

**TOWNSHIP OF SALISBURY
LEHIGH COUNTY, PENNSYLVANIA
MINUTES FROM THE BOARD OF COMMISSIONERS
November 22, 2011
REGULAR MEETING – 7:00 PM**

The Public Meeting of the Salisbury Township Board of Commissioners was held on the above date in the Township Municipal Building located at 2900 South Pike Avenue, Allentown, Lehigh County, Pennsylvania.

Commissioner Martucci announced that Commissioner Brown will be late and he will preside over the meeting.

Members attending:

James Brown, President
Robert Martucci, Jr., Vice President
Norma Cusick, President Pro-Tempore
James Seagreaves
Joanne Ackerman

Staff attending:

Randy Soriano, Township Manager
Cathy Bonaskiewich, Assistant Township Manager/Finance Director
John Andreas, Director of Public Works
Allen Stiles, Chief of Police
Cynthia Sopka, Director of Planning & Zoning
John Ashley, Esquire, Township Solicitor
David Tettermer, representative of Township Engineer, Keystone Consulting Engineers

CALL TO ORDER

Commissioner Martucci called the meeting to order at 7:00 p.m.

PLEDGE OF ALLEGIANCE

NOTIFICATION

Mr. Soriano informed the attendees that all sessions of the Salisbury Township Board of Commissioners regular meetings are electronically recorded for the purpose of taking the Minutes. All public comments on agenda items would be taken prior to the vote. All public comments related to non-agenda items will be taken after the agenda has been satisfied.

Mr. Soriano announced that the Township records the meetings and archives its tapes and are available pursuant the Right-to-Know Law, if requested.

Mr. Soriano reminded everyone of the three minute rule and asked that everyone who wishes to speak to come to the podium, sign up, announce themselves, and speak clearly in the microphone. Mr. Soriano added that the speaker has a choice not to list his/her address; however, it is preferred that the speaker announce if he or she is a Township resident. He noted that if a resident does not divulge his or her address, it will impair the Township with administrative follow ups on a particular issue.

Commissioner Martucci announced that the Board of Commissioners held an Executive Session at 6:30 p.m., preceding this meeting, to discuss a personnel and legal matter.

APPROVAL OF FINANCIAL REPORT AND BILLS PAYABLE

Commissioner Brown arrived and assumed his presiding role.

Commissioner Ackerman questioned the amount of shared revenues received to date. Mr. Soriano noted that this is over due to one-time increases associated with the State aid revenue stream. Mr. Soriano noted that on the revenue side, percentages over 100 denote a good thing; however, on the expense side, this is unfavorable.

Commissioner Ackerman asked about competitive bidding used to acquire equipment and other supplies. Mr. Andreas stated that the Public Works Department does comply with the Township's purchasing policies, which are written to reflect compliance with the Township Code. Mr. Andreas noted that for equipment whose value exceeds \$10,000, formal bids are solicited. For equipment whose value is \$4,000 to \$10,000, three quotations are requested. Mr. Soriano noted that the Township also uses Cooperative Bidding and COSTARS.

Motion by Commissioner Cusick, seconded by Commissioner Ackerman, to accept the unaudited Financial Report for the period ending October 31, 2011 and the list of Bills Payables in the amount of \$590,814.22 for the period 11/05/2011 through 11/18/2011, broken down as follows: General Fund - \$299,541.78; Fire Fund - \$2,718.33; Library Fund - \$0; Water Fund - \$33,977.10; Sewer Fund - \$242,635.06; Highway Fund - \$11,941.95.

Roll Call:

COMMISSIONER ACKERMAN -YES
COMMISSIONER SEAGREAVES-YES
COMMISSIONER MARTUCCI-YES
COMMISSIONER CUSICK-YES
COMMISSIONER BROWN-YES

The Motion passed by 5-0

MINUTES

November 10, 2011

Commissioner Brown declared the November 10, 2011 Board of Commissioners Regular Meeting Minutes approved as presented.

NEW BUSINESS

Presentation of 2012 Proposed Budget.

