

OCTOBER 14, 2015
WAYNESBORO, PA 17268
BUDGET MEETING

Waynesboro Borough Council's third meeting for the 2016 budget began at 7:00 p.m.

Present were:

Council Members – Benjamin Greenawalt, Delmos Oldham, Darrel Potts, C.
Harold Mumma, Hans Bader and Michael Cermak

Prospective Council Members – Chad Rooney

Mayor Richard Starliper

Borough Staff – Jason Stains, Borough Manager

Mr. Stains noted that they will be working off the General Fund worksheets from the previous week (dated 10/07/2015) and will discuss areas Council wishes to cut. He will work those items into the budget and will have a new General Fund printout to Council at their regular meeting on 10/21.

As this is a public meeting, Mayor Starliper presented a Proclamation to Designate National Teen Drivers' Safety Week from October 18-24, 2015. A copy has been provided to *The Record Herald* for publication

A summary of the budget discussion follows –

RECEIPTS

- On page 2, Reimbursement for PENNVEST - still waiting for \$77,000 from the state for closeout of the PENNVEST loan. Due to the state's budget impasse, that may not be received until 2016.

Mr. Stains distributed the following documents for Council's information:

- Insurance plan rates for 2016
- History of tax millage rates
- Information from PA Borough Code on taxes allowed, as well as maximum amount allowed for each classification

It was decided at the last meeting that Council would come back with suggestions for areas to be cut-back on. Councilman Greenawalt has already contacted Mr. Stains to discuss some of his concerns.

EXPENDITURES

- Councilman Potts asked why the Real Estate Taxes shown on page 1 are lower in 2016 than in 2015. It was noted that Martin's Food Store and the Hospital's Medical Office Building were added, which should increase revenues for 2016. Mr. Stains will double-check his calculations and report back.
- Councilman Potts asked for clarification on the Anticipated Rebate (\$50,000) under Employee Benefits on page 12. Mr. Stains explained that an actuarial study was conducted, and the information they are using for 2016 is based on claims in 2014 and a portion of 2015 (and in 2014, there were some high medical expenses due to several employees' major health issues).
- Councilman Greenawalt asked how many retirees are on the current health insurance plan and how much do they pay. Mr. Stains will check and report back.
- In their recent discussions, Mr. Stains noted that Councilman Greenawalt had mentioned several areas of concern. On page 7, the Automobile Allowance for the Fire Department is basically double their current mileage reimbursement. If it stays at the current amount of \$9,000, that would be a \$7,800 savings from the proposed deficit. Their insurance is coming in lower for 2015 than was budgeted, so that could be reduced by \$1,000. The \$30,000 contribution toward a new vehicle or rehabilitation work to Engine 2-2 could also be removed for a savings. Mr. Stains noted that some money was taken from the Fire Department this year for purchase of the street sweeper, but they have not presented projects that would total \$30,000 in 2015 (they are looking at painting, a pump and some lights -- which would only be approximately \$10,000).
- Discussion also followed regarding the part-time firefighter position(s). Mr. Stains noted he has heard there are more volunteers at the fire station, but he is not sure of the specifics. The program of paying part-time firefighter(s) was begun in 2015, but is another \$31,200. The possibility of cutting that amount in half was mentioned, as well as tracking the number of individuals who are getting paid. Mr. Stains noted he will check and report back. It was noted that fifteen (15) individuals were hired for 3-4 hours (not 10 hours a day).
- Councilman Potts discussed the major expense of three (3) additional police officers on page 6 for \$240,000, as this is almost half of the proposed deficit. Mayor Starliper noted there have been 6,000+ calls so far in 2015, and there is not always a full contingent on each shift for different reasons. If new officers are hired, it will take six (6) months to orient them (and 18 months if they need to be certified). Councilman Greenawalt noted they operated with only 13 officers this year ... the Mayor reiterated that the Chief works with what he is given, but they feel the additional officers are needed for the community's safety. Discussion followed regarding the four (4) officers who are or will be eligible for retirement.

Karen Rock (Waynesboro Ambulance Squad) vouched that the Police Department's call volume is tremendous. Mr. Stains reminded Council members that the Fire Apparatus Drivers' civil service examination will be held on 11/19, and after that, the Civil Service Commission's revised Rules and Regulations will need to be finalized in order to require applicants for Police Officer to be Act 120 certified. He anticipates that a test for Police Officer will not be held until February (at the earliest). Discussion followed regarding the use of part-time police officers as a temporary solution. Councilman Bader suggested hiring two (2) new officers; Councilman Potts suggested hiring one (1). Councilman Cermak stated that two (2) is a nice compromise.

- Councilman Potts asked about the increase in Appraisal Fees on page 4. Mr. Stains reiterated that the Borough's properties have not been appraised for several years, and the insurance company is urging that it be done in 2016. It was noted that this may be an item that the WBA will assist in paying. Mr. Stains will check to ensure when the appraisal was done last.
- Discussion followed regarding the furnace at Borough Hall. Mr. Stains reported that he has talked with UGI regarding running a gas line from the alley to the building for free, provided that the Borough blacktops over the trench (estimated at approximately \$1,000). Several prices for the furnace will be obtained (one installed at the Maintenance Center several years ago was approximately \$15,000). Removal of the oil tank is also being pursued, however no price estimate has been received yet.
- Councilman Bader asked if anything can be done to reduce Legal Fees. Mr. Stains feels that 2016 costs will be lower, but there were a lot of zoning issues and construction projects which incurred extra costs in 2015. Discussion followed regarding the status of properties being controlled by the Borough for code enforcement issues, as well as demolition of the properties proposed by Mainstreet, Inc. for a downtown parklet.
- Mr. Stains noted he is interested to see the savings being proposed by Enterprise Fleet Management. Their presentation will take place at the next budget meeting (10/28) at 7:00 p.m.
- Councilman Oldham asked the status of easements for the proposed walking trail. Mr. Stains noted that only one (1) of the three (3) required easements has been received.
- Councilman Potts mentioned the proposed costs for Maintenance and Repair of Land for Parks and Playgrounds on page 11. The proposed 2016 cost of \$39,000 includes \$16,000 for resurfacing the tennis courts. Mr. Stains noted he has been told that the Memorial Park Board will be "leading the charge" on the bathrooms, but has not heard when they plan to discuss the matter with Council.

