

EAST FALLOWFIELD TOWNSHIP
SPECIAL BOARD OF SUPERVISOR'S MEETING
November 9, 2010
Approved minutes
6:35 PM

Attendance – Chris Amentas, Chairman; Chris Makely, Vice Chairman; Gary Barach, Member; and Jill Bukata, Township Manager and Treasurer. Members George Broadbent and Mark Toth were absent.

Mr. Amentas opened the meeting with the pledge of allegiance and a moment of silence.

November 1, 2010 minutes – Mr. Amentas made a motion to approve the minutes from the special meeting held on November 1, 2010. Mr. Makely seconded. Vote: Unanimous.

Financial Issues – Mrs. Bukata presented a revised forecast showing that the township loss will be \$280,000.00. Mr. Amentas asked what accounts for the difference from last month's forecast to this month's forecast.

Mr. Barach stated by looking at the financial statements prepared on a global basis it appears that the revenue reflected more revenue than was budgeted so there is a favorable variance and appears that the expenses have been reduced so the expense side has a favorable variance and if you use Mrs. Bukata number forecasting the month's going forward he is not sure that the township will have a deficit of \$280,000.00. Mrs. Bukata stated "it's a difference of approximately \$50,000.00 from the end of August's forecast." Mr. Amentas asked what accounts for that difference. Mrs. Bukata replied that as you get closer to the end of the year you know that you are not going to spend money on certain things so you start taking money that you are forecasting that you might think you need to spend to reduce those numbers. Mr. Amentas stated that it's impossible to put together a 2011 budget until they have a reasonable forecast. Depending on what those numbers are, this year may or may not include provisions to obtain additional revenue with reduction in service or other measures. Mrs. Bukata replied that she will have an answer after a line by line forecast is completed. Mr. Barach asked Mrs. Bukata if she felt that the township will pay out \$260,000.00 in the next two months. Mrs. Bukata replied that the number is closer to \$420,000.00. Mr. Barach stated he thought it was \$130,000.00 a month. Mrs. Bukata replied that was a loss number not just expenditures. Mr. Amentas asked if the projected \$280,000.00 includes \$100,000.00 right now in trash receivables; a portion of which will be recovered by the year to bring the number lower. Mrs. Bukata replied "yes it will." Mr. Barach asked if the revenue deviation, including liquid fuel money, about \$150,000.00 greater than projected. Mrs. Bukata replied that the \$154,000.00 was budgeted and the township also received two years of liquid fuel money this year. Mr. Barach stated the budget is right on target and the only deviation is the extra payment from liquid fuels and expenses are less than budgeted for the whole year by \$300,000.00. Mrs. Bukata replied "at the moment they are lower." Mr. Barach asked Mrs. Bukata if they are \$450,000.00 of total positive deviations from budget. Mrs. Bukata replied "approximately." Mr. Barach asked if you take the \$400,000.00 of spending over the next two months and compare it to the favorable deviations would the year end up even without going into the Capital Projects Fund. Mrs. Bukata replied "I don't think so." After further discussion the Board of Supervisors agreed to further review the budget numbers.

Police Officer's Association grievance for the difference in the co-pays under the new Aetna medical plan –

Mrs. Bukata reported that the police filed a grievance regarding the new co-pays for the new Aetna Insurance and would like to be reimbursed for the difference of the old co-pay versus the new co-pay according to their contract. Mr. Amentas asked what the cost would be. Mrs. Bukata replied that it could be a couple of thousand dollars depending on how much the medical insurance is used. Mrs. Bukata also stated that the township attorney advised the township to pay the differences because the township would probably lose if they fought it. Mr. Amentas made a motion to pass the resolution regarding reimbursement of police officers for the difference in co-pays between the new Aetna plan and the co-pays under their former Blue Cross medical plan with reimbursement made on a quarterly basis upon submission to the township of proper documentation reflecting the co-pays. Mr. Makely seconded. Mr. Makely asked what would happen if the Board did not pass this motion.

Mr. Amentas replied that they would be opposing a grievance that the township would likely lose. Mr. Barach asked if anyone knew of the legal costs to argue this grievance. Mr. Amentas replied that you cannot be sure how much it would cost. Bob King asked if the \$46,000.00 insurance savings over one or two years and suggested keeping a record of the co-pays that are reimbursed. Mrs. Bukata replied "one year." Conrad DeAbreu asked if anyone really looked into what Aetna covers better than Blue Cross. Mrs. Bukata replied that they don't have the ability to offset the fact that you could get money from going to the gym a certain amount of times or certain payments to have certain tests. Mr. Barach asked the impact of the coverage if the township does not fight this grievance. Mrs. Bukata replied "the coverage stays the same." Vote: Unanimous.

