

WILKINS TOWNSHIP BOARD OF COMMISSIONERS

BUDGET MEETING , MONDAY, OCTOBER 10, 2011

A Budget Meeting of Monday, October 10, 2011 was brought to order at 6:00 PM by President Sylvia J. Martinelli. A quorum was present as follows:

Mrs. Martinelli		Ms. Fialla
Mr. Padula	Mr. Costa	Mr. Szoko

Mrs. Bradley presented the proposed 2012 budget for all funds, as follows:

IDA Fund: This fund is projected to begin the year with a balance of \$32,800. All funds will be transferred to the General Fund during 2012 and this fund will be closed.

Combined Sewer Fund: The final bond payment was made in 2011. Therefore, the 2012 budget proposes a decrease of \$0.75 per 1,000 gallons of water usage. This seventy-five cent surcharge was added in 2004 to offset the cost of the bond issue. The sewer fee is based upon water consumption. The average water consumption per year is 172,762,000 gallons. A seventy-five cent decrease is expected to reduce revenue by about \$129,571. The anticipated project for 2012 is Phase I of the Dowling Street sanitary sewer line replacement (\$267,670). Additionally, a feasibility study, mandated by the EPA CO&A is due in July (\$75,000). The proposed Sewer fund is balanced with revenues and expenditures of \$1,412,200. The Township has not yet received notice from ALCOSAN with regard to the 2012 Budget Requirement. Therefore, it is anticipated that this proposed budget will be adjusted.

Emergency Contingency Fund: The proposed carryover balance of \$562,700 plus \$100 in interest will be transferred to the General Fund during 2012.

Emergency Management Fund: The proposed carryover balance of \$29,000 will be transferred to the General fund in 2012 and this fund will be closed.

Capital Reserve Fund: Preliminarily, it is anticipated that the carryover balance from 2011 to 2012 will be about \$15,000. This carryover is subject to change, based upon the final cost of the Balint Bridge project. A copy of the cost-to-date for the bridge is included in the budget narrative for this fund. Funds remaining in Capital Reserve will be used solely for the purpose of reimbursing assessment appeals for prior years.

Liquid Fuels Fund: The Township received its estimated 2012 Liquid Fuels allocation from the Commonwealth of Pennsylvania Department of Transportation. These funds (\$145,300) plus a carryover of \$100 and interest of \$100 represent revenues and are offset by expenses for street lights and public works wages. Revenues and expenses are each estimated at \$145,500.

Police Pension Fund: The Police Pension Fund's net actuarial loss between 01/01/09 and 01/01/11 was \$238,700. The Township's Minimum Municipal Obligation to the Plan for 2012 is \$336,530. Anticipated revenues include carryover balance of \$1,500; Interest \$100; Employee Contributions \$48,000, Employer Contributions \$231,600 and State Aid \$105,000. Expenses include PNC and Mockenhaupt Management Fees: \$5,000 and a transfer to the PNC Pension Fund \$381,200.

Retired Member Death Benefit: Carryover funds are projected to be \$103,950. The Township's annual allocation is \$8,050 and interest of \$100 is projected, bringing total revenues to \$112,100. Mrs. Bradley will determine whether or not the fund is fully funded; whether or not a policy for each retiree can be taken out at a low cost and whether these funds can be transferred into the General Fund for use – if a policy is secured.

Disaster Relief Fund: Estimated revenues and expenditures for 2012 are \$1,990.

General Fund: The proposed General Fund is balanced with revenues and expenditures equaling \$4,809,300. This amount includes a .44 mill increase in taxes, which is basically equivalent to the decrease in the sewer user's fee that residents will experience. The year 2012 represents the first year of Act 32 implementation and it is anticipated that the Township will suffer a decrease

in Earned Income Tax revenue during the first year of implementation. The budget also allows for the procurement of a loan in the approximate amount of \$144,000 for a period of 5 years at an estimated interest rate of 8%. These funds will be donated to VFC #4, in accordance with Resolution #11-2011. The budget relies upon a carryover balance of \$315,800, the transfer of \$562,800 from Emergency Contingency, the transfer of \$29,000 from Emergency Management and the transfer of \$32,800 from IDA. The Township was recently notified that health insurance costs for active employees and retirees who are not Medicare eligible will increase by 49% between 2011 and 2012. This equates to approximately \$250,000 that was not anticipated. Additionally, Penn Prime notified Wilkins that it would not be renewing the Township's workers compensation policy due to higher than average claims. The Township's agent is currently working to secure other coverage. It is anticipated that the Township's premium will increase by at least 20%. Better estimates will be available at the next meeting. The proposed expenses eliminate all training dollars with the exception of mandatory training for the Police department; a 2% increase in wages for Maintenance Employee Association members and fulltime administrative staff pursuant to the tentative agreement between the WTMEA and the Township; no capital purchases; and no street paving. The Township is currently in arbitration with the Police Union and therefore, no costs associated with an arbitration award have been assigned to date.

The next budget meeting is scheduled for October 24, 2011 beginning at 6:00 PM.

(240-11) MOVED PADULA - COSTA to adjourn. The motion was adopted by a unanimous roll call vote of all present. The meeting was adjourned at 6:55 PM.

Respectfully submitted,

Rebecca Bradley
Secretary