

MINUTES FOR THE FOURTH IN A SERIES OF 2014 BUDGET MEETINGS HELD BY THE EXETER TOWNSHIP BOARD OF SUPERVISORS ON NOVEMBER 7, 2013

A 2014 Budget Meeting of the Exeter Township Board of Supervisors was called to order on Thursday, November 7, 2013, at 7:00 P.M. in the Township Building by Chairman Donald R. Wilson.

The purpose of the meeting was to review the Exeter Library, Exeter Ambulance (ETVAA), Exeter Township Volunteer Fire Department (ETVFD) proposed budgets for 2014; and, to have a general budget review & discussion.

Supervisors Present: Donald R. Wilson, Chairman
Kenneth A. Smith, Vice Chairman
Dona L. Starr
Gary E. Lloyd
Jeff Bukowski

Others in Attendance:

Troy S. Bingaman, Township Manager/Secretary/Treasurer
Carol I. Leinbach, Finance Manager
Ken Millman, Exeter Community Library Board Chairman
Ronald P. Galipeau, Exeter Ambulance Association President
Robert F. Jordan, ETVFD Fire Chief

Pledge of Allegiance

The Meeting was opened with the recitation of the Pledge of Allegiance.

Public Comment

Carolyn Brunschwyler, 525 S. Baumstown Road, encouraged the supervisors and those asking for funding to be creative and to think of new and different ways to operate. She suggested the Library consider using some of its space to conduct an unofficial pre-school program charging a small fee on a sliding scale for either this community or another community. She felt this was a way to gain revenue and to increase childrens preparedness for school. Ms. Brunschwyler noted Exeter's school district is currently rated in the high 30 percentile of Pennsylvania schools and asked if we could do better. She stated good schools attract new businesses which would be helpful to Exeter's economy. She stated as a long-time grant writer she was suggesting the Township look in the foundation directory for funding. She stated it was imperative to think jointly and creatively.

Exeter Community Library Proposed 2014 Budget

Mr. Millman provided a quick history of the 2012 budget and noted the budget had been reduced by \$120,000 from 2012 to 2013. He stated they would be budget cost neutral for 2014 as the \$379,000 proposed budget looked like it could be met. He detailed funds from other sources stating they had expanded their fund drive to all surrounding municipalities targeting those who use the Library. Mr. Millman asked the Board for \$115,000 for 2014 which was an increase of \$9,000 over last year as the subsidy from the State for health insurance had been eliminated.

He stated the carpet in the activity rooms had been replaced by using monies raised by the Friends of the Library and other private donations; and, were doing everything they could to save and reduce costs. He stated the extraordinary budget items included the priority of reopening the Library on Mondays and making technology upgrades. He stated reducing the days the Library is open has affected the funding received from the County because it is based on 2012 circulation. He stated the lost revenue amounted to about \$1,000. He stated if the Board gave the Library more money to open the Library on Mondays again, it could translate into even more money from the County; but, he could not be sure how much that would be. He stated a new part of the municipal subsidy was the cost of the mortgage the Township is paying on the building. There was a brief discussion on the numbers involved. He stated the Library was thinking outside the box and was being more creative than ever before to do their part to raise funds. Mr. Smith asked Mr. Millman to get back to him with the amount of money employees paid toward their health care insurance as Township employees pay a portion of their insurance. There was a brief discussion on the utility bills to which Mr. Bingaman stated the electric rates the Township had arranged were extended to the Library. Mr. Lloyd noted the Library reduced its operating expenses by 20% and that was impressive.