Freightliner payment authorization – Mrs. Bukata informed the Board that the freightliner has arrived and is ready for delivery once payment is made. The total due is \$136,639.71 and can be financed over four or five years with the first payment upfront or one year from now. Mrs. Bukata recommended financing with the first payment being made one year after delivery with the payments being \$37,749.39 over four years including \$14,358.00 in interest. There is a two percent penalty if you pay the balance off early. Mr. Makely asked for the total of Liquid Fuels money. Mrs. Bukata replied "over \$340,000.00." Mr. Barach asked if the state has an interest free situation with municipalities under Liquid Fuels. Mrs. Bukata replied that this decision can be deferred for two weeks until she gets that answer. Mr. Amentas recommended making payment installments over four years and take the extra \$90,000.00 that would not have to be paid this year and apply it in another direction next year so it could help balance the budget next year as well as the following year. Mr. Barach stated that a compensating balance loan should be explored. This is where the bank who is holding the township fund balances, that is paying us no interest, may allow the township to borrow against the fund balances. Mrs. Bukata replied "she will look into this." The Board agreed to table the payment authorization until the November 23, 2010 Board of Supervisor's meeting.

Authorize purchase of two salt spreaders – Mrs. Bukata presented Mr. Gathercole's request to purchase two salt spreaders at the price of \$4,347.50 each. This price is from COSTARS so it did not have to go out to bid. Mr. Amentas asked why the salt spreaders are needed. Mr. Gathercole replied that the salt spreader's will help with the smaller developments, also he contacted a couple of private snow plowers and their prices are high and expects more private snow plow bids to come in. Mr. Gathercole also stated that last year a Supervisor helped plow snow in the township and did a good job and would like his hourly rate to increase. Mr. Makely replied "the rate is set by the auditors at the beginning of the year." Mr. Amentas made a motion to purchase two salt spreaders from U.S. Municipal Supply under COSTARS pricing, at a price of \$4,347.50 per spreader for a total of \$8,695.00. Mr. Barach seconded. Mr. Makely asked once the trucks plow for snow does someone go back and salt and what truck is used. Mr. Gathercole replied "yes and they use the big trucks." Mr. Makely asked approximately how long it takes to plow Branford Village and Brook Crossing. Mr. Gathercole replied "approximately 45 minutes." Mr. Makely asked if the salt goes down when they are plowing or after. Mr. Gathercole replied that they have to make two passes to completely open the road up and then salt. Mr. Makely asked if a load of salt covers a whole development. Mr. Gathercole replied yes; depending on what you put the dial too. Mr. Makely asked Mrs. Bukata if the salt spreaders are in the 2010 budget. Mrs. Bukata replied "no." Mr. Amentas asked if one truck plows and one truck salts. Mr. Gathercole replied that the bigger trucks have big plows and salt spreaders on the back. Mr. Gathercole also stated that the bigger trucks do the main roads. Mr. Makely asked if there is training before someone uses the plow equipment. Mr. Gathercole replied "no." Mr. Makely asked if it would be conceivable to get one spreader now and one next year. Mr. Gathercole replied that the last prices received last time went up a couple of hundred dollars. Mr. Amentas asked if payment can come out of Liquid Fuels. Mrs. Bukata replied "yes." Mr. Barach asked if there is a discount for a cash payment. Mr. Gathercole replied that this is a good price because it is going through COSTARS. Glenn Colyer stated that it's a waste of time to plow and then go back and salt. Mr. Gathercole replied that some of the development roads are too wide so they have to. Mr. Colyer also stated that the salt goes 8-10 feet off of Park Avenue. Mr. Gathercole replied "it depends on what the dial is set on." Conrad DeAbreu asked the savings on getting the salt spreaders. Mr. Amentas replied "efficiency." Bob King asked when the first payment has to be made. Mr. Gathercole replied "when it's delivered." Mr. King also suggested holding off delivery until next year. Conrad DeAbreu asked why the township plows Baron Crest Development when it hasn't been dedicated yet. Mr. Makely replied "it is a public safety issue." Mr. Gathercole stated that he reports their plow hours to the office so it can be taken out of Liquid Fuels. Vote: Unanimous.

State Supplemental Pension Aid – Mrs. Bukata took this off the agenda pending more information from the state.

False Alarm ordinance – Mr. Amentas stated that he made changes to the original ordinance. Mr. Barach asked if Chief Porter looked at the ordinance. Mr. Bukata replied that Chief Porter looked at the ordinance and wanted to give some input. The Board agreed to table this ordinance until the November 23, 2010 Board of Supervisors meeting.

Mr. Amentas made a motion to adjourn the special Board of Supervisors meeting at 8:40 PM. Mr. Makely seconded. Vote: Unanimous.

Respectfully Submitted,

Denise Miller
Township Secretary