

SPECIAL MEETING MINUTES

A special meeting of Dover Borough Council was held at Borough Hall, 46 Butter Road on October 24, 2011 at 6:30 pm. Mr. Eisenhart and Mr. Lentz were absent. President Sabold called the meeting to order. A moment of silent prayer followed.

Mr. Sabold stated the purpose of this meeting is to do 2012 budget planning. This is the second budget meeting. These meetings are for preliminary planning. The budgets will not be adopted until the December Borough Council meeting. Nothing is written in stone at this point. The budget is planned based on spending in previous years and projected income and expenses in 2011. The budgets also need to plan for the future.

Some people may be present because they were told, or read an ad in the newspaper, which stated the Borough Council was considering increasing taxes as much as 80%. An increase this high was never discussed. The Council is looking at all options. He felt it was important to state there had been no tax increase in at least 12 years!

Mr. Sabold stated he would be opening the meeting to public comment. If anyone wished to comment he asked that they stand, and then give their name and address. The council reserved the right to limit the amount of time one person could speak to keep the meeting moving ahead. He asked that people reserve any comments to items related to the budget. If someone wanted to address the Council about any other concerns he asked that they come to the next Borough Council meeting to do so.

PUBLIC COMMENT

Peggy Durnin, manager of the Dover Area Ambulance Club, was first to speak. She thanked the Borough for their past donations and stated club the support is appreciated. She was present at the request of her Board of Directors to ask the Borough Council to consider increasing the annual donation. She proceeded to review some information she had provided to the Council. There was a diagram of the municipalities who make donations, which included the number of calls they respond to in each and the amount of money donated. She feels there is a lot of misinformation, such as the price people are charged. Their base charge is \$400, but if an ALS provider from a medic unit rides in the ambulance to the hospital the cost is much higher. DAAC must pay York Hospital for the paramedic to ride in the ambulance. In the last year, the DAAC billed \$1,471,109.90. Of this amount, they have written off about \$655,100 due to insurance adjustments, bankruptcies and non-payments sent to collections. The membership dues they receive only covers about three weeks of payroll. In January, one of the ambulances was involved in an accident, which was not their fault. It cost \$110,000 to repair the ambulance, while the other driver's insurance only paid \$5,000. They did not feel it was worth suing for the difference because they was no guarantee they would win. She went on to explain that two of the ambulances need new chassis', but they are able to reuse the ambulance 'boxes'. Employees are not getting cost of living raises, but they do receive merit raises. Her wages have been frozen for three years. She stated they are a non-profit company and they are strapped financially. She asked the Borough Council to consider increasing the annual donation they make to the Dover Area Ambulance Club. She thanked the Council for their time.

Darwin Frey, 58 Amberview Drive, asked if the Borough is required to have to get bids before purchasing items. Mr. Sabold stated the Borough is only required to get bids at cost levels established by the state; however, most of the time the Borough Manager gets several bids on items before recommending a purchase. Mr. Frey stated he thinks the Borough can purchase things less expensively. For example, at the last Borough Council meeting Mr. Lentz requested permission to buy a welder and torch. He has one he would have been willing to donate.

Tonya Bosley, 55 Newlon Road, stated she is very concerned about taxes going up. Right now their income is just enough to meet their bills. If taxes go up they will not have enough income to pay the bills. She attended

a previous meeting where the Council discussed getting cell phone antennas put on the water tower, and how this would generate additional income. What happened to this? She doesn't see any antennas on the water tower. She was told the Borough has a contract with the company who performs the maintenance on the water tower to try to get contracts for cell tower antennas. No one has offered a contract yet. Mr. Sabold explained the Council is considering increasing real estate taxes, but this would only be for the Borough real estate taxes, and would not be a significant amount. The increase may only equate to \$5 to \$8 more per month. A decision had not been made yet regarding a tax increase. Mrs. Bosley also stated she feels the crime rate in the Borough is going up, and less desirable people are moving in. She mentioned the drive-by shooting on Mayfield Street, which is only about a block from her home. She was told the young men involved live on Mayfield Street, Mayor Pope stated there are rumors circulating which are not true. The driver and the shooter were arrested and are in jail with a \$750,000 bond. Mrs. Bosley stated there are liens filed against their home for past due water, sewer and trash fees and she does not want them to fall any further behind because the taxes increase.

George Airing, 17 Stony Lane, asked if the completed budgets will be available for the public to review before they are adopted at the December meeting. Mr. Sabold responded that once the preliminary budgets are done they must be advertised, and copies made available to the public to review.

Beverly Fauth, 124 Cranbrook Drive spoke next. She stated first she wanted to comment on earlier comments about crime. She stated people need to be walking the streets and make themselves visible. This will deter crime. She stated - "The police are not going to do anything for you." Second, she does not mind paying her fair share of taxes, but she is frustrated that there is \$53,000 of unpaid taxes in Dover Borough. This money could be put to good use. She feels more should be done to collect this money. In comparison, there is \$600 million of unpaid taxes in Pennsylvania. She stated she is an auditor for the Borough, and the Borough is not in great shape financially, but she believes this is mostly due to the money the Borough had to borrow for the wastewater treatment plant.

There was no other public comment. Mr. Sabold announced public comment was closed. The Council would move on to work on the budgets. Only the Council or Borough employees could give input on this. If the public had any further comments regarding the budget they could make them at the December Borough Council meeting before the Council votes to adopt the budgets.

The meeting proceeded to continue work on the 2011 budgets.

There were no changes made to the Wallace Fund or Highway Aid budgets.

At the October 17 meeting the payroll reimbursement percentages were reviewed for each employee. It was decided revisions should be made, so the payroll is more fairly divided based on the amount of time the employee works in each area (borough, sewer and water). A sheet with the new percentages listed, by fund, and the approximate amount each fund would contribute was provided. A new expense line was added to the water and sewer fund budgets for health insurance.

Mrs. Koch recommended the purchase of a new dump truck should be postponed. She recommended the money budgeted for this should be moved to Capital Reserve in the General, Sewer and Water Fund budgets. Mr. Hess stated he was very concerned about postponing the purchase of a new dump truck for another year. If the dump truck breaks down the Borough has no other equipment to use to spread salt and cinders. Mr. Dentler stated he did not feel the Council could justify spending perhaps \$70,000 on a new truck that may only be driven 100 miles per year. Mr. Hess understood the concern, but stated if the dump truck breaks down the Borough will likely have to pay a premium price to a contractor to do it. He stated one alternative might be to purchase 'box', which could be lifted in and out of the bed of the 2009 truck. There is an insert which could be used to spread salt and cinders. The other council members understand the need to do something about a new truck, but agree that they cannot justify spending the money. Mr. Sabold pointed out this is a perfect example of why a Capital Budget 5 Year Plan is so important. Mr. Sabold stressed the

importance of the dump truck being checked over thoroughly by a mechanic and the borough staff to try to look for any potential problems before it is needed.

Mr. Hess expressed frustration because he feels he is failing the residents. He wants to serve them in the same way he saw in the examples of men like Paul Schrum, Bob Merkert and George Airing during their years of service. He stated when he worked for the Borough if a council person told an employee to do something that it was done. He does not feel he has any authority to tell the employees to take care of problems. He has an issue with the manager not wanting him speaking to the employees. It was suggested it would be better to discuss these issues during an executive session or with the Personnel Committee.

WATER FUND

The budget was updated to show the revised payroll numbers, and an estimated amount was added for Health Insurance (487.00). Item 395.01 (Refund of Prior Expenditure) was increased to account for reimbursement from USTIF for well # 4 expenses. The amount in 448.74 (Capital Equipment & Machinery), earmarked for the new dump truck was moved to 448.70 (Capital Reserve). Item 448.31 (Analysis Fees) was decreased. There was extra testing required this year, and the Borough should be able to get an exemption for future years. There were no other changes.