Exeter Ambulance Proposed 2014 Budget

Mr. Galipeau stated after reviewing the budget and converting it to a cash-based operational revenue and expense projection, Exeter Ambulance was asking for a contribution from the Township of \$75,000 to help subsidize the Emergency Medical Services provided to cover a \$63,748 deficit. He stated the Association was saving \$95,000 a year by not replacing its executive director; however, would pay \$32,000 in interest in 2013 on its line of credit. He noted a number of other reductions made by the Association. He stated there was only \$70,000 in reserve which would cover about a month and half of operations. He spoke of the losses taken by providing 911 services and the impact the Affordable Care Act will have on the Ambulance budget. Mr. Lloyd asked how the Ambulance could operate without an executive director to which Mr. Galipeau stated the Association Board surviving was more important than having an executive director and its members had taken over some of the duties. There was a general discussion on operations. Mr. Galipeau noted \$30 per household was in the Birdsboro tax structure to cover Emergency Services. Mr. Bukowski asked if the Township was authorized to increase the taxes to which Mr. Bingaman stated it would be a line item on the tax bill. Mr. Lloyd calculated at 9,000 households in Exeter times \$30 would be \$270,000 in income. Mr. Smith asked if the Township could loan the money to the Ambulance Association from its reserves and charge a lesser percentage of interest. Mr. Lloyd stated he looked into volunteer fire departments doing 911 ambulance services and found it was a revenue generator and could be the long term solution needed. Mr. Galipeau stated there was no way the fire service could operate on a volunteer basis as they would be burned out quickly due to the volume. He also stated the Fire Department would be asking for money to support the Ambulance Association just as they were, and there would be a significant start up cost of \$25,000 per ambulance to equip them, plus the cost of purchasing new ambulances. He also stated the Township would get no equipment or building from the Ambulance Association because they would have to liquidate everything to pay their debt and their equipment was old. Mr. Bukowski felt there could be an intermediate solution and bringing in a paid service might not be necessary.

Mr. Lloyd stated he was suggesting the Board look into it. Mr. Galipeau stated their thought would be to have the Township as the primary emergency services entity with the Fire Department and the Ambulance Association under the Township which would open up avenues for grants. Mr. Lloyd clarified that if the Fire Department was the upper tier it would be the same. There was a general discussion on how that would work. Mrs. Starr stated the Township wants to provide quality services in the most cost effective way. She stated it would be worth the time and effort to investigate all the possibilities. There was a discussion on how the existing contract Exeter Ambulance has with insurance companies and others could be affected. Mr. Lloyd felt in the long run the high cost of restructuring might be worth it as he cited the Township's conversion of its street lights to LED lights that cost over \$230,000; but, saved the Township \$80,000 a year and was paid back in 3 years. He felt that was a great project. He asked Mr. Galipeau to look at all the options and suggest them to the Board because the Ambulance Association needs \$150,000 with both the \$75,000 and the other costs. Mr. Bukowski felt on the financing end there could be some things the Township could do. Mr. Smith asked that the anonymous complaint the Board received should be shared with Exeter Ambulance. Mr. Galipeau stated he knew of the letter, had investigated by matching handwriting on the envelope and found it came from two individuals who were terminated. He stated the Association would not comment on it further as it was anonymous, and; libelous statements had been made in the letter. On another matter, Mr. Wilson stated he and Dona Starr were at Elmcroft Assisted Living Facility when an ambulance arrived, loaded an elderly patient inside only to have a second ambulance arrive and shift the woman from one ambulance to another. He wanted to know why that happened. Mr. Galipeau said he was not aware of the incident; but, it could have been during a shift change, was a non-emergency transport or could have been related to the contract Ambulance terminated with Reading Hospital. Mrs. Starr stated she would like to see a breakdown of the 911 expenses and revenue. Mr. Galipeau stated the reason they got the wheel chair van in the first place was because Medicare would not reimburse the Ambulance Association for a person in a wheel chair that we put in an ambulance so they created a wheel chair van and they would get reimbursed by Medicare in that instance. Mr. Bukowski asked for clarification of the \$126,000 unreimbursed costs to which Mr. Galipeau stated that cost was from Township residents who received service who could not afford to pay their bill or had chosen not to pay the bill. Mr. Bukowski asked what the average bill was to which Mr. Galipeau stated on average the cost was \$525. There was a discussion on the cost for various services and what was received as the end cost. Chris Jordan asked questions about revenue and costs, and a discussion ensued. *Mervin Wertz*, 58 Sawgrass Drive, stated \$30 was a tax charged in other Townships. He asked why the Township had not supported the Ambulance Association in other years to which Mr. Lloyd responded the Township had supported the Ambulance Association in the past. Mr. Lloyd suggested setting up a workshop or a budget meeting to finalize the Ambulance Association budget and it was decided that when the Fire Department got its numbers together they would call and another meeting would be set up. *Dick Boyer*, 6 E. 34th Street, asked what happened before ETVFD filled in with a QRS to which Mr. Galipeau stated that was something the Fire Department did; not the Ambulance Association. There was a brief discussion.