Mr. Soriano introduced the 2012 Proposed Budget that has been reviewed by the Commissioners during the past three meetings. Mr. Soriano stated that before the 2012 Budget is read, the Board will need to approve a budget transfer to accommodate a request of equipment necessary for the emergency operation center and related police functions. Mr. Soriano noted that these changes are also reflected in the projections for the end of the 2011 current budget, as follows:

- Red Post Inv #00000458 - \$2,582.00 #01-407.261 (Computer Equip)
- Ecco Invoice #57862 - \$4,327.00 #01-415.260 (EMC Small Tools & Minor Equip)
- Canns Bilco P.O. 21160 - \$1,798.00 #01-415.260 (EMC Small Tools & Minor Equip)
- Red Post P.O. 21161 - \$1,057.91 #01-407.261 (Computer Equip)
- Stratix P.O. 21001 - \$4,695.00 #01-407.261 (Computer Equip)
- TOTAL PURCHASES \$14,459.91

- Transfer \$5,000 FROM #01-401.212 (Newsletter) TO #01-407.261 (Computer Equip)
- Transfer \$6,700 FROM #01-409.373 (Fac Maint) TO #01-407.261 (Computer Equip) for \$2,500 and TO #01-415.260 (EMC Small Tools & Minor Equip) for \$4,200
- Transfer \$2,000 FROM #01-415.240 (Supplies) TO #01-415.260 (EMC Small Tools & Minor Equip)

Motion by Commissioner Cusick, seconded by Commissioner Ackerman, to approve the budget transfers as noted. The Motion was approved by unanimous voice vote.

Mr. Soriano highlighted the 2012 Proposed Budget as follows:

Review of Projected Operating Revenues 2011

- Budgeted - \$6,963,900 - Projected - \$7,527,868 – Diff - \$563,968
- 2011 Projected Deficit of \$93,815 vs 2011 Budget of \$643,200

Reasons

Township received \$563,968 more Revenue than Budgeted-Key areas:

Real Estate Tax.....	\$12,084
Real Estate Transfer	\$50,000
Earned Income Tax.....	\$150,000
Local Service Tax.....	\$12,697
Total	\$224,781

- Cable Franchise Fees - \$70,000 more due Ordinance Revisions that increased Franchise Fee from 3% to 5% and remittance on a Quarterly basis which included 2010 anticipated receipts (\$120,000) - Total \$270,000

- 355.050-Foreign Casualty Ins. Tax (Pension State Aid)..... \$177,000-One Time aberration
- 355-070-Foreign Fire Insurance Tax.....\$83,000-One Time Aberration

Reasons

Pennsylvania Department of Revenue's enhanced efforts in collecting the Gross Premium Tax that makes up the Act 205 Fund in accordance with Act 7 of 1997. Because of this change, a spike in collections of revenues that comprise the fund has occurred, significantly increasing the amount of individual unit values for distribution. We anticipate that this is a one-time event that will not re-occur in the future.

When we factor in other Non Operating Revenues (Projected -\$954,277 vs. Budgeted-\$321,800), the net result is \$1,196,445 more in revenue than anticipated.

Review of Projected Operating Expenditures 2011

- Budgeted \$7,607,100: Projected \$7,621,683 - Overruns of \$14,583 from Budget.
- Comparison of projected versus budgeted:
- GENERAL GOVERNMENT - Over \$43,011
- PUBLIC SAFETY - Over \$147,573
- SANITATION – Under (62,175)
- PUBLIC WORKS – Under (24,229)
- RECREATION-Under (15,274)
- COMMUNITY DEVELOPMENT - Over 3,296
- CONTRIBUTIONS & MISCELLANEOUS – Under (19,008)
- INSURANCE & BENEFITS – Under (59,887)
- INTERFUND TRANSFERS - Over 1,276

- **Projected Expenses exceeded Revenue by \$93,815**
- **Net Change Revenue Over (Under) Expenses \$737,272**
- **Total Projected Cash Balance at the end of 2011-\$3,689,833(48% of Expenditures)**

2012 PROPOSED BUDGET

Beginning Cash Balance-3,689,833

Proposed Revenues

- **Operating Revenues- \$5,602,800-Decrease of approx 26% (\$1,925,068) due to tracking Sanitation Fund separately (\$1,683,523). Net decrease - \$241,545.**
- **RE Taxes – Assessment - \$447,849,100 - lower by 2,000,000 due to appeals. No changes.**
- **RE Transfers remains at \$320,000**
- **EIT - \$1,800,000 - Reduced \$50,000 from projected.**
- **Total Taxes \$3,919,000 - \$51,781 less in taxes.**

Total Non-Operating Revenue - \$512,798, which is approximately \$441,479 less than Projected.

