

**Tredyffrin Township
Budget Workshop
November 14, 2009**

A special Budget Workshop meeting of the Board of Supervisors of Tredyffrin Township was held on the above date at the Tredyffrin Public Library. Board members present included Warren Kampf, Chairman; Robert Lamina, Vice Chairman; John DiBuonaventuro, Judy DiFilippo, Paul Olson, and John Shimrak. Also in attendance were Mimi Gleason, Township Manager; Thomas Scott, Assistant Township Manager; Stephen Norcini, Director of Public Works; Stephen Burgo, Township Engineer; David Brill, Finance Director; Joseph Sherwood, Library Director; Supt. Andrew Chambers, Lt. Anthony Giaimo; Thomas Hogan, Solicitor; and Jolene Buffman, Recording Secretary.

Call to Order

Mr. Kampf called the meeting to order at 8:30 a.m.

Mr. Kampf introduced Tom Colman, Chairman of the Budget Advisory Working Group, which is a group of citizens looking at the Township's budget process and operations.

Budget Advisory Working Group (BAWG) – Report Presentation

Mr. Colman thanked the Board of Supervisors and Ms. Gleason, Supt. Chambers, and Mr. Sherwood, as well as their staffs, for their openness and cooperation. He said the BAWG was appointed in March and was charged with recommending steps to close the Township's \$2.7 million structural budget deficit. In a PowerPoint presentation, Mr. Colman highlighted the recommendations of the BAWG which included balancing the budget, launching no new initiatives, and making existing services more user-friendly.

Some of the recommendations for Finance and Administration included developing a strategic plan, setting clear budget expectations, establishing a reserve fund policy, and hiring a staff accountant. There were also recommendations regarding Township vehicles and equipment, and Public Works space. Several of the BAWG's recommendations have already been implemented and include imposing a hiring freeze and eliminating positions, instituting an employee performance evaluation system, and increasing co-pays for medical benefits and prescription drugs.

Recommendations for the Library included re-evaluating library funding, increasing fines and fees, and reducing building operating expense.

Police, fire and emergency medical services recommendations included eliminating the canine unit, suspending the Citizens Police Academy, constraining the size of SWAT, temporarily reducing financial support of the fire department, and establishing a fire board. Most of these items have already been implemented.

Mr. Colman said the entire report would be on the BAWG's website today, and BAWG members would be at the November 30th Supervisors meeting for any discussion. Ms. Gleason said it would be available at the Township and on its website on Monday.

Departmental Budgets

Ms. Gleason summarized the 2010 budget changes which include a 16% reduction in staff; no cost of living raises, longevity payments or contributions to the money purchase plan unless required by contract or law; reduced costs for health insurance and additional employee contributions; reduced contribution to the retiree medical fund; no new vehicles; savings in insurance; reduced cell phone costs, professional services, training; and a smaller capital plan.

Streets – Includes street lights and traffic signals, stormwater, and drainage from roads. We will increase funding for plowing due to smaller staff and increased cost for salt. Most of the other line items are reduced. Capital projects will include the Paoli road improvements project which will begin next year, the feasibility study to access lanes under the Rt. 252 bridge in Paoli, the traffic signal on Old Eagle School Road, and the paving program which is substantially smaller this year. There are also some drainage projects, and we will be administering grants on behalf of the Valley Creek Restoration Partnership.

Parks – We have scaled back parks maintenance to accommodate the smaller staff. Some changes include mowing parks no more than once a week, no weekend overtime; Township staff will take over grounds maintenance at the Township building; no summer help and no capital projects. Included in our five year plan will be the cancellation of Swedesford Road open space streambank restoration, eliminating the Wilson Farm Park maintenance building, no funding for Crabby Creek Park bridges and postponement of Westover Park until 2012-13.

Recycling – We will consolidate the two leaf compost sites into one. Next year we will test the resumption of weekend hours for the leaf site. We are proposing a significant increase in commercial landscaper fees for leaf disposal to cover costs.

Sewer – This is not funded in the General Fund. It is funded either through sewer utility fees or contributions to the Valley Creek Trunk Sewer. Several capital projects are planned to include the expansion or upgrade to the Wilson Road Pump Station, yearly pipeline manhole repairs, the Valley Forge Sewer Authority design expansion and upgrade. We are recommending a \$50 increase in the sewer fee.

Libraries – There is a 5% reduction in contributions to the libraries, and staff has been reduced by two employees. Capital projects include renovation to the original portion of the building which includes the roof, HVAC boiler and windows. Joe Sherwood said the Strafford Library is closed on Wednesdays, and the Paoli Library is closed on Tuesdays. Both libraries will be open year round on Sundays.

