

December 7, 2010

SPECIAL MEETING MINUTES

An executive session was held prior to the opening of this meeting to discuss personnel issues.

A special meeting of Dover Borough Council was held at Borough Hall, 46 Butter Road on December 7, 2010 at 7 pm. President Sabold called the meeting to order, a moment of silent prayer followed.

The purpose of the special meeting was to complete the 2011 budgets.

Mr. Sabold noted a decision about whether or not there would be wage increases and how much they Council wanted to budget toward employee health insurance were the two main issues to be resolved, so the budgets could be completed.

Mr. Eisenhart asked for an explanation of the amount in item 491.01 - Refund of Prior Revenue, in the General Fund. Mrs. Shirey explained that the majority of this total is for money which had to be refunded to PEMA. Money for Dover Township, which was reimbursed for the February snowstorm, was mistakenly paid to the Borough. PEMA did this by electronic transfer and a check was written to return this money. He then asked if some of this money corresponded to 395.0 – Refund of Prior Expenditures. Mrs. Shirey reported that it did. Mr. Eisenhart pointed out the amount budgeted for 2010 was \$706,300 and the projected amount spent is \$822,417, which is a difference of about \$116,000. Mrs. Shirey disagreed with this because the Borough also had greater income than was budgeted. The net income in the projected 2010 balance was (-\$49,413). Mr. Eisenhart stated his real point was the Borough was over budget for the third year in a row.

The discussion turned to employee health insurance. Mr. Seidel stated he is frustrated that the renewal date for the insurance is February 1st, rather than January 1st. Due to this the renewal rates are not released until December, and they are not available for the Council in time to plan the budget. He wanted this changed for 2011. Mrs. Shirey explained this is not possible because she would have had to notify Health America that the Borough wanted to change their renewal date several months ago. She can request that it be changed for 2012. Mr. Seidel stated the renewal must be changed for 2012. It is necessary for them to have this information so they can decide if the annual cap needs to be increased. He does not think the Council wants the amount the employees have to contribute to become cost prohibitive.

The renewal rate for the current Health America plan has a 17.1% increase for 2011. Mr. Seidel suggested the Council should consider increasing the annual amount by 17%, or about \$5,950 per year. This would increase the annual amount to \$40,950, from the current \$35,000. This would keep the weekly deduction about the same. The Council had asked for input from the employees and Mr. Lentz and Mr. Grim were adamant they did not want to pay much more than they are paying now. The employees agreed they would forego a raise if they received more money toward health insurance. Mrs. Shirey reported the current deductions are \$20.57 for the employee/child policy she has, and \$42.07 for Brad and Duane for a family plan. Mr. Seidel recommended increasing the amount budgeted for employee health insurance to \$41,000 and give the employees a 1% pay increase also. Mr. Hess noted this would equate to a 5% increase overall, for the employees who receive benefits. Mr. Eisenhart suggested \$41,000 should be budgeted for employee health insurance, and this portion of the General Fund budget and they could move on with the budget. Other council members felt only the dollar amount they actually want to budget should show on this line. A long and sometimes heated debate followed with various options and alternatives discussed. It was noted that most of the Council members were paying more in payroll deductions for their health insurance for similar coverage with a higher deductible. Mrs. Koch stated she has been working for many more years than the borough manager and is not making what he is making. Mr. Sabold recommended increasing it to \$38,000 and no raise. If the employees want their weekly deduction to stay about the same the Council may need to choose a health insurance plan with a higher deductible. Mr. Seidel made a motion to increase the

amount budgeted for employee health insurance from \$35,000 to \$38,000 for 2011, and no raises. Mrs. Koch seconded the motion. Five were in favor. Mr. Eisenhart and Mr. Hess were opposed.

Mr. Sabold stated he did not feel the Council could justify spending more money on health insurance or raises, when they are cutting things out of the budget and asking the residents to pay more for services. He stressed his position, and that of other council members, was not an indication that the Council does not appreciate the employees, and value the job they do.

Some minor adjustments were made in the General Fund expenses. Mrs. Shirey provided updated budget totals for the General, Sewer and Water Funds after updating the payroll totals.

Mr. Hess stated the payroll budget is much higher than when he was an employee, because the laborers made significantly less than the manager. The Borough now has a manager and a licensed plant operator, so the Council is paying more in wages for two people than they once did for three people. Mr. Eisenhart asked if Mr. Hess was indicating they should eliminate one of these more costly positions and hire someone at a laborer rate. Mr. Hess stated he was only making a point this is why payroll has increased so much.

Mr. Eisenhart recommended the recreation money should be used to reimburse the borough for funds used for the park improvements. The Council agreed. Mr. Eisenhart made a motion to use the \$4,056.86 in recreation fees money from building permits to reimburse the General Fund for money spent on improvements in Ketterman Park.

The Council discussed the difficulty of balancing the budgets for next year and the issue of using money from savings to balance the budgets. It was agreed this is not a good practice and should be the exception, and not done every year. The Council was in agreement that they need to seriously consider increasing taxes next year. Taxes have not been increased for at least ten years. They also need to work toward getting more money in savings for the three main funds.

Mr. Seidel made a motion to approve the preliminary budgets for 2011. Mr. Dentler made a second to the motion. Five were in favor, and Mr. Eisenhart and Mr. Hess were opposed.

Mrs. Koch reported the Commonwealth Financing Authority is scheduled to meet to announce the grant recipients for H2O grants on December 15.

Mr. Lentz reported there was a meeting at the WWTP today with Tom Wallace, and representatives from I. B. Abel and Conewago Enterprises. Mr. Lentz reported there are small items to be resolved with the contractors. For example, Abel ran wire to a junction box, but the contract didn't specifically state they were to connect the telephones to it. This would appear to be common sense, but it was not specified as part of the job. Abel wants a change order to do the work.

A special meeting to adopt the 2011 budgets was scheduled for December 20 at 7 pm.

A motion to adjourn the meeting was offered by Mr. Eisenhart, with a second by Ms. Bishop. All were in favor. The meeting adjourned at 8:22 pm.

Respectfully submitted,

Janet T. Shirey
Secretary/Treasurer