

**SOUTH STRABANE TOWNSHIP
BOARD OF SUPERVISORS BUDGET MEETING**

December 6, 2022

APPROVED MEETING MINUTES

1. CALL TO ORDER

The December 6, 2022 Budget Meeting of the South Strabane Township Board of Supervisors (“Board”) came to order at 8:00 a.m. in the Meeting Room of the Municipal Building (550 Washington Road, Washington, PA 15301).

The following were present:

Board of Supervisors	Bob Weber, Chair; Mark Murphy, Vice Chair; Bracken Burns; Russell Grego; and Richard Luketich.
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Absent	None
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Also Present	Township Manager Brandon Stanick; Assistant to the Township Manager Jim Sutter; Finance Director Janna Luton; Fire Chief Jordan Cramer; and Township Solicitor Dennis Makel
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2. PUBLIC COMMENT

The Board allocates a period of time during this item for those individuals who would like the opportunity to address the Board on any matter. Each person addressing the Board of Supervisors is asked to limit their comments to a maximum of three (3) minutes.

There were no comments from the Public.

3. BUDGET WORKSHOP

Chair Weber requested Township Manager Brandon Stanick to provide a summary of the status of the 2023 Annual Budget. Chair Weber noted everyone has been asked to participate with the goal of paring down proposed expenditures and increasing proposed revenues. Mr. Stanick stated some minor corrections have been made to the Budget since Tentative Approval. He stated the updated Budget reflects a 0.3 general millage increase in lieu of the proposed Fire Tax. Mr. Stanick noted the increase generates approximately \$375,000 in revenue and does not incur any additional expense for collection by the Elected Tax Collector with the exception of delinquent collections which is a percentage of the amount collected. The proposed Fire Tax included a collection expense of 5% (\$45,000). Mr. Stanick noted a minor adjustment to Earned Income Tax revenue.

Mr. Stanick reported adjustments were made to other funds, including the use of an unreserved fund balance in the amount of \$72,000 in the Act 13 Fund. He noted a transfer from Act 101 Fund to the Capital Fund was planned in the amount of \$42,600 for a cardboard compactor and site improvements. However, this has been eliminated and will be used to support General Fund operations combined with projected revenues in Act 101 Fund for 2023 in the amount of \$32,600. He stated projected revenue from the Parks and Recreation Fund will be transferred to the General

Fund as well. Mr. Stanick stated the proposed Community Park Overflow Parking Extension Project will not be completed unless the Township is successful in its Local Share Account grant application. A \$50,000 transfer to the General Fund from the Capital Fund previously reserved for the Manifold Streambank Restoration Project is also proposed.

Mr. Stanick stated an advance of \$200,000 will be transferred from the Sewer Fund to the General Fund, to be paid back over time. Approximately \$200,000 would remain in the Sewer Fund. In response to a question from Mr. Murphy, Township Solicitor Dennis Makel confirmed advances from other funds is permissible. A discussion on paying these funds back into the Sewer Fund ensued.

Reductions in expenditures include labor legal services and Administration personnel costs by not participating in the LGA program, computing actual hours worked for salaries (and not using annual salary only), and a correction to part-time personnel costs.

Public Works personnel costs were adjusted for an updated projection for the Public Works Director and a correction to part-time hours as the Township's custodian cost was split between the Municipal Building, Public Works Facility and the Police Station. The adjustment in personnel costs also reflects a correction in the cost for benefits. Parks and Recreation programming was reduced from \$15,000 to \$5,000.

In response to a question from Mr. Murphy, Fire Chief Jordan Cramer stated the Fire Stations are cleaned by members of the Volunteer Fire Department ("VFD") and career firefighters. Mr. Grego described the custodial operations done at the Public Works Building. Mr. Murphy inquired if Public Works employees would be able to clean their own building. Mr. Grego stated it is possible, but questioned if the members of the Police Department and Administration will also be expected to clean their buildings if Public Works is expected to do so. A discussion ensued concerning custodial services.

Police Capital is further reduced eliminating the first of three years lease payment in the amount of \$16,000, plus upfit costs of \$15,000. A correction to Fire personnel benefits was made for an increase of \$7,768. The Budget is still reflective of a 24/7 Fire and EMS service using nine full-time Firefighters and adding two additional part-time Firefighters for a compliment of five total serving in a part-time capacity.

A correction to Building Department personnel costs were adjusted in the amount of \$3,591 due to a recalculation in benefits. Community Contributions were reduced by \$7,800 by eliminating any miscellaneous contribution and the contribution to the Local Government Academy. Citizens Library request for \$12,000 was reduced to \$9,700 and the Transit Authority annual contribution maintained at \$2,000.

Mr. Luketich inquired on any remaining American Rescue Plan Act ("ARPA") funds. Mr. Stanick stated this funding is being used to balance the 2023 Budget. Mr. Makel noted the number of developers coming in to the community and recommended imposing an impact fee. Chair Weber inquired on how these fees are calculated. Mr. Makel noted it is a lengthy process that involves engineering studies and establishing fees by ordinance. Upon a question from Mr. Luketich, Mr. Makel stated impact fees are one-time payments.

