

The budget meeting of the Borough Council of the Borough of Sinking Spring was called to order on Wednesday, November 18, 2009 at 7:00 p.m., at the Sinking Spring Borough Hall by President Stewart Wenrich. After the Pledge to the Flag, Elizabeth White called the roll reflecting the following Council Members present:

Stewart Wenrich  
Bruce Light  
Barbara Kutz (absent)  
Lawrence Schmidt  
George Butkus  
James Zerr (absent)  
Elizabeth Sloan

Other officials present were: Mayor Clarence Noecker, Michael Hart, Public Works Director; David Schlott, ARRO Consulting; James Oxenreider, Police Chief; Regina Shade, Secretary/Treasurer, and Elizabeth White who recorded the minutes of the proceeding.

Ms. Sloan arrived at 7:10 p.m.

### **GENERAL FUND:**

Mrs. Shade started with the General Fund budget and stated that we went over everything at the last budget meeting on October 26<sup>th</sup> and that there were two (2) unanswered questions. The first being the rate of increase for the non-uniform employees and the second being the contribution to the Western Berks Ambulance. She stated that at the request of Council she included the one (1) mil increase and printed out three (3) scenarios for the rate increase. The first with the 1% increase, the second with the 2% increase and the third with the 3.5% increase. She stated that they all include the \$10,000.00 contribution to the ambulance which would come out if Council decides to go with the separate tax for the ambulance. Mr. Butkus asked if we know how many residents belonged to the association. Mrs. Shade stated that she had the information from two (2) years ago and at that time we had 1,604 households in which 363 belonged which is 22.6%. Mrs. Shade stated that she received a call from Mr. Miller and that he had another commitment and was unable to attend tonight's meeting. Mrs. Shade mentioned that if we do not go along with the new Ambulance tax the rates for individuals is going up; for senior citizens the new rate will be \$60.00 and for everyone else the new rate will be \$75.00. Mr. Schmidt stated that he believes the majority of the residents in the Borough would save money if we went to this new program. Mrs. Shade stated that if we went with the new program there would be a separate ambulance tax of .00025 mils. Mr. Schmidt mentioned that if we go with the new program then we would take the \$10,000.00 contribution off the General Fund Budget. Mr. Schmidt stated that if we do this we should make the same motion that all the other municipalities are making which is that they set up an advisory board that we would be able to sit on. Mr. Wenrich stated that he believes that is part of the deal. Mrs. Shade stated that there will also be agreements set up.

Mrs. Shade mentioned that Mr. Miller informed her that the bills were already sent to the printer, so if the Borough decides to go with this new program and any resident has already sent in their contribution, then they would be able to contact the ambulance and get reimbursement.

**GENERAL FUND: (Cont.)**

Mr. Schmidt made a motion to put the ambulance on the fire tax at .00025; seconded by Mr. Light. Mr. Wenrich asked for a roll call vote. AYES – 5, NAYS – 0, ABSENT – 2; motion carried.

Mr. Schmidt questioned where we put the \$10,000.00 that was taken off for the contribution. Mrs. Shade stated that you would just add it back into the total expenditures.

Mrs. Shade stated that the last issue would be the rate increase for the non-uniform employees. She stated that with the 1% increase we would have a projected deficit of \$197,351.59, the 2% would have a projected deficit of \$200,845.59, and the 3.5% would have a projected deficit of \$203,879.59. Mrs. Shade reminded Council that the expenses are figured high and the income is figured low. Mr. Butkus stated that we don't have much built into the budget for unexpected occurrences. Mrs. Shade mentioned that the end of year projection shows a carry over of \$300,421.24 which will help. Ms. Sloan asked if there was any way to make it work with only a .5 mil increase. Mrs. Shade stated that we could go .5 mil this year but then we would possibly have to increase a full mil next year. She stated that the Borough has not had a millage increase since 2003 and that she is very proud of that.

Mr. Butkus asked about the funds that are budgeted for the Brookfield Manor Playground and if the funds that are in the Recreation Invest account can be used for that. Mrs. Shade stated that those funds could be used.

Ms. Sloan again asked about going with .5 mil increase since times are tough. Mrs. Shade stated that if we go with the .5 mil increase our projected deficit would be \$304,883.29. Mr. Schmidt mentioned that any time you have to raise taxes it is tough but it is part of the job. He stated that he will not be on Council next year and if we don't give the new Council a fighting chance we are not doing our job. He stated that he shares Ms. Sloan's concerns.

Mrs. Shade mentioned that we are also going to have to increase the Fire Tax by .0002 due to the fact that we received their numbers.

Mr. Butkus asked if we received a firm number from Spring Township on the yard waste. Mrs. Shade stated that they are still working on their budget and that they are in the middle of a move. Mr. Schmidt stated that he does not believe that we will see a sizable increase for next year.

