

MINUTES

The Moon Township Board of Supervisors met in special session at 8:00 p.m. (following the regular meeting) in the Moon Township Municipal Building, 1000 Beaver Grade Road, Moon Township, PA 15108 to continue discussion of the proposed 2012 Municipal Budget and address other business as required.

Supervisors present: Jim Vitale, Frank Sinatra, Marvin Eicher, Andy Gribben and Nancy Mills. Also present: Jeanne Creese, Jeff Ziegler, and Lisa Lapaglia.

Ms. Lapaglia said that the focus of this evening's budget meeting will be public safety—the Police Department, Fire Department and Road Department. Most of these budgets have a minimal change but she will point out some of the changes.

POLICE DEPARTMENT:

DWI Grant – This is a fixed number and we get funds appropriated from the Federal Government. There is an approximately \$10,000 decrease, which is not under our control but through the grant program that is appropriated to us.

Uniform Pension/MMO – We had an increase this year in our MMO contribution of approximately \$120,000. That is why there is such a significant difference in the 2011 approved budget and the 2012 approved budget that we are required to make. Mr. Eicher asked if that \$587,353 number is the actual amount for 2012. Ms. Lapaglia said that the actual number is \$551,691. But you have to take into consideration that there is also the employer contribution to the 401K for non-bargaining unit employees. That is the additional contribution that makes up the difference of about \$30,000. Mr. Eicher said that he understands that does not take into account what the officers contribute. Ms. Lapaglia said that was correct; this is the Township-only portion of it. The anticipated contribution is part of the MMO calculation. Mr. Eicher asked if this was based on Moon Township fully funding the plan next year. Ms. Lapaglia said that it was not; we are still smoothing. Mr. Eicher asked what will happen in the long run. Ms. Lapaglia explained that what we hope will happen is that the market increases to the point that it can fund some of those monies without the Township outlaying that money. A discussion ensued on the funding of the pension plan.

Group Life, Health Insurance – Ms. Lapaglia said that last year this line item was budgeted at \$590,000. This year, we are budgeting it at \$335,756. The reason that there is such a substantial decrease is because that, per the contract that was implemented in July, they have a new type of health insurance. They have a high-deductible health insurance plan so their premiums are minimal. The Township is paying the premium as well as the \$2,500 deductible for each officer. The officers do not have any co-pays until they exhaust the \$2,500 deductible. Ms. Creese said that the majority of the officers in the bargaining unit like this plan. However, we have had at least two officers seek some assistance and are extremely upset with this plan. Those officers have either a large number of children or a child with a serious, chronic health condition. They have maxed out this deductible already and the plan just went into effect August 1. Also, the plan's coverage is so low that it is not covering these conditions. The bargaining unit knows that, but this plan was their choice. These issues were brought to the bargaining table and we, as a Township, objected to this plan for that reason. A discussion ensued on this health care plan and coverage.

Post-Employment Health Benefit – Ms. Lapaglia said that there is a small decrease in this line item. This decrease is because in this contract we negotiated a set amount for every officer. Before, it used to be based on their rank. It has been changed that every officer gets the same dollar amount regardless of their rank.

Ms. Lapaglia said that all of the other costs are basically the same as the previous year's budget.

Legal Services – Legal services were decreased this year. In 2011, we spent over-budget but that was due to the arbitration and finalizing their agreement. We anticipate having some legal costs next year but not much. Toward the end of next year, we should start the negotiating process again and may have some legal costs. But the majority of the legal costs will likely not occur until the following year.

Gasoline – Mr. Sinatra inquired about what happened with gasoline. Ms. Lapaglia said that she is not finished reviewing this line item yet. She does not think that the Year-to-Complete amount will be as high as shown. But it is still bad. We started the year paying \$2.94 a gallon for gasoline and it reached a high of \$3.72. We are currently at \$3.20. The only answer she can give Mr. Sinatra is that this increase is due to the rising cost of gasoline. We have not had any more usage than usual.

Radio Maintenance – Ms. Lapaglia said that this line item is somewhat higher for next year. There is a change occurring where radios will be going to narrow banding. It is anticipated that there will be an increase in maintenance as a result of this change.

Mr. Eicher asked how we can reduce the Worker's Compensation Insurance. Ms. Lapaglia said that we can't. It is based on wages, job classification and a rating system. Ms. Creese said that our loss runs and claims are very low. The Township must also cover the volunteer fire fighters on our worker's compensation insurance as well.