Chief Cramer discussed billing non-residents for the use of Township Fire and EMS services. Upon a question from Mr. Luketich, Chief Cramer confirmed this is an action done by other Fire Departments. He stated doing so requires being 501(c)3 tax-exempt status, which the Fire Department has obtained. Chair Weber expressed a desire for the Fire Department to move forward with accident billing.

In response to a question from Chair Weber regarding taxes, Mr. Stanick reported the last tax increases occurred in 2020 and 2018. He stated the increases were for general millage from 0.75 mills to 1.00 mills in 2018 and from 1.00 mills to 1.10 mills in 2020.

Chair Weber inquired on the status of the Fire Department finances. Mr. Stanick stated much of the necessary funding can still occur without the proposed Fire Tax, including the schedule change and implementation of new software. However, the proposed budget leaves the Township 1 firefighter short of full three-person staffing for all shifts. Chair Weber asked for clarification on how many career firefighters are currently staffing each shift. Chief Cramer stated at least two firefighters are staffing every shift, but there should be three firefighters on every shift. He noted currently 75%-80% of shifts have three firefighters. Mr. Luketich inquired on the price difference in ensuring three firefighters are staffed on every shift. Mr. Stanick stated it is a \$75,000 price difference. A discussion regarding overtime ensued.

Chair Weber inquired of the relationship between the VFD members and the career members, with Chief Cramer stating it has been steadily improving. A discussion ensued on the Township contributions to the Fire Department. Chief Cramer noted the value the VFD provides to the Fire Department's operations. Chief Cramer expressed his appreciation for what the Board is providing in the updated Budget and noted the Fire Department is requesting \$100,000 less than in proposed Budget. He stated less cannot really be taken out without affecting operations. Mr. Murphy asked what would a 24/7 scheduling model using 24 hours on and 48 hours off look like. Chief Cramer indicated he will prepare a sample schedule.

Chair Weber inquired on the increase from 1.1 mills to 1.4 mills. Mr. Stanick stated this is in lieu of the proposed Fire Tax and noted it can always be instituted in the future. Mr. Luketich inquired on how the Township will be able to pay for the Aerial Apparatus to be delivered in 2026. Financing options for this apparatus were discussed. Chair Weber inquired on the consequences of cancelling the order with Mr. Stanick stating there would be a significant cancellation fee. A discussion on aerial apparatus owned by surrounding municipalities ensued. Upon a question from Mr. Grego, Chief Cramer stated he is hoping to receive direction from the Federal Emergency Management Agency regarding certain grant programs. Chief Cramer noted there are multiple grant periods to apply prior to the truck being delivered.

Chair Weber stated the financing for the aerial apparatus is available and the penalty for cancellation is significant. Mr. Grego stated a Fire Tax can finance the down payment. A discussion regarding fees to be paid to the elected tax collector ensued. Mr. Makel stated it would be simpler to institute a general millage increase rather than establish the Fire Tax. Mr. Murphy stated he has heard anecdotally that some residents will not contribute to the Fire Department any more if a Fire Tax is established.

Upon a question from Mr. Luketich, Mr. Stanick confirmed all major purchases have been cut. He noted approximately \$367,000 is the difference needed to balance the budget. Mr. Grego expressed his preference to establish a Fire Tax.

Mr. Luketich inquired on what led to the current state of the Township's finances. Mr. Murphy inquired on if risk management had been included in previous budgets. Mr. Makel inquired if the Fund Balance has gone up or down in the past year. Mr. Stanick stated it has gone down. Upon a question from Mr. Makel, Assistant to the Township Manager Jim Sutter stated the Fund Balance has gone down every year since 2019. Mr. Makel noted the Township has been spending more than it's been taking in.

A discussion ensued regarding a potential Tax Anticipation Note and the amount of money in the different funds. Finance Director Janna Luton stated there is approximately \$217,000 in the Act 13 Fund, approximately \$610,000 in the ARPA Fund, approximately \$399,000 in the General Fund and approximately \$35,000 in the Liquid Fuels Fund. Upon a question from Mr. Makel, Mr. Stanick reported the money in the ARPA Fund has not been allocated. Mr. Makel recommended utilizing money from the ARPA Fund to balance the budget and recommended not doing any projects given the status of the Fund Balance.

Mr. Murphy stated using money from the ARPA Fund covers the 2023 Budget, but at some point taxes will need to be raised as these funds will not be available in future years. A discussion ensued regarding Act 13 revenues.

The Board adjourned into Executive Session at 9:07 a.m. for the purpose of personnel matters.

4. ADJOURNMENT

As no further business came before the Board, the meeting was adjourned at approximately 10:00 a.m.

Respectfully submitted,

Brandon J. Stanick
Township Manager