Mrs. Shade stated that the total increase to the tax payers would be 1.45 mil for the General, Fire and Ambulance. She stated that Mr. Fitzpatrick would create the Ordinance and then it would come in front of Council and then have to sit open.

Mr. Light made a motion to go with the 1 mil increase for the General Fund; seconded by Mr. Schmidt. Mr. Wenrich asked for a roll call vote. AYES – 3 (Mr. Light, Mr. Schmidt and Mr. Wenrich), NAYS – 2 (Mr. Butkus and Ms. Sloan), ABSENT – 2; motion carried.

Mrs. Shade stated that we now need to decide on the pay increase for the non-uniform employees. Mr. Wenrich stated that there is a difference of about \$6,000.00 between the 1% and the 3.5%. Mr. Light mentioned that he has been on Council for six years and will be finishing his

**GENERAL FUND: (Cont.)**

term at the end of this year. He stated that every prior year the non-uniform employees were given the same rate increase that the police were given and he doesn't understand why that should change. He stated that he believes that the non-uniform employees are just as important to this Borough as the uniform employees and in his opinion they should receive the 3.5% increase that the uniform employees are receiving. Mr. Butkus asked if we give them the 3.5% raise will we make them pay the ¼ of their deductible for the health insurance like we are making the police pay. Discussion ensued. Mr. Oswald stated that he is afraid that the non-uniform employees unionize if we keep treating them differently. Mr. Schmidt suggested that we make a compromise and give the non-uniform employees a 2% raise and forgo the deductible payment for now and evaluate it again next year. Further discussion ensued. Ms. Sloan stated that she believes that the 2% with evaluations is appropriate and mentioned that she would like to sit down with the non-uniform employees to see what is important to them and what other benefits they are looking for. Mr. Wenrich suggested that we give the non-uniform employees a 2.5% increase with the stipulation that we have to do evaluations in 2010 and have the admin committee look at where we can give them more fringe benefits and try to reduce our costs.

Mr. Light made a motion to go with the 2% raise for the non-uniform employees with no contribution to the deductible; seconded by Mr. Butkus. Mr. Wenrich asked for a roll call vote. AYES – 3 (Mr. Light, Mr. Butkus and Ms. Sloan), NAYS – 1 (Mr. Wenrich), ABSTAIN – 1 (Mr. Schmidt), ABSENT – 2; motion carried. Mr. Wenrich stated for the record that he voted no because he wanted the 2.5% increase.

Mr. Light made a motion to approve the preliminary General Fund Budget with the 1 mil tax increase and 2% rate increase for the non-uniform employees; seconded by Mr. Schmidt. Mr. Wenrich asked for a roll call vote. AYES – 4 (Mr. Light, Mr. Butkus, Mr. Schmidt and Mr. Wenrich), NAYS – 1 (Ms. Sloan), ABSENT – 2; motion carried.

**FIRE BUDGET:**

Mrs. Shade stated that we will be looking at the one that includes the ambulance since that was already voted on. She stated that we are looking at a .0002 increase in order to have enough funds to cover the contribution to the Western Berks Fire and to pay the Fire Rescue loan. The budget shows total income of \$232,071.00 and total expenses of \$217,531.00 leaving us with a balance at the end of the year of \$14,540.00. She stated that with the .0002 increase it will go from .65 mils to .85 mils for fire and the ambulance would be .25 mils.

Mr. Schmidt made a motion to raise the fire tax by .2 mils; seconded by Mr. Light. Mr. Wenrich asked for a roll call vote. AYES – 5 (, Mr. Butkus, Mr. Light, Mr. Schmidt, Ms. Sloan and Mr. Wenrich), NAYS – 0, ABSENT – 2; motion carried.

Mr. Light made a motion to approve the preliminary Fire Budget; seconded by Ms. Sloan. Mr. Wenrich asked for a roll call vote. AYES – 5 (, Mr. Butkus, Mr. Light, Mr. Schmidt, Ms. Sloan and Mr. Wenrich), NAYS – 0, ABSENT – 2; motion carried.

**FIRE BUDGET: (Cont.)**

Mr. Butkus requested that when the Western Berks Fire finalizes their budget that we get a copy. Mrs. Shade stated that she believes that they planned on doing that.