Crossing Guards – Ms. Lapaglia said that this year the school district had requested that we decrease the number of crossing guards. In the past we have had five crossing guards; we have decreased that to two. Therefore, we anticipate the cost for our crossing guards decreasing \$20,000. Not only does the number of crossing guards decrease but the equipment decreases as well. The school district does pay 50 percent of the costs for the crossing guards.

Mr. Eicher asked the percentage of the police budget to the total overall budget. Ms. Lapaglia said that it was approximately 43 percent. Mr. Eicher said that he was pleased that it was under 45 percent.

FIRE DEPARTMENT:

Diesel Fuel – Ms. Lapaglia said that the only thing noteworthy in the Fire Department is that we increased the cost for diesel fuel. Most of their vehicles use diesel fuel.

Radio Maintenance – Based on Chief McCarthy's comments regarding the radio maintenance, the Fire Department radio maintenance was increased as well; but that amount may need to be adjusted.

Mr. Eicher asked if Ms. Creese discussed the fleet needs with Chief McCarthy. Ms. Creese said that she asked all department heads to provide her with a vehicle inventory and any recommendations they may have for vehicle reductions in their fleets. These reports are starting to come in now. The fleet will be discussed further with the Board when the capital budget is presented for discussion.

Ms. Lapaglia said that the .2 mils from the Fire Tax cover the expenses of the Fire Department with the exception of wages and are shown with an asterisk in the budget. Mr. Eicher inquired why wages cannot be covered by the .2 mils as well. Ms. Lapaglia said that she was unsure about that but would check into it.

ROAD DEPARTMENT:

Ms. Lapaglia said that the Road Department budget only increased by about \$25,000. The largest increase is in the line item for Street Signs & Markings—an increase of \$10,000. This cost is for the ongoing replacement of street signs. Because we have the machine, we are doing quite a bit of signage for the municipality. This also requires more materials and more maintenance of the machine.

Mr. Eicher said that he was against buying this machine initially. Now we are up to \$60,000 for street signs and markings. Ms. Creese said that we are in about the third or fourth year of the street sign replacement program. Unfortunately, once we finish replacing all the street signs, we will still have to go back and do the reflectivity requirement on all of our road signs. This is the second phase of these requirements; 2012 is the end date to replace all of our directional road signs (name signs of our streets). Once that PennDOT requirement is done, we still have to meet all of the reflectivity requirements on all the other signs such as Stop signs, Yield signs, etc. Until we meet all of those Federal Highway Administration requirements, Ms. Creese said that she does not see our sign budget going down. Every municipality has those costs. We do produce signs in-house for special events as well. Mr. Eicher said that he is questioning the accountability and how it is being managed. He would like to see how that \$60,000 is being managed. Ms. Creese said that Ms. Lapaglia has all the billings for this line item and a report can be prepared for the Board's information. John Scott administers this function and sets the schedule for the sign making. The report that will be prepared will include how many of these signs are optional signs and how many we would have either had to purchase or have made in-house. This machine is also used for the detailing of the Township's vehicles. Comparative figures on that will be provided as well. A discussion ensued on the Township's sign-making. Ms. Creese said that the Board needs to keep in mind that the street sign replacement, which should be completed in 2012, is mandated. The reflectivity of the signs will be on-going. There are other Federal Highway Administration mandates that must also be met with regard to signage. She knew that these requirements would be expensive. Mr. Eicher said that the signage at the new Ewing Road roundabout is very confusing. Ms. Creese said that she would check into it.

Mr. Sinatra said that he is pleased to see that the phone costs have dropped for the Road Department and the Fire Department; however, that is not the case for the Police Department. Ms. Lapaglia said that unfortunately the Police Department has many more cell phones than either the Road Department or Fire Department. But she would discuss it with the Police Department.

Dr. Mills asked why the Board has not yet gotten a breakdown of the salaries. Ms. Creese said that comes at the end of the budget process.

Mr. Sinatra said that when he and Mr. Vitale came on the Board they were given a binder that included information on the Township, department heads, etc. That information was very helpful and he used it frequently. Since then, when people have come on the Board, they were not given that binder. He asked if that can be done again for incoming Board members. Ms. Creese said that she would be happy to do so. She also normally brings new Board members in for an orientation.

Mr. Sinatra asked the status of Dana Kasler's truck request. Ms. Creese said that Mr. Kasler prepared a memo outlining all the uses for the new vehicle that he is requesting and why he is requesting such a vehicle.

The budget meeting adjourned at 9:30 p.m.

Respectfully submitted,

Janet L. Sieracki
Assistant Municipal Secretary

NEXT BUDGET MEETING:
November 9, 2011