Councilman Greenawalt asked if any grants would be available to do the tennis courts, as that is the only way he can see the Borough being able to do them in 2016. Mr. Stains noted there are some recreation grants (or sponsorships) which could possibly be pursued. Discussion followed regarding the possibility of selling signage on the fence at the park and/or the pool, but little interest was indicated. If there were a sponsor for the tennis court resurfacing, a plaque could be installed at the entrance to the courts. Mr. Stains noted he will touch base with several companies (Comcast, CenturyLink, Dish, Direct TV and the Lenfesty and Shockey Foundations were mentioned).

- Councilman Potts asked about the proposed increase in costs for Contracted Services for Shade Trees on page 11. Mr. Stains noted he is recommending cutting the figure of \$8,000 in half. He explained that there will be an increase due to the fact that the Borough is responsible for maintaining trees in developments where they were required as part of the development plan (such as S. Price Avenue). They are in dire need of trimming, as the street sweeper cannot get under them. In addition, Tom McCloud (Shade Tree Commission) suggested that Tree Replacement costs would only be \$800 for those marked along Main Street which are dead or dying.
- Mr. Stains noted he recommends the Contribution to Wayne Band remain the same; but Medic 2 has requested \$5,000, and he suggested that could be reduced to \$2,500 if Council so desires. It was noted that the Borough has not historically contributed to Medic 2.
- Councilman Oldham noted that the Borough does services for Mainstreet, Inc. (such as hanging the flower baskets, banners, Christmas decorations and co-sponsoring grant applications) which could be considered toward their contribution. This \$7,500 line item is under Zoning on page 8. After discussion regarding their productivity, Councilman Greenawalt suggested their contribution be lowered to \$5,000.
- Mr. Stains mentioned the proposed Contribution of \$10,000 to Community Health Services, as this was reduced in 2014 from \$15,000. It was noted that this is a needed service in town and Councilman Greenawalt recommended it not be cut.
- President Mumma mentioned that the \$1,500 Capital Equipment line item under Zoning (for air conditioning in the Code Enforcement Officer's car) would be eliminated if the Enterprise proposal is pursued. Mr. Stains recommended that item be eliminated regardless.
- Councilman Potts asked about the anticipated year-end balance for the General Fund. Mr. Stains will check and report back.

- Mr. Stains reiterated that the costs for Solid Waste Collection will be unknown until bids are opened in November. As there has been much interest in the contract, they are hopeful that the prices will be competitive.
- Councilman Oldham mentioned the handout provided regarding insurance rates for 2016. Mr. Stains explained that the information included is for the uniformed (police and full-time fire drivers) and non-uniformed employee plans. He did not include information on the buy-up plan, as the employees who participate are already paying those costs out-of-pocket. He explained the proposed increases for each plan and mentioned that he has heard “through the grapevine” that the police will be negotiating for a plan with a lower deductible. Mr. Oldham asked if any thought had been given to passing some of the increase on to the employees. Mr. Stains noted that he and Councilman Greenawalt discussed that, and he has done some calculations. If the increase is passed onto employees (moving all the non-uniformed onto the uniformed plan), it would mean a \$104,000 return back to the Borough. One thing to consider, however, is that the employees’ deductible would be raised; and the proposed 2% cost-of-living being considered for employees would basically be used for the health insurance increase. In fact, some of the employees on the lower end of the salary schedule may even take a loss in income for 2016 in order to pay for health insurance. Councilman Oldham noted there are very few employers now who don’t pass at least some of the health insurance costs on to their employees. Councilman Oldham suggested that an across-the-board increase be given (instead of a percentage increase) so that it would benefit all employees equally. Mr. Stains added that the percentage increase for non-uniformed employees has historically followed the percentage increase in the police contract.
- Councilman Oldham noted that, if taxes are increased, one (1) mill results in approximately \$60,000 additional money. Millage rates for surrounding municipalities were discussed, as well as specialty taxes and the maximum millage rates allowed by law. The Borough’s current general purpose millage is 18.18, plus 2.0 mills for street lights and 5.0 mills for street improvements (a total of 25.18 mills).

Mr. Stains noted that he will shift figures around (in accordance with discussions/recommendations from this meeting), and he will provide an updated printout of the General Fund to Council at their upcoming regular meeting. Smaller funds will be discussed later in the process, as he is waiting to hear back from the auditors regarding combining some of them into the General Fund.

Mr. Stains also noted that he has talked with the Library Board President, and they will be meeting later this week with Dave George to discuss ideas on the garage to the rear of Borough Hall. If that building is demolished at some point in time, the Library has offered storage space for the Police Department in their attic and basement. Discussion was held in the past regarding the purchase of a trailer for police storage, however there

are currently two (2) trailers with records approved by Council to be destroyed; and once they are destroyed, the trailers would be available for use.

Mr. Stains recommended keeping the garages on Middle Street, because there is rental income generated monthly from those. If any of the tenants were to vacate, however, the empty unit could be an option for storing the Engineering Department's truck.

President Mumma noted that Council will need to hold a brief executive session regarding personnel issues. They adjourned to executive session at 8:40 p.m. and no action was taken prior to final adjournment.

Respectfully Submitted,

Melinda S. Knott
Borough Secretary