

Union Township Board of Supervisors
Workshop – Mid-Year Budget Review
July 2, 2014

The Board of Supervisors Meeting was called to order by Chairperson Andrew Tullai at 6:40 p.m. The meeting was held at the Union Township Municipal Building, 3904 Finleyville-Elrama Road, Finleyville, PA. The pledge of allegiance was recited.

Board Members in Attendance by roll call were Stephen Parish, Larry Spahr, Andrew Tullai, and Brenda Cushey. Charles Trax did not attend. Also in attendance, Judy Taylor–Treasurer, Debra Nigon–Secretary.

Public Comment

None.

The Treasurer discussed the budget. She said that the garage addition project is projected to empty the Local Share account in 2014. The Local Share will be negative \$1,415 if the amount donated to the Volunteer Fire Companies is doubled from this fund. The Treasurer noted that \$62,000 is budgeted out of Local Share to fund police in 2014; however, less money from Local Share may be available to use next year to fund police given the current status. She noted that Impact Fee funds were estimated at \$95,000 and that the Township actually received \$162,000 in 2014. She cautioned the Board that, if the legislature or courts kill impact fees with a severance tax, that money may not be there next year. Mr. Spahr inquired whether the additional in Impact Fees would cover the projected 2015 budget costs for police coverage. The Treasurer said that this funding stream can be used, though the major portion of the police line item comes from the General Fund. However, use of the Impact Fee Account to supplement the cost of police coverage is precarious and eventually a dedicated funding stream should be established, which may involve instituting a tax to increase revenue, reducing or maintaining the current level of police coverage, or eliminating expense items from the budget. Mr. Spahr said that it is important to watch the projected allotment in the impact fees.

She said that the unspent funds in the Capital Reserve, Local Share, and Impact Fees Accounts were a cushion to the Township in the past. The funds in the Slide Account will be spent in 2014 with the projects currently being put out to bid. Now that the monies are spent in these reserve accounts, there will not be as large of a cushion and it will not be as comfortable of a financial situation as in the past. Nonetheless, she said that the Operating Reserve is assigned to long-term funding and, since it is liquid and contains \$400,000, it can be used as a cushion if needed. Ms. Evans-Boren, a prior Supervisor who was in attendance in the audience commented that the auditors termed the Operating Reserve as the Township's rainy day fund and suggested we increase that fund for a catastrophic or emergency use.

The Treasurer reviewed each line item of the Budget. The Treasurer and Board discussed line items that were significantly higher or lower than that which was budgeted at the beginning of the year. Mr. Spahr asked the Treasurer if the budget was performing on par with where revenues were projected. She said that, thus far, she feels comfortable that the revenues match what was projected.

- The expense for engineering costs was much more this year than estimated due to the number of projects that the Township engineer was assigned this year, and the Treasurer noted the difficulty in estimating his costs for the projects not yet completed. She said that, for these reasons, she is not sure how accurate the projected figure she used for engineering will be.
- Also, she said that the police may come in slightly higher than budgeted due to additional meeting coverage which was not anticipated when the budget was set.
- The Sanitation line item in the General Fund will exceed the budgeted amount of \$500 due to the Overlook illegal sewage issue. The engineer estimates costs for the single pipe repair to be around \$62,000. She said that, if the DEP requires South Park to take those customers, the Township will have substantial additional sewerage costs.
- Since the Road Superintendent has not been replaced yet, the salary fund is lower than the budgeted projection.
- Signs and signals are over what was anticipated due to the accident on Route 88 involving a pole that was hit and had to be repaired and the Township was not completely reimbursed by the insurance company. She said that the Township did receive \$10,000 from the insurance company; although there is over \$2000 outstanding.
- The paving project could not be entirely taken out of Liquid Fuels and was more than what was budgeted for several reasons: there was an error in the estimation which added \$30,000 in asphalt and there were extra catch basins installed costing \$8,900, and the Township added Gun Club Road to the project which cost an additional \$30,000. The 2013 paving project was originally estimated at \$213,000 and it will come in at an estimated \$280,000. Mr. Parish mentioned several newspaper articles that indicate the State is supposed to provide more funding from the new taxes that were levied to the municipalities to help Townships pay for road improvements.
- She said that negotiations with the Teamsters may determine how much additional the Township will need to pay for road crew pensions since the Teamster fund is severely under-funded.
- Also it was mentioned that the costs associated with sewer billing is more than was anticipated.

The Treasurer said that the ending cash balance in 2014 is anticipated to be approximately \$1.5 million which is still a comfortable position. However, in former years, as previously discussed, the Township had a larger cushion that could be reassigned if needed.

As requested prior, the Treasurer provided the Board with estimated costs for current and prospective Township personnel.

Mr. Tullai asked if the Board wished to discuss additional employees. The Board preferred to digest the numbers and discuss it later.

The meeting ended at 7:55 p.m.


Debra A. Nigon, Secretary