Exeter Township Volunteer Fire Department Proposed 2014 Budget

Mr. Lloyd asked Chief Jordan for his thoughts on the EMS situation. Chief Jordan stated the Fire Department had provided QRS services for a number of years and he was proud of the service provided. He stated he would come up with a proposal to help the Township and residents to consider helping with this situation. He noted there would be a 6 to 9 month lead time, there were some bridges they would have to cross and would need help. He stated currently they had 35 EMTs, a number of paramedics, a few nurses and a doctor available.

Chief Jordan stated for the fourth straight year the Fire Department was not requesting a Fire Tax increase and thanked the Board for its financial and moral support. He stated they had done a lot of belt tightening and would continue to seek grants. He explained how funding was generated and that the Relief Association Funds continued to be highly leveraged to offset Fire Department operational costs in various ways. He noted the increase in costs for Country dispatch fees which Mr. Bingaman noted was an 18% increase for Fire, Police and Ambulance, the County's new radio system, and the purchase of a new tanker with relief funds and insurance payments. He noted the Fire Department was now absorbing all of the Workman's Compensation Insurance costs and next year the costs would be over \$42,000. The Fire Department would like the Board to consider allowing it to bill OOT residents for expenses attributed to car accidents, CO and AFA alarms (after three), and for excessive or damaged equipment at fire calls, not to exceed \$500. There was a discussion on developing an ordinance requiring expenses be paid from out of town people that get into accidents in the Township. There was a discussion on the new ISO rating reducing insurance premiums for residents. The Chief stated he knew of three insurance companies that did and Mr. Lloyd stated State Farm insurance declined the discount. The Board discussed this in depth and Mr. Smith suggested the matter be discussed at a Township meeting.

Chief Jordan stated in October of 2014 one of the SAFER grants would expire and that meant \$20,000 would have to be covered by the Fire Department. He stated in 2015 after the second SAFER grant expired, there would be a need for approximately \$200,000 and they had begun applying for funds to replace those grants through the Department of Homeland Security's AFG/SAFER. Chief Jordan made a special request of the Board to release two thirds or \$150,000 of the Township funds allocated to equipment and \$22,500 allocated for Workman's Compensation Insurance.

On financial statements, Ms. Leinbach stated she had requested more than their bank reconciliation because it did not give her a clear picture of their financing. Mr. Bukowski stated the bank reconciliation was a cash flow statement not an income statement. Mr. Lloyd asked if it was possible to get Quick Books linked to the bank account to which Chief Jordan stated they were working on that. Mr. Bingaman stated the Township was required by code to obtain a full financial report. Chris Jordan challenged the request stating the bank account statement would be enough. Chief Jordan stated a volunteer does the banking and they did not have a paid accountant to do that type of accounting. Mr. Bukowski asked Ms. Leinbach if she was receiving what she needed from an accounting perspective to which she responded no. Mr. Lloyd suggested the Fire Department make this a priority. Ms. Leinbach explained what she needed and in what format. Chief Jordan stated the Fire Department would commit to it and the matter would be resolved.

