

WILKINS TOWNSHIP BOARD OF COMMISSIONERS

BUDGET MEETING, MONDAY, NOVEMBER 12, 2012

The Budget Meeting of Monday, November 12, 2012 was brought to order at 6:00PM by President Sylvia J. Martinelli. A quorum was present as follows:

Mrs. Martinelli Ms. Criner
Mr. Costa Mr. Wilson Mr. Boyd

Mrs. Bradley discussed final changes to the 2013 General Fund Budget with the Board of Commissioners. At this point, it was necessary to calculate a millage rate to be used for the Budget Ordinance. In doing so, Mrs. Bradley first calculated the 2012 Net Real Estate Tax to be \$1,816,410. Based upon the anti-wind fall statute (16 P.S. §4980, as amended), the Township cannot collect more than 5% above the 2012 net real estate figure, or no more than $(1,816,410 \times 1.05)$ \$1,907,231. The Township's 2013 Budget calls for Real Estate Tax in the amount of \$1,864,000. In determining the millage rate, it is necessary to estimate the reduction in the 2013 assessed valuation due to successful appeals. Based upon what the Township has received back thus far, the average decrease in assessed value is 10%. The Township's 2013 Assessed Value, as provided in March of 2012 is \$444,665,470. This figure has been reduced by \$1,553,800 in successful appeals and is now \$443,111,670. Based upon a 10% reduction in assessed value, it is anticipated that the new assessed value will be $(\$443,111,670 \times 90\%)$ \$398,800,503. Therefore, in determining the millage, the Budgeted Real Estate Tax is divided by the anticipated assessed value $(\$1,864,000 / \$398,800,503)$ resulting in a millage rate of .04674. Because these numbers represent best estimates at this point, the Board should be aware that the line-item for Current Year Real Estate Tax Refunds (491.000) was increased from \$5,000 to \$63,900 and that it may be necessary to establish an escrow account to hold funds received in addition to those anticipated. If that occurs, then the Board will need to discuss either reimbursement or tax credits.

Other items of note were also discussed. Mrs. Bradley stated that it appears that VFC #4 is not going to be successful in purchasing fire apparatus in 2012. Therefore, and in anticipation of that, the funds for a loan \$170,500 (line number 342.200), as well as the payment of principal and interest for two periods (estimated at \$41,500 per period) \$83,000 (line number 474.200) and the payment of the proceeds of the loan to VFC #4 (\$170,500 of line number 411.524) were all moved from 2012 into the 2013 budget. Local Service Tax (LST) at line number 310.500 was reduced by \$15,000 in the 2013 budget, based upon the history of that account. The Township will carry over a total of \$529,500 from 2012 to 2013 and will use an additional \$415,800 in Emergency Contingency fund balance. If Earned Income Tax continues to come in at the current pace, fewer funds will need to be used from the Contingency Account. Finally, it should be noted that the Township still does not have a final ruling from the arbitrator on wages for the police department for 2013 and still does not have premiums for workers compensation and the package policies which include general liability, automobile, and property insurance.

The only other fund that needed to be adjusted was the Emergency Contingency Fund to account for \$34,200 in funds that will not be transferred to the General Fund. If the Township is required to establish an escrow account for real estate tax purposes, it will be established in this account. Also, if the Township is required to refund more than what is included in the General Fund Budget Line-item 491.000, it will be drawn from the Emergency Contingency Fund.

Mr. Boyd asked several questions regarding the calculation of the millage rate and the procedure for the 2013 assessed valuation.

Mrs. Criner questioned whether or not the Township would see a reduction in premiums due to the change in agents from Seubert to Babb.

The meeting adjourned at 6:18 PM.

Respectfully submitted,

Rebecca Bradley
Secretary