Bob O'Leary expressed concern about the Township building's outside maintenance being done by employees rather than a landscaping company. Mr. Norcini said the grounds would be maintained at the same level as they currently are.

Bill Gingles was concerned that the pedestrian bridges at Crabby Creek Park were not in the budget. He said it was a maintenance issue.

Ray Clark asked about the union contracts. Ms. Gleason said there were three different unions – Police, Public Works, and a white-collar clerical union. We have agreement on most items for the Police contract, and it should be finalized by the end of the year. We are beginning negotiations for the Public Works contract, and just starting negotiations for the first time with the white-collar clerical staff. The Police will be receiving a 3.5% increase in salary, and we don't know the increases for the Public Works and white-collar union yet.

Jerry Henige said we should maintain our existing parks and infrastructure, and prioritize Crabby Creek and Westover Parks over adding new parks.

Bill Bellew was concerned that even though there is no tax increase proposed, there is a \$50 increase in sewer rental proposed, and he asked the board to reconsider this.

Police – The Dare and Officer Friendly programs have been eliminated, as well as the K-9's, and pension funding is reduced. The continuation of the TE School District crossing guard contribution needs to be decided by the end of the year.

Fire & Ambulance – The budget includes a 5% reduction in fire company contributions. We will drop vehicle insurance for Paoli Fire Company, possibly replacing it with temporary funding, and reducing the Aqua PA bill for hydrants by 5%. There were representatives from Berwyn, Paoli and Radnor fire companies in attendance who expressed serious concern about the reductions to their contributions. Mr. DiBuonaventuro said fire companies are also getting less relief from the State.

Bob O'Leary was concerned about dropping the Officer Friendly program, and Mr. Lamina suggested we approach the School District to see if there is anything they could do to keep this program going.

Ray Clark asked if there was financial information available to residents for the fire companies. Mr. DiBuonaventuro said the fire companies would let any citizen have access to their financial information.

Development Regulation – This includes building permits, grading permits, subdivision & land development, and plans for the Comprehensive Plan and HARB. We are now taking residential electrical permits in-house, which will save money. No changes are proposed for building permits, but other permits and application fees in this area are recommended to increase.

Mrs. DiFilippo wondered if we had any Zoning Ordinance changes planned for next year. Ms. Gleason said we may be looking at the riparian buffer, and the only costs we would have would be for the legal review.

General Government – This includes the Finance function, IT, and general administration. We will not be making contributions to community organizations; the newsletter will only be printed twice a year with ads paying for printing, and a monthly enewsletter. We will have no paid interns, and a bond refunding will save us \$260,000 per year.

Mrs. DiFilippo asked the Board to look at the organizations we make contributions to. Ms. Gleason said she would notify these organizations and ask them to come in to discuss the proposed elimination of their funding.

Revenue – Real estate taxes are budgeted for a small increase. Transfer taxes and the local service taxes are forecast for a small increase over the 2009 forecast. We will be recommending increases in some fees to cover our services. We have money in the budget for the July 4th fireworks and summer concert series with the hope of getting sponsorships and fundraising to cover costs. There is no money for Community Day.

Mr. Brill said at the end of 2010, we will have \$9.6 million, including the General Reserve Fund and the General Fund Operating fund. Ms. Gleason said there is a \$47,000 surplus in the General Fund.

The Sewer Utility Fund pays for the Township's sanitary sewer system, public sewer system, and operates and maintains the street lights and traffic signals. For 2010, we are recommending a \$50/year increase. We will have to tap into our operating reserves to pay for capital projects. There are proposed future sewer utility fee increases making it a total of \$314 by 2014, still significantly below any other municipalities in the area.

Ms. Gleason discussed Earned Income Tax. This is one of the tax revenues the State allows local governments to collect. Under Act 511, 1% is typically the highest rate imposed for an earned income tax. Tredyffrin residents would pay it, no matter where they worked. Non-residents who work in Tredyffrin would pay 1%, if they do not live in a municipality that has an EIT.

Ms. Gleason said Berkeheimer is the largest collector in our area, and they estimate annual revenue for 2011 would be \$9 million, which excludes Tredyffrin residents who work in Philadelphia or Delaware. Estimated Township revenue from an EIT would be \$5.5 million per year if the School District imposed an EIT and collected their half of the 1%. There are several benefits to an EIT including reducing the real estate tax and collecting revenue that is now going elsewhere. However, this is an unpopular new tax where some residents will pay more even if it reduces real estate tax rates.

Mr. Kampf thanked Mr. Colman and the members of the Budget Advisory Working Group, and said we will be voting on the preliminary budget on November 30th.

Meeting was adjourned at 12:30 p.m.

Respectfully submitted,

Jolene E. Buffman, Recording Secretary