financial report.

There were no changes to the board's budget or the administration budget. Mr. Gallagher commented that he will once again not take the commissioner's stipend.

Mr. Bruce said two new positions are proposed in Finance: An Assistant Finance Director and clerk. The Assistant Finance Director will also assume the responsibility of a grants coordinator and the clerk will be shared between the finance department and PPIS.

Mr. Sourbeck thanked staff for putting the budget books together. Mr. Bruce said the advertisement of the budget will go before the board for a vote at the November 21, 2022, meeting. There will be a 30-day public inspection of the budget. The budget will be in front of the board for a vote to adopt at the December 19, 2022, meeting.

ADJOURNMENT

The meeting concluded at 7:40 p.m.

Respectfully submitted,

Laura G. Zapata
Recording Secretary