SEWER FUND

There were revisions for payroll and the addition of a line for health insurance. Mrs. Koch stated since the purchase of a dump truck will be delayed, the amount budgeted in 429.74 (Capital Purchase Machinery & Equipment) can be moved to Capital Reserve. Mr. Sabold felt some money should be budgeted in this category and wanted input from Mr. Lentz. The Council decided to leave \$2,000 in Item 429.74. Mr. Sabold stated Item 429.37C (Cleaning) could be reduced. It was not necessary to have a cleaning person clean the lab/office. The guys can do it themselves. Additional money had also been budgeted for waxing the floor at the lab/office. Mr. Sabold felt this could be done in-house. The floor will need to be wet mopped once a week to maintain it. The 2009 loan payment amount had also been decreased. Mrs. Shirey requested an updated amortization schedule because the one provided with the loan documents was not accurate.

HIGHWAY AID FUND

Mrs. Shirey pointed out money had been budgeted for the dump truck in this fund. If the amount budgeted was being removed from Capital Purchase in the other funds the Council may wish to do the same in this budget. The amount budgeted for 406.74 (Capital Expenses) was deleted. The money was not placed in another category.

GENERAL FUND

The payroll totals and health insurance amounts were revised. Because expenses were reduced the amount budgeted for Real Estate Taxes was reduced. This could reduce the proposed tax increase to $\frac{3}{4}$ of a mil. When revising the budget Mrs. Shirey suggested increasing the suggested fire company donation to \$20,000, since there was sufficient money in the budget to allow it. This could help postpone implementing a new tax next year. Mrs. Koch still felt a dedicated revenue source should still be implemented to cover the fire company donation. Mr. Seidel was concerned about increasing the real estate tax and adding a new tax the same year. Several Council members felt the Borough should ask the Dover Township supervisors why they do not contribute toward the calls Dover Fire Company responds to in their municipality. Mrs. Shirey stated Item 409.33 could be reduced by \$400 since Mr. Sabold recommended floor waxing could be done in-house.

Mr. Seidel noted the amount budgeted for health insurance, across the three funds, totaled over \$48,000. He was not at the first budget meeting, and asked if the Council had decided to pay the full cost of health insurance for the employees. Mrs. Shirey responded she was asked to calculate how much each fund would pay toward the cost. She based the health insurance cost on the current cost plus an 8% increase for 2012. The number she put in each budget would be the share if the cost if the total cost was paid. This number would be adjusted once the council made a decision about which health insurance plan, how much the Borough would contribute and how much the employees would contribute. Mr. Seidel stated he would not be

in favor of covering the full cost of health insurance and giving pay raises. The Council asked when the health insurance quotes would be received. Mrs. Shirey stated they should be ready by the first week of November.

The average increase, per resident, with a $\frac{1}{2}$ mil increase would be \$49.67 per year, or \$4.14 per month. A $\frac{3}{4}$ mil increase would be \$74.50 more per year, and \$6.21 per month.

Mrs. Shirey was asked to revise the amount of real estate income if the tax rate was increased by $\frac{1}{2}$ a mill to 2.19 mils, instead of $\frac{3}{4}$ of a mil. This would decrease the income by about \$19,000 and create a deficit of about \$10,000 in the proposed budget.

Mr. Sabold stated in 2002, between checking and savings combined, the Borough had \$550,000. Currently there is about \$450,000.

Mrs. Shirey felt the shortfall in the budget would be corrected when the amount for health insurance is revised and by reducing the amount in Capital Reserve. Mr. Sabold stated the money budgeted for Capital Reserve should be earmarked for specific projects.

It was decided another meeting would be necessary, since the insurance rates were not available yet. Another budget meeting date was set for Thursday, November 10 at 6:30 p.m.

A motion to adjourn was offered by Mr. Dentler at 8:40 pm. Mr. Hess seconded the motion. All were in favor and the meeting adjourned.

Respectfully submitted,

Janet T. Shirey
Secretary/Treasurer