

**CUMRU TOWNSHIP BOARD OF COMMISSIONERS
BUDGET MEETING**

OCTOBER 24, 2024

The Budget Meeting of the Cumru Township Board of Commissioners was called to order by President Lisha Rowe at 6:05 p.m. Other Commissioners in attendance were Vice President Greg Miller, David J. Batdorf, Andy Donnell, and William B. Miller. Also attending were Chief of Police Madison Winchester, Superintendent of Public Works Robert McNichols, Jr., Asst. Superintendent of Public Works Michael Yost, Jr., Manager/Secretary Jeanne E. Johnston, Business/Personnel Administrator Peggy A. Carpenter, and Special Projects/Asst. Secretary Patricia A. Wylezik-Pfeiffer. Fire Chief James Beane was absent with prior approval.

NOTICE:

Public comment will be accepted in person. Please include your first name, last name and address for all comments. Any comments without a name or address will not be considered. To accommodate as many people as possible, we request that each person's comments be limited to 3 minutes (resolution no. 301). The meeting comment period is limited to a total of 60 minutes. This time period may be extended at the discretion of the Commissioners. While public comments will be given due consideration, immediate responses will be done at the discretion of the Commissioners.

Call to Order and Pledge to the Flag.

2025 BUDGET

Ambulance Fund - revised

A.) consider 2025 millage

1) TowerDirect 2024-2026 agreement

Ms. Johnston explained that the revised ambulance budget was softened to an increase of 0.34 mil. This only leaves enough money in the fund for the first 3 months of 2026 minus approximately \$3000, which is considered de minimis. The TowerDIRECT agreement limits any further mitigation.

Sewer Fund

A.) 803 sewer operations

1) sewer rate ordinance 2024 draft – advertised on 10/20/24

B.) 809 sewer capital - updated

1) consider transfer(s) from 803 fund in 2024

Ms. Johnston reminded the Board that the 809 fund has an encumbered fund of \$3.5 million for the Angelica Interceptor replacement project. She explained some line items in the 809 fund. The amount listed for the sewer connections is based on the expected completion of several projects. The estimated amount of \$61,200 is for 20 EDUs with a tap in fee of \$3,060/EDU. The projected interest is a guesstimate at best.

Ms. Johnston recommended transferring \$500,000 from the 803 fund in 2024 and \$1,000,000 in 2025 for sewer projects. The goal is to continue to reduce the Inflow and Infiltration (I&I) which reduces the amount paid to the City of Reading.

Ms. Johnston requested a motion to authorize the transfer of \$500,000 from the 803 fund to the 809 fund in 2024.

ON MOTION OF MR. WILLIAM MILLER, SECOND OF MR. DONNELL, A UNANIMOUS VOTE TO AUTHORIZE THE TRANSFER OF \$500,000 FROM THE 803 FUND TO THE 809 FUND IN 2024.

Refuse Fund – update

A.) consider fee options

Ms. Johnston explained the increase in line item 3643-100-040-1 that was discussed at the last budget meeting. She explained that approximately \$60,000 of the 2023 refuse revenue was paid in 2024 because of the 12/31/23 deadline on the 2023 bills. Multiple accounts also skewed the numbers slightly.

Ms. Johnston stated that she was tasked with softening the refuse fee for 2025. She presented 3 versions of the refuse budget where the refuse fee was decreased by \$5 increments. Which budget to use is dependent on the amount of carryover that the Board decides upon.

Mr. William Miller stated that he would not cut the fee too much because the fee will have to be increased substantially in 2027 under a new contract.

Ms. Johnston explained that municipalities that have recently entered into new refuse contracts have had substantial increases. She stated that the rule of thumb is to have 6 months in reserve in case there is a problem. She recommended against lowering the fee too much to avoid the boomerang effect.

Mr. Greg Miller recommended lowering the fee to the \$290/\$320 option. Mr. Donnell and Ms. Rowe agreed.

Mr. Donnell stated that the Township is not in the business of saving money for a rainy day. Mr. Batdorf said that is not what is happening.

Ms. Johnston pointed out that the Cumru township refuse fee has been lower than the neighboring municipalities. She explained that if there is a problem with the contractor, it can be very difficult to tap into the performance bond. A new contractor, once found, will definitely cost more so the Township would need money in reserve to pay for continued service. The reserve is in place in case something really bad happens.

Mr. Batdorf recommended having the 6 months in reserve.

Mr. William Miller again cautioned against lowering the fee too much because of having to raise it with the next contract.

B.) consider billing parameters

Ms. Johnston explained that the fees and the billing parameters will have to be stated when the budget is adopted in December. She recommended continuing to send one bill in January and only changing to sending two bills once the refuse fee is raised.

