

UPPER MERION TOWNSHIP BOARD OF SUPERVISORS  
BUDGET WORKSHOP MEETING  
NOVEMBER 10, 2011

The Board of Supervisors of Upper Merion Township met for a Budget Workshop Meeting on Thursday, November 10, 2011, in the Township Building. The meeting was called to order at 7:30 p.m., followed by a pledge of allegiance.

ROLL CALL:

Supervisors present were: Greg Waks, Joseph Bartlett, Edward McBride, Bill Jenaway, and Erika Spott. Also present were: Supervisors-Elect Greg Phillips and Carole Kenney; Ronald Wagenmann, Township Manager; Judith A. Vicchio, Assistant Township Manager; Nick Hiriak, Director of Finance; Fred Santoro, Human Resources Director.

DISCUSSIONS:

UPDATE ON BOND REFINANCING

Mr. Wagenmann stated that bond refinancing is considered once it is determined that 3% savings can be realized by doing so. The 2006 Open Space bond issue falls in this category and the township's bond counsel is preparing the necessary paperwork and official statement.

Mr. Mike Wolf, firm of Boenning and Scattergood, distributed the prospectus in preparation for the township to be in a position for bond refinancing. He informed the group that he is in receipt of a very laudatory report from Moody's and the township has retained its AAA rating. Mr. Wolf highlighted other aspects outlined in the report and then explained why the timing is right to refinance the 2006 bond issue this year at a lower interest rate. Everything is in place so that the Board of Supervisors can consider the ordinance at its next meeting.

ADMINISTRATION DEPARTMENT BUDGET

Mr. Nick Hiriak stated the total Administration budget has increased 3.2% increase over last year. He reported that the operating portion of the budget is down 4.4%, the professional services portion of the budget is up 4.5% (not quite \$25,000) that was driven by the management consultant services; the miscellaneous section is up .4% or \$200. Total budgeted amount for Administration is \$2.7 million.

The Administration Capital Budget contains one item for \$11,000 which is a carryover from 2009 for continuation of 511 software updates.

Mr. Hiriak provided highlights of the revenue details:

- General Fund millage reflects a decrease overall from last year with the biggest driver being the impact of all the assessment appeals
- special taxes levy - continued inflow of the park capital tax and the General Government capital tax back to the General Fund.
- 511 delinquencies remain at last year's figure.
- Local services tax up in anticipation of Wegmans, casino, two hotels and a couple of restaurants.
- Slight decrease in amusement tax that will be made up in the mercantile tax.
- Franchise fees are up due to continuation of Aqua's pipe replacement projects.
- Gaming revenue is new item.
- permits and inspection fees - \$1.6 million for next year.
- Deferred permits for 2012 - \$315,000 for casino permit.
- compost site recycling at \$80,000
- For crossing guards there is a 50/50 split with the school district.
- miscellaneous item contains monies received from state for snow removal, workers comp dividend of \$42,000 based on experience, early retirees not 100% vested in pensions.
- budgetary reserve number of \$1.1 million for 2012.

Mr. Hiriak stated that the budget is balanced and the entire operating budget is up 1.97% over 2011. The township is carrying forward \$1 million of saved money for next year's road resurfacing projects. Mr. Wagenmann pointed out that the township receives \$560,000 a year from the state which represents our share of the gasoline tax. This must be spent on road maintenance.

Mr. Hiriak discussed the sewer revenue budget that contains items from the municipal industrial pretreatment program which pays for itself in the sewer expense fund. Highlights include:

- No change in sewer certifications.
- Residential quarterly rental has gone from quarterly to a semi-annual billing of \$54.
- Garbage disposal difference is being phased out so all residents will eventually pay the same amount.
- Significant capital maintenance is necessary for the sewer plants. The belt filter press at both plants needs to be replaced at \$1 million each.
- sewer revenue budget stands at \$5.6 million and all these budgets are balanced - the sewer revenue as well as the expenses.

Mr. Hiriak reported that the Library budget is balanced with revenues that cover expenses. The library budget is a separate fund because of its dedicated funding source from real estate tax, but it is included in the overall operating budgets. When the Homestead Exclusion was granted for residential property owners on the first \$72,500 of assessment that loss of real estate tax was made

up from the local services tax income. Mr. Hiriak explained that for this fund and some of the other special tax funds or anything that is dedicated real estate tax there is a transfer out of the general fund for what was the lost calculation. The library receives aid from the state for the inner library loan system.

Other highlights:

- The General Fund is balanced.
- no new money for capital projects off the taxes.
- There are carryovers of prior years and there is still money left in the account for Administration's Document Management software project.
- Money is being carried over for the ordinance rewrites and subdivision rewrites.
- no new money for the police
- Requests for fire apparatus purchases have been budgeted.
- Sewer fund has \$1 million for Trout Run for the belt press to be funded by a bond issue as well as the belt press project at the Matsunk plant.
- carryover money for guardrails in transportation and for some work at the Bob Case Park for a restroom facilities.

Mr. Wagenmann pointed out if any money becomes available through grants or any other sources budget adjustments are presented to the Board of Supervisors for consideration. .

Mr. Hiriak discussed the township's solicitation for audit services this past summer. Mr. Wagenmann also mentioned that request for qualifications also went out for solicitor and special tax counsel; appointments will be made early next year. Mrs. Spott was asked to form a task force to consider these appointments.

ADJOURNMENT:

There being no further business to come before the Board, the meeting was adjourned at 7:45 p.m.

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RONALD G. WAGENMANN  
SECRETARY-TREASURER/  
TOWNSHIP MANAGER

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Minutes Approved:  
Minutes Entered: