

SPECIAL MEETING MINUTES

A special meeting of Dover Borough Council was held at Borough Hall, 46 Butter Road on Thursday, October 22, 2015 at 7:00 pm for the purpose of preparing the 2016 budgets. Mayor Pope and Mr. Dentler were absent. All other members were present. President Sabold called the meeting to order. A moment of silent prayer followed.

Secretary – Treasurer Report

Ms. Hartzler reported Right-To-Know requests have increased this year with 2 more in the past couple weeks. One request was for outstanding uncashed checks, but no date range was specified. Ms. Hartzler tried repeatedly to contact the individual by phone and email to clarify the request, with no response. Another request was made for wage figures for all employees in 2013 and 2014, including their position, hire date, and full name. Ms. Hartzler invoked the 30-day extension to notify the relevant employees this information would be released.

An email from the Pennsylvania Compensation Rating Bureau indicated they are in the process of reviewing the experience mods for both the borough and volunteer fire department's Worker's Compensation Insurance. This was anticipated and will hopefully result in a reduction of the borough's cost since the high experience mod can be attributed to claims from the fire company.

Wallace Fund – The trust fund income check for \$1,650 was received and the 2016 budget sheet had been updated since the previous meeting.

General Fund – Ms. Hartzler revised the budget line item 395.01 *NYCRP Pension Reimbursement* to \$33,000 using the 2016 MMO of about \$45,000 less expected State Aid of \$12,000. The *Employee Health/Dental Contribution* (395.05) was reviewed and left at \$7,189 (health insurance only) since the dental reimbursement may be minimal if the plan is lower for 2016. The total income for the General Fund is \$830,097.94. *Expenses* were considered next. Ms. Hartzler recommended separating Line 400.34 (*Advertising/Printing/Newsletter*) into 2 lines; one for 'Advertising' in the newspaper for ordinances, meetings, etc. and the other for 'Printing' such as the bills, newsletters, etc. It was agreed that \$3,000 was needed for *Advertising* and \$2,200 annually for *Printing*. The issue of independent auditors vs. elected auditors was discussed. Hamilton & Musser expressed interest in submitting a proposal for this year's audit. Ms. Hartzler was instructed to request quotes from accounting firms and \$7,000 was entered. Line 403.11 (*Tax Collector Payroll*) was increased to \$5,500 based on the actual figures from 2013 – 2015. Fees for *Legal Services* (404.00) were increased to \$12,000. Ms. Hartzler reduced the *Office Supplies* (405.21) to \$350, but increased *Postage* (405.23) to \$2,000 based on trends from previous years. The amount for *Bonds* (405.35) was increased to \$1,100 in anticipation of hiring a part-time administrative assistant.

Mr. Slusser wished to address the issue of the Borough Manager's salary. Line 401.12 went from \$19,179.09 in 2013 down to \$18,822 in 2014 and a proposed \$16,149 for 2016. He did not feel when an employee changes from hourly to salary, their income should decrease. Others felt that paid "comp time" usage made up for the difference in wages. Mr. Slusser proposed basing Mr. Lentz' salary on 45 hours of work per week to pay him for the extra time he puts in plowing, etc. and eliminate compensatory time. Mr. Seidel stated this matter should be addressed with the Personnel Committee and no decision would be made tonight. \$4,000 was added to Line 405.14 (*Admin Assistant*) since Ms. Hartzler plans to attend school in 2016 and will not be able to work full-time. The idea of eliminating the full-time Secretary/Treasurer position and employing 2 part-time workers was discussed; this would eliminate a portion of the health insurance costs.

Engineering Services (408.31) was held at \$7,500 despite 2 years over \$10,000 because these fees resulted from the MS4 Stormwater work, CDBG Curbs & Sidewalks Project, and paving on Edgeway, Gross & Fairview which are all completed. \$2,000 was added on Line 409.00 (*Boro Bldgs & Grounds*) to purchase materials, if needed, for the renovation of the planters at the square. Dover Area High School students are designing, planning and providing labor with the intent of replacing 1 per year for the next 4 years. They will be seeking donations of building materials, but asked the borough to contribute if necessary. The trash contract will be advertised for bid and may come in higher with the recycling containers included. \$135,000 was entered for that line item. Under 430.01 *Capital Equipment Purchase*, Mr. Lentz mentioned the inspection runs out on the '92 Chevy truck in January and will need significant repairs to the floorboard and door handle. This line was left open for

reconsideration when other expenses have been entered. Line 430.70 (*Cash Reserve*) was also left blank. Line 487.03 (*Dental*) was changed to \$3,500 to reflect the borough's portion of the dental plan since the employee reimbursement line under *Income* was \$0. A cap of \$610 will be entered for *Vision Benefits* (487.05) with any overage on the plan renewal being paid by the employees. The actual *Disability & Life Insurance* (487.15) premiums have been lower than budget for 3 years so that line was lowered to \$3,500.

Mr. Sabold had been asked to consider another health insurance plan which had a lower cost than the one previously selected by council. The optional plan has no deductible, but costs \$750/day for hospitalizations with a maximum 5-day charge. Both Mr. Lentz and Mr. Grim were comfortable with the risk of paying \$3,750 out-of-pocket for hospitalization. The overall cost of the plan is lower. Several council members were agreeable to changing the proposed health plan with a total cost of \$45,662 for the new option. Mr. Lentz asked if council would consider changing the percentages back to 90% paid by the borough and 10% by employees. There was discussion of the maximum contribution set by council and the changes in percentages over several years. Mr. Seidel stated the price of health insurance had increased beyond the borough's ability to cover it. Several members expressed that 15% was a lot less than most people contribute for their employer health insurance. Mr. Lentz suggested the borough pay \$40,735 of the new plan, which was the anticipated borough contribution for the original 2016 plan chosen, and the employees pay the balance of the plan (\$4,927). This equals about 11% for the employee contribution and several members were agreeable to this arrangement. It was stated that with the increasing price of health care, the employees should expect to be paying a higher percentage of that cost. Mrs. Koch expressed her frustration that every year the Personnel Committee meets to review health plans, choose a plan and contribution rate, and after the decision is made, it is changed. Originally, council put a cap of \$35,000 for health care which was changed to employee contributions of 10% when the rates skyrocketed. Mr. Seidel feels the borough pays its employees well and provides excellent benefits for the size of the organization. The only source of increased revenue for the borough is raising taxes for its citizens. With the current figures entered in the budget, the shortfall is \$67,469.87.

There was a discussion regarding raising taxes versus cutting expenses. A 5-year plan is needed for capital expenses such as replacing the older truck. When expenses have increased, the reserved money has been used for other things. There is very little that can be shaved from the budget and reducing health care costs by \$2,000 will not meet the shortfall. While there is a balance of \$268,000 in the bank account (including \$150,000 CD), the borough must keep a portion of its yearly operating expenses in reserve. The savings cannot be used to "put a band-aid" on the deficit every year. To cover the budget shortfall, the tax rate would have to be increased by 1 mil. (Mr. Lentz left the meeting at this time.) Smaller increases over several years should also be considered. The amount of a tax increase cannot be decided until the trash and mowing contracts are awarded. The only line item for *Expenses* that can be reduced is the health insurance which the borough is not required to offer its employees.

President Sabold will instruct Mr. Lentz to prepare bid specs and advertise the requests ASAP. A bid opening date of November 13, 2015 was chosen and a special meeting will be held that evening at 8 p.m. to award the contracts and complete the budget. An increase of 1 mil should be added to the income line leaving only a couple of items to be entered for expenses at the meeting to complete the proposed budget. A tax ordinance will need to be written and advertised for adoption at the December meeting.

A motion was made to adjourn with all in favor. The meeting adjourned at 10:35 p.m.

Respectfully submitted,

Rebecca Hartzler
Secretary/Treasurer