Total Operating and Non-Operating Revenue is \$6,115,598, approximately \$2,366,547 less than projected. Total decreases from Projected 2011 Operating and Non-Operating Revenue - \$683,024.

ADJUSTMENTS INTRODUCED AT THE NOVEMBER 10, 2011 MEETING

REVENUES

- A. **RE TRANSFERS** - Decreased to \$320,000
- B. **SAFE STREET GRANT** - Decreased by \$23,900-Reason-County Grant terminated by end of 2011
- C. **REFUND OF UNUSED PREMIUMS** - Increased to \$155,300
- A. **EIT** - Increased to \$1,800,000-Reason-To match current end of the year projections(\$1,850,000)-Increased by \$100,000.
- B. **PILOT** - Increase to \$127,000-Transfer amount to a designated Capital Reserve Fund earmarked for future equipment/vehicles purchases
- C. **INTERFUND TRANSFERS** - Increased to \$590,600. Reason - Allocate cost expenses proportionally to other funds. Refuse, Water, Sewer. Net increase \$375,600.

EXPENDITURES

I. GENERAL GOVERNMENT

Legislative Conference

- Dues- Increased to \$2,750
- Training- Reduced to \$500

Total Reduction - \$500

Manager

- Newsletter- Reduced to \$1,500
- Minor Equipment-Reduced to \$500
- Consulting Services-Reduced to \$11,000
- General Services- Reduced to \$4,000
- Training-Reduced to \$750
- Conferences-Reduced to \$1

Total Reduction - \$7,500

Finance

- Minor Equipment-Reduced to \$500
- Conferences-Reduced to \$1.

Total Reduction - \$2,000

Tax Collection

- Minor Equipment-Reduced to \$1
- Earned Income Tax-Increased to \$32,700

Total Reduction - \$1,301

Law

- Special Legal Services-Reduced to \$5,000

Total Reduction -\$ 2,000

PERSONNEL ADMINISTRATION

- Retirement Incentive-Increased to \$24,100
- Legal & Consulting Fees-Reduced to \$10,000

Total Increase - \$15,100

DATA PROCESSING

- Computer Equipment-Reduced to \$15,000(Lease purchase arrangement)

Total Reduction - \$36,700

ENGINEERING

- No Cuts

BUILDING & PLANT

- Minor Equipment-Reduced to \$200

Total Reduction-\$300

TOTAL GENERAL GOV REDUCTION- \$32,647.

PUBLIC SAFETY

- Police Officer Wages-Reduced by \$64,800(Will not fill lateral position left vacant due to promotion to Detective)
- Police Longevity-Reduced by \$2,100.
- Bike Patrol- reduced by \$700
- Firearms Supplies-Reduced by \$2,400
- Police Vehicles-Reduced by \$22,500(Contemplates Lease/Purchase instead of outright purchase)
- Police Training-Reduced by \$2,000(Kept at 2011 funding level)
- Police Chief Conferences-Reduced by \$1,800

Total Police Cuts-\$96,299

FIRE

- No Cuts

CODE ENFORCEMENT

- Conferences - Reduced by \$1,500

PLANNING & ZONING

- Conferences- Reduced by\$1,500

EMERGENCY MGT

- Emergency Deputy Stipend-Reduced by \$160

TOTAL PUBLIC SAFETY CUTS-\$99,457

SANITATION

- Tracked as a separate Fund-Reduced by \$1,509,325-Transferred to its own separate Fund

PUBLIC WORKS

- Wages-Reduced by \$155,500 (Due to attrition and possible retirement-To be finalized)
- Minor Equipment -Reduced by \$4,000
- General Services - Reduced by \$900
- Conferences - Reduced by \$1,500
- Composting Costs - Reduced by \$2,000 (level funding)
- Repairs and Maintenance - Reduced by \$2,500
- Road Materials - Reduced by \$75,000 (keep as same level as 2011 Budget)