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On the Fire Station, Mr. Bukowski asked where the Fire Department stood. Chief Jordan stated he was very disappointed on the community support and was “dumbfounded” and “frustrated” that the community would not commit to this level of protection. He noted especially since the discussion just held on emergency services, consideration should be given to this project. Mr. Bukowski began stating what he would like to see; however, Mrs. Starr felt it was important for the Township to look deeper into the possibility of merging ambulance service and the fire department because, depending upon which direction that would be taken, the design of the building might have to be changed. Mr. Lloyd stated he wanted to figure out what could be done with grants first. Mr. Bukowski stated based on the Fire Department’s past presentation, he believed the Township needed a new fire station and Mrs. Starr agreed. But the next step was to identify which property would be used for it, to have a concrete proposal and design to debate, and a proposal to fund it. He stated his concern is if we wait the cost would increase because the low interest rate environment won’t be here forever. He stated the Board was obligated to act in the best interest of the community. He would like to see an up or down vote in 2014. Mr. Wilson felt the Board should have a straight up and down vote with the new Board member in place, and without a design or plans. Chief Jordan stated this was not his project as some thought; but, it was in the best interest of the Township to have a central station. Mrs. Starr read from the Second Class Township Code Section 1553 that speaks of the Township’s responsibility regarding providing fire and emergency services and how that should be approached. Chris Jordan had questions on the budget to which Mr. Bingaman stated property reassessments and the 2% discount taken affected the tax income. Mr. Smith stated, if the residents were not getting an increase in pay, the problem would be asking them for more because you need it. He felt it would be difficult for residents. There was a discussion on how budget numbers were presented and pie charts were suggested.

Fund #19 & #23

Chris Jordan asked the Board to take a closer look at these two funds when thinking about funding the Emergency Services Building. He felt there was money sitting in those budgets that was not being used and it was money that could be used. He also noted he had ideas about ways to generate revenue.

List of Discussion Items

Mr. Lloyd asked for the Township’s overall general financial position. Mr. Bingaman stated the general budget was \$9,760,076 which was a 3.9% increase in expenses. Mr. Lloyd stated this was a \$450,000 deficit. Mr. Bingaman stated with the next EIT payment the Township would be at \$3,075,000 and we originally thought it would be \$3,268,000 considering previous take backs. Mr. Bingaman stated the EIT system is difficult to understand and doesn’t seem to be working as planned. He stated we get a notice on the 5th of the month telling us what our EIT payment is going to be and on the 10th of the month we received a payment. Comparing what they said they were going to deposit to what we got last November was an \$83,000 decrease. He stated he sent an email to the Director asking how a municipality was supposed to budget when the largest single income was coming from EIT. He stated they keep telling us it is due to the economy, and that Berks County has a significant amount of unemployment and underemployment. Mr. Lloyd asked how it could have gotten that much worse in a year and Mr. Bukowski felt the economy

was not getting worse. Mr. Bingaman also stated he was told that those residents who work in Philadelphia, according to the "Sterling Act", Philadelphia keeps all the earned income tax and Exeter gets nothing. Mr. Bukowski felt a representative from EIT should come to a Township meeting and explain it to the public. Chief Jordan asked if other municipalities were suffering the same fate to which Mrs. Starr felt the Board should reach out to other municipalities to see if they were receiving less EIT monies. Mr. Lloyd asked for a list of priorities and suggestions on what could be cut in all departments. Mr. Bingaman stated its people and services. Mr. Bingaman stated we needed the PEL report to be able make such a determination.

Next Special Meeting

MOTION by Mr. Lloyd, seconded by Mr. Smith, to authorize advertising a special meeting on November 14, 2013 at 7:00 P.M. Motion carried unanimously.

ADJOURNMENT

MOTION by Mr. Bukowski, seconded by Mrs. Starr, to adjourn the meeting. Motion carried unanimously. The meeting was adjourned at 9:30 P.M.

Respectfully Submitted



Troy S. Bingaman
Township Secretary

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