**SEWER FUND:**

Mr. Wenrich asked why we haven't received any payments from Lower Heidelberg and South Heidelberg Townships. Mr. Butkus stated that the short answer is that it is a legal wrangling between Mr. Fitzpatrick and their representatives. Mrs. Shade mentioned that we received, in the mail today, a good faith payment from South Heidelberg in the amount of \$36,000.00. Ms. White mentioned that we sent them a bill for \$48,287.43 which covered the first three quarters of 2009. Mr. Butkus stated that unfortunately since they are municipalities we can't shut them off for non-payment like we can an individual resident. Mr. Butkus mentioned that one of the agreements has been signed and the other was all agreed to but we have not received the signed agreement. Discussion ensued concerning how to get them to pay. Mr. Wenrich stated that he wants Mr. Butkus and Mr. Schlott to get together with Mr. Fitzpatrick and get some answers by the December meeting.

Mrs. Shade went over the income portion of the Sewer Budget for 2010 which shows a projected total income of \$4,019,650.00. Mrs. Shade went over the expenditures portion of the Sewer Budget for 2010. She mentioned that with the 2% pay rate increase it would change the Administration salaries to \$47,000.00 and change the total for the administration section to \$168,100.00.

Mrs. Shade went over the expense portion of the Sewer Budget for 2010 which projects the total expenses to be of \$3,964,335.00. She mentioned that the projected net income would be \$55,315.00. Mr. Butkus mentioned that he and Mr. Schlott have been talking with Miller Environmental representatives concerning the costs for operating the plant and that these numbers are based on best estimates. He stated that with the cost of the electricity going up and the changes to our NPDES permit (which now has a phosphorous limit) our operating costs are going to go up. Mr. Butkus mentioned that Miller Environmental, in his opinion, has not been very forthcoming with the numbers even with general best guess estimates on the electric. Mr. Schmidt stated that maybe the reason for that is that they don't know. Mr. Hart stated that they do have the information on the electric costs because he gave the information to Mr. Juzyk. He stated that he told Mr. Juzyk that the account would be going up 38.8% and just to be safe he should use 40%. Mr. Butkus stated that Miller Environmental would not even give them what they are currently paying for the electric so that we could figure it out ourselves. Mr. Schlott mentioned that he did receive an e-mail from Mr. Juzyk today with the estimated increase in the electric costs. Discussion ensued concerning the phosphorous limit.

Mr. Schlott handed out a list of 2010 Capital Improvements which was provided by Miller Environmental. He stated that under New Equipment they have budgeted \$35,000.00 for a shipping container for storage and half the cost of a skid loader (the other half is budgeted in the General Fund). Mr. Hart mentioned that Miller Environmental is currently paying a contractor \$6,200.00 a year to cut the grass at the plant and the right-of-way. He stated that we could use the skid loader to

**SEWER FUND: (Cont.)**

cut the grass and right-of way and also use it to load the reeds from the reed beds into the dumpsters.

Mr. Schlott went over the other items on the list. He mentioned that under Minor Equipment they are requesting a new Laboratory refrigerator, a new photocopier/fax machine and 2 additional portable samplers for a total cost of \$8,600.00. Under Major Maintenance they have budgeted \$20,600.00 to rebuild WAS pump 1 and to replace four entry doors. Mr. Schmidt stated that he has a problem with the doors. Mr. Butkus mentioned that they had asked Mr. Juzyk if there was anything else at the plant in the way of maintenance and upkeep that should be included in the project. Ms. Sloan suggested that we only do two (2) doors. Mr. Schlott went on to the Minor Maintenance items which they budgeted \$9,000.00 to replace chlorine analyzer pump and to repair or rebuild the utility water check valves.

Mr. Wenrich stated that he would like to see these numbers reduced. Mr. Butkus mentioned that there is no need for a rate increase to the residents so we could pass the budget with the numbers that we have, but that doesn't mean that Miller is allowed to just go purchase these items. He stated that they would have to come to Council with bids and get approval before any purchases. Further discussion ensued.

Mr. Schmidt made a motion to approve the preliminary Sewer Budget with no rate increase for the residents; seconded by Mr. Butkus. Mr. Wenrich asked for a roll call vote. AYES – 5 (, Mr. Butkus, Mr. Light, Mr. Schmidt, Ms. Sloan and Mr. Wenrich), NAYS – 0, ABSENT – 2; motion carried.

Mrs. Shade asked if Tuesday, December 29<sup>th</sup> at 7:00 pm was good for everyone to have the end of the year meeting. There were no objections. She also mentioned that the Reorganizational meeting will be Monday, January 4, 2010 at 6:30 pm. She stated that the new members will be sworn in at 6:30 pm followed by the regular meeting at 7:00 pm.

Further discussion ensued concerning maintenance concerns at the plant and a bill for sludge removal. Mr. Schlott mentioned that he will look to see if the bill for the sludge removal can be included as part of a change order to get reimbursed from PENNVEST.

**ADJOURNMENT:**

Mr. Schmidt made a motion to adjourn; seconded by Mr. Light. Motion carried

Respectfully submitted,

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Regina M. Shade  
Borough Secretary/Treasurer