TOTAL PWD CUTS-\$241,399

RECREATION

- Facilities Maintenance-Reduced by \$7,500

TOTAL RECREATION CUTS-\$7,500

EMPLOYEE BENEFITS

- Health Insurance-Reduced by \$62,800(Reflects savings from fringe benefits from not replacing Police and PWD positions lost to attrition/promotions. Also, reflects increases for Non-Union employees of 2.7% increases in co-pays (\$1,000/year) - 5% total of premium.
- Police Pension Plan - Rollback of EC to 1.54%-Increase of \$28,600.
- Social Security Tax - Reduced by \$12,600 (reflects savings from not filling vacant Police-PWD positions)

TOTAL EMPLOYEE BENEFITS CUTS \$46,800

TOTAL OPERATING EXPENSES- 5,753,097-TOTAL CUTS-\$427,803

CAPITAL CONSTRUCTION EXPENSES

ADMINISTRATION REDUCED BY \$25,000

Total Capital Construction Cuts-\$25,000

CAPITAL EQUIPMENT

- **Police Car Video Software-Reduced by \$30,899**
- **PWD 4x4 Dump Truck-Reduced by \$20,000(CUT FROM GF-Fund entirely out of Highway Fund)**
- **PWD 4x4 Pickup Truck-Reduced by \$22,500(Lease/Purchase)**

Total Capital Equipment Cuts- \$73,399

TOTAL CAPITAL EXPENDITURES CUTS-\$98,399

- **TOTAL OPERATING AND NON OPERATING EXPENDITURES-\$6,115,598-CUTS-\$526,202**
- **TOTAL RESERVES TO BALANCE 2012 BUDGET-\$412,798 vs \$1,314,600(prior to cuts)**
- **CASH RESERVES AFTER CUTS-\$3,277,035(54% of EXPD)**
- **No anticipated increases in the water, sewer and refuse/recycling fees**
- **Millage to remain at 3.09 for General Purpose; Library-.18; Fire-.30-Total-3.57 Mills**
- **TOTAL TRUE EXPENDITURES- DECREASE-Approx 11.9%-(\$796,185)-Adjusted to reflect Sanitation Fund separation from GF.**

Commissioner Martucci discussed the Library Fund and whether the Township could eliminate that fund and use the money to offset other expenses. Commissioner Brown noted that this would not reduce expenses or the tax millage since the Township would just use the Library millage (.18) for General Purposes. Mr. Soriano noted that this would need to be placed on the ballot since the Library millage was approved by referendum and would need to be abolished by referendum. Mr. Soriano noted that the General Purposes millage is 3.09 and would then be increased to 3.27. He commented that the property owner would still pay the same amount in taxes, but the Township would reallocate Library millage to the General purposes.

Mr. Soriano noted that the Township is not proposing to increase any other fees, such as water, sewer and refuse/recycling.

No further comments were heard.

MOTIONS

Motion to advertise the 2012 Proposed Budget for First Reading and to authorize the advertisement for Public Inspection in accordance with the First Class Township Code.

Mr. Soriano noted that the Board would need to authorize the advertisement of the 2012 Proposed Budget and afford the residents an opportunity for public comments. Mr. Soriano noted that the Board may revise it based on public input, but must adopt the Budget by December 31, 2011.

Motion by Commissioner Cusick, seconded by Commissioner Martucci, to approve the 2012 Proposed Budget for First Reading and to authorize the advertisement for Public Inspection in accordance with the First Class Township Code.

Roll Call:

COMMISSIONER ACKERMAN -YES
COMMISSIONER SEAGREAVES-YES
COMMISSIONER MARTUCCI-YES
COMMISSIONER CUSICK-YES
COMMISSIONER BROWN-YES

The Motion passed by 5-0

Motion to approve Change Order No. 2 for the CDBG Storm Sewer Installation Project (Public Rd - Dodson St).

Mr. Soriano noted that the Change Order is to extend the time period for the project to include an additional 180 days, and the anticipated completion date for the project is May 11, 2012. Township Engineer Dave Tettermer noted that the system was tied in to the Fountain Hill system and is operational, but there is one minor section that needs to be completed at the request of Fountain Hill concerning an existing storm inlet at the corner of Dodson and Jeter.

