

COUNCIL COMMITTEE MEETING
MONDAY, OCTOBER 28, 2019

Present: Russ Carlson, Susan Powell, Walter 'Bok' Read, Andrew Haines, Vince Visoskas

FINANCE AND ADMINISTRATION

2020 Budget Preparation

A. 2020 Tax Rate

1. Delaware County Reassessment Impact

Mr. Haines stated for the 2021 budget the Township will be limited to a 10% real estate tax increase which is due to the County wide reassessment. He stated this reassessment will come in January 1, 2021. He stated the Township will have to raise the 2020 tax rate by a minimum of 0.51 mils to pay for the purchase of the Sleighton School property. Mr. Haines stated the breakdown of the millage is on the tax bill itself. He stated as an example, the Fire Fund is 25% of the local tax. He stated if the Township had a police force, it would use up all of the 25%. Mr. Read stated he understands that the Township may have to pay \$125 per person to fund the State Police. Mr. Haines stated the Township does not have a contribution to the State Police, but Governor Wolf continues to stress the importance of local municipalities who use the State Police to contribute their fair share. Mr. Visoskas stated this could amount to a 1 mil increase to fund the State Police.

Mr. Visoskas stated the tax bill breaks down the millage by General Fund, Debt Service Fund, Capital Reserve Fund, Library Fund, Fire Service Fund and Fire Apparatus Fund. He stated there are major Capital projects scheduled for 2021 and 2022 that will need additional funding such as the Loop Road and the Smedley Park development. He stated the Sleighton Tax increase represents a 34% real estate increase and the Township would be limited to a real estate tax millage of 2.21 which would increase revenue by \$225,000.

Mr. Visoskas asked if Council wants to keep the real estate tax millage breakdowns that are shown on the tax bills. He stated there is no legal requirement to do so, but it shows transparency to residents. Mr. Haines stated the downside to this is that it limits Council's discretion in moving funds.

B. Budget Reconciliation Resolution; Direct Budget Surplus to Specific Funds

Mr. Haines stated he will prepare a Resolution for adoption that will reallocate the 2019 budget items that are more than 10% or less than the budget. This will allow the opportunity to direct surplus funds to new projects. Mr. Visoskas distributed spread sheets showing General Fund Revenues, Capital Funds Sources and Capital Expenditures. He also distributed a spread sheet listing a 10-year Capital Improvement Plan. Mr. Visoskas stated the Capital projects can be covered with revenues and funds at hand. He stated for year 2021 and 2022, there is a deficit

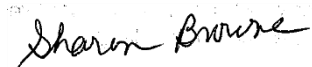
in available capital funding that will require subsidy from grants. He stated there is currently \$1.8 million in unrestricted Capital Funds. Mr. Visoskas stated that at the end of 2019, the Township will have approximately \$400,000 that is available for reallocation. He stated he recommends splitting the money between the Capital Reserve and Operational Reserve funds.

Mr. Bob Fyfe, President of the Library Board, stated in past years, the committee has trouble waiting for the funds from the Township in March. He stated they now have more flexibility to wait for the funds.

Mrs. Powell asked for a full survey of the Roosevelt School site. Mr. Haines stated they should investigate having an "As Built" survey which would be very helpful. Mrs. Powell stated approximately \$18,000 to \$ 20,000 should be budgeted for this purpose.

Mr. Carlson adjourned the meeting at 6:30 PM.

Respectfully Submitted,

A handwritten signature in black ink that reads "Sharon Browne". The signature is written in a cursive style.

Sharon Browne