Mr. William Miller agreed. He said that the Township should limit too many changes. He recommended consistency to get the residents used to one bill in January. He liked the idea of the yellow postcard that was presented at the last meeting.

Mr. Donnell recommended adding the important dates to the website. Ms. Rowe agreed.

Ms. Johnston reported that the staff has already discussed including all the billing information on the refuse calendars.

Mr. Batdorf agreed that getting the information to the public in more ways will definitely help.

Ms. Johnston reminded the Board that the current refuse expenses are approximately \$135,000/month. She said that there is an increase in the contract amount for 2026.

Mr. Donnell said that the expenses will be passed on to the residents even if the fee is raised slightly.

Mr. Batdorf stated that it is important to carry a safe balance.

Ms. Johnston reminded the Board that the current parameters are to pay the flat rate by 3/31, a 10% penalty is added after 3/31, and a notice of being sent to collection is sent after 7/1.

There was discussion about discounts and penalties. The 2% discount allowed under the tax law does not apply to fees. Gradual penalties are difficult for the staff and lead to angry phone calls. Mr. Donnell suggested 5% penalty for payment after the due date but before collections and 10% penalty once sent to collections. Ms. Johnston pointed out that the collection agency also charges an additional 25% penalty for its service. The 10% penalty could be phased after the 5% penalty period.

Mr. William Miller asked about the number of delinquent accounts for this year. Ms. Johnston replied that 700 notices of collection were sent this week by regular and certified mail. Some people have received 4 letters this year and they still haven't paid. Mr. Batdorf stated that people need to have some responsibility.

Ms. Johnston urged the Board to think about what parameters should be set for next year. She informed them that any payments made to accounts in collection are applied to the oldest debt first.

Fire Fund

A.) consider 2025 millage

Ms. Johnston explained that the draft budget increases the fire tax from 1.4 to 1.9 mils.

There will be no Benecon refund this year due to high utilization. The Benecon healthcare rates will be increasing 19% in 2025.

Mr. William Miller asked if the proposed wages include a new captain position and 1 more firefighter. Ms. Johnston said not at this time and that there could be further discussion in executive session.

Ms. Johnston explained the increase in overtime pay is due to the decrease in volunteers and the need for overnight coverage. There were increases in the turnout gear and training due to the hiring and subsequent fire academy training of the new firefighters.

Mr. Donnell questioned about the computer expenses over the last 3 years. Ms. Johnston answered that these were for both hardware and software expenses. She also explained that a new reporting system was implemented.

Ms. Rowe asked about expense for hydrant rental. The Township does not own the fire hydrants. The rental fee is supposed to cover maintenance expenses by the water companies.

Ruth O'Leary, a resident of Cedar Top Rd., asked about the zero shown in the line for volunteer firefighter compensation. Ms. Johnston replied that, while this should probably not be zero, an estimated amount was not available at the present time. The suggestion was that this would be discussed in executive session because it involved specific individuals.

Mr. Greg Miller inquired whether the wages listed were for existing employees or for additional employees. The suggestion was that this would be discussed in executive session because it involved specific individuals.

Executive Session

A.) Bargaining unit issue

Executive session began at 7:10 p.m. – to discuss a collective bargaining issue.

Executive session ended at 8:09 p.m. – a collective bargaining issue was discussed.

Mr. Greg Miller initiated additional discussion about the proposed budget for the Fire Fund saying that the proposed increase is not enough to cover expenses for 2025. He proposed increasing the fire tax in a way that is allowed. Ms. Johnston was directed to revised the fire budget.

Mrs. O’Leary asked how many employees and what kind of coverage was being factored into the budget. The answer was 13 paid employees for 24/7 coverage.

Mr. Greg Miller stated that the increase is needed to pay for the move from volunteers to paid staff, which will be the new norm.

PUBLIC

Attendance: Ruth O’Leary and Ellen Condon

REMINDERS

A.) Board of Commissioners meetings for October and November 2024

10/29/2024 at 7:00 p.m. – 5th Tuesday Meeting

Ms. Johnston reminded the Board that items of regular business will be on the agenda for the 5th Tuesday meeting on October 29, 2024. The Police Department budget and other parts of the General Fund will also be on the agenda.

11/07/2024 at 6:00 p.m. – Budget Meeting

11/19/2024 at 6:00 p.m. – Public Hearing for text amendment to Zoning Ordinance (ZO)

11/19/2024 at 6:30 p.m. – SALDO Public Hearing

11/19/2024 at 7:00 p.m. – Regular Meeting

B.) Planning Commission 11/04/2024 at 6:00 p.m.

ADJOURNMENT

ON MOTION OF MR. BATDORF, SECOND OF MR. DONNELL, A UNANIMOUS VOTE TO ADJOURN THE MEETING AT 8:15 P.M.

Respectfully submitted,



Jeanne E. Johnston
Manager/Secretary