Motion by Commissioner Cusick seconded by Commissioner Seagreaves, to approve Change Order No. 2 for the CDBG Storm Sewer Installation Project (Public Rd-Dodson St) and authorize the Township Manager to execute the Change Order.

Roll Call:

COMMISSIONER ACKERMAN -YES
COMMISSIONER SEAGREAVES-YES
COMMISSIONER MARTUCCI-YES
COMMISSIONER CUSICK-YES
COMMISSIONER BROWN-YES

The Motion passed by 5-0

ORDINANCES

Mr. Soriano introduced for first reading the Tax Ordinance that will accompany the 2012 Proposed Budget. Mr. Soriano noted that there are no proposed increases for the 2012 year.

Commissioner Cusick commented that this is the 18th consecutive year of holding the line on taxes.

Mr. Soriano read the Ordinance, as follows:

ORDINANCE NO. 12-2011-_____

AN ORDINANCE OF THE TOWNSHIP OF SALISBURY, LEHIGH COUNTY, PENNSYLVANIA, SETTING AND REAFFIRMING THE RATES OF TAXATION, FIXING THE TAX RATE FOR THE YEAR 2012 AND APPROPRIATING SPECIFIC SUMS ESTIMATED TO BE REQUIRED FOR THE SPECIFIC PURPOSES OF THE TOWNSHIP GOVERNMENT DURING THE CURRENT FISCAL YEAR.

WHEREAS, Article XVII, Section 1701 et seq. of the First Class Township Code, P.L. 1955, No. 569, as amended, requires that the Board of Commissioners shall, inter alia, prepare and adopt a budget which shall reflect, as nearly as possible, the estimated revenues and expenditures of the Township for the year for which the budget is prepared; and

WHEREAS, the tax levied by the Board of Commissioners shall be fixed at such figure within the limit allowed by law, as with all other sources of revenue that will meet and cover said appropriations; and

NOW, THEREFORE, BE IT ORDAINED and enacted, and it is hereby ordained and enacted by the Board of Commissioners of the Township of Salisbury, Lehigh County, Pennsylvania.

SECTION 1: That for the expenses of the Township for the fiscal year 2012 the following amounts are hereby appropriated from the revenues available for the current year for the specific purposes set forth below, which amounts are more fully itemized in the budget form on file in the Township Secretary's Office.

2012 Adopted Budgets

GENERAL FUND

Revenue	\$5,702,800
Expenditures:	
<i>Operating Expenditures:</i>	
General Government	\$ 940,193
Police	1,508,601
Fire	356,800
Protective Inspections	113,001
Planning & Zoning	139,901
Highways & Public Works	1,119,001
Recreation	57,300
Debt Service	231,300
Benefits, Insurance, & Misc.	1,579,800
Total Operating Expenditures	\$6,045,897

Total Capital Expenditures..... \$ 41,101

FIRE PROTECTION FUND

Revenue \$ 489,500
Operating Expenditures \$ 181,700
Capital Expenditures..... \$ 300,000

LIBRARY FUND

Revenue \$ 78,200
Operating Expenditures..... \$ 81,900

WATER FUND

Revenue \$1,387,500
Operating Expenditures..... \$1,554,100
Capital Expenditures..... \$ 25,000

SEWER FUND

Revenue \$1,369,200
Operating Expenditures \$2,212,500
Capital Expenditures..... \$ 33,400

REFUSE & RECYCLING FUND

Revenue \$1,689,000
Operating Expenditures..... \$1,791,200

HIGHWAY AID FUND

Revenue \$ 321,100
Operating Expenditures \$ 239,700
Capital Expenditures..... \$ 278,500

Further, in instances where expenditures exceed current year revenues, such expenditures shall be funded from the Fund Balance to cover such expenditures.

An estimate of the specific items making up the amount appropriated to the respective Departments shall be on file in the Office of the Township Manager, 2900 South Pike Avenue, Allentown, Pennsylvania.

SECTION 2: That a tax shall be and the same is hereby levied on all real property within the said Township subject to taxation for Township purposes for the fiscal year 2012, as follows:

The rate for general Township purposes, the sum of three and nine one hundredths (3.09) mills on each dollar of assessed valuation, or the sum of thirty point nine cents on each one hundred dollars of assessed valuation.

For fire protection purposes, the sum of thirty one hundredths (0.30) mills on each dollar of assessed valuation, or the sum of three cents on each one hundred dollars of assessed valuation.

For library services purposes, the sum of eighteen one hundredths (0.18) mills on each dollar of assessed valuation, or the sum of one and eight tenths cents on each one hundred dollars of assessed valuation.

The same being summarized in tabular form, as follows:

Mills on Each	Cents on Each	Dollar of Assessed	\$100 of Assessed
			<u>Valuation</u>
Tax Rate for General Township Purposes			<u>30.9 cents</u>
Tax Rate for Fire Protection Purposes			<u>3.0 cents</u>
Tax Rate for Library Services Purposes			<u>1.8 cents</u>
			<u>35.7 cents</u>

A discount of two percent (2%) of the amount of any tax levied on real property under this Ordinance shall be allowed at the time of payment if said tax is paid in full on or before May 31, 2012 and a penalty equal to ten percent (10%) of the amount of any such tax levied on real property under this Ordinance shall be added to the amount of said tax and shall be payable if said tax is not paid in full on or before July 31, 2012.

SECTION 3: That the tax levy of one percent (1%) presently imposed upon salaries, wages, commissions and other compensation earned by residents of the Township of Salisbury and earned in the Township by non-residents thereof, and the one percent (1%) tax presently levied upon the privilege of transferring or conveying, by deed or other document, any interest in any lands, tenements, or hereditaments in or partly in the Township of Salisbury, be, and they are, hereby enacted and levied, without change, for the year 2012.

SECTION 4: Any Ordinance or part of an Ordinance inconsistent or conflicting with this Ordinance or any part thereof is hereby repealed to the extent of such inconsistency or conflict.

ENACTED into an Ordinance this 22nd day of December, 2011.

TOWNSHIP OF SALISBURY
(Lehigh County, Pennsylvania)

By: _____
President, Board of Commissioners

Attest:

Secretary

Motion by Commissioner Cusick, seconded by Commissioner Ackerman, to approve the first reading and advertisement of the Tax Ordinance for appropriations for the 2012 Proposed Budgets.

Roll Call:

COMMISSIONER ACKERMAN -YES
COMMISSIONER SEAGREAVES-YES
COMMISSIONER MARTUCCI-YES
COMMISSIONER CUSICK-YES
COMMISSIONER BROWN-YES

The Motion passed by 5-0

RESOLUTIONS

None

OLD BUSINESS

Attorney Ashley updated the Board on the Lock Box Hearing challenge. Attorney Ashley stated that he had an opportunity to review the settlement proposal from the Builder's Association, and noted that a minor change to the Ordinance could resolve the matter. He noted that the Builder's Association interpreted one of the provisions to include single-family dwellings, and while it was not intended that way, he believes it would just take a simple amendment to the Ordinance to clarify that. It was the consensus of the Board to revise the Ordinance.

Mr. Andreas provided an update on the efforts by the Township to collect tree branches from the recent snow storm. He noted that leaf collection will resume Monday, November 28th on the west side of the Township and the crews will work their way east. Mr. Andreas reminded residents to put their leaves along the road instead of in the road.

Commissioner Cusick inquired if a written schedule for leaf pick-up is provided to the administration staff. Mr. Andreas replied that there is no written schedule, but the Highway

Supervisor, Roger Moyer, communicates with the secretaries as to the areas in which the crews are working.

Mr. Tettermer stated that the Lindberg Park basketball courts will not be painted or sealcoated until early spring. He also commented that the Patricia Drive Pump Station elimination project should be starting next week.

COURTESY OF THE FLOOR

Chief Stiles stated that since the County Grant has expired for the Community Police Officer, the Police Department is closing that program and must shut down the DARE program in the schools.

Commissioner Brown announced that after the Workshop, the Board will convene into an Executive Session to discuss a legal matter involving contract and personnel issues.

Commissioner Cusick made a Motion to adjourn the Meeting. Seconded by Commissioner Martucci. The time was 9:15 p.m.