

EAST WHITELAND TOWNSHIP
SPECIAL MEETING
PRELIMINARY BUDGET
November 8, 2010

Chair, William Holmes called the meeting to order at 6:45 p.m. In attendance were Virginia McMichael, Vice Chair, John Mott, Member, Terry Woodman, Township Manager, Eugene Dooley, Police Chief, Chris Yeager, Police Lieutenant, Mark Ercole, Police Lieutenant, Daniel Wilson, Traffic Officer, William Steele, Public Works Director, Kenneth Battin, Fire Marshall, George Lokken, Financial Administrator, and Mary Lou Knight, Assistant Township Secretary. One person was in the audience.

The preliminary budget meeting was advertised in the *Daily Local News* on November 1, 2010.

Ms. Woodman indicated that the draft budget for 2011 shows a 1.61% decline in EIT and LST tax revenue. Income was hurt by the closing of Wyeth (Pfizer) and the relocation of Sanofi Aventis from East Whiteland. There is stagnant growth in the Township's real estate tax revenue due to the sluggish economy, the award of several large tax assessment appeals, and the major slow down in new construction. In addition, interest bearing accounts are not generating revenue as in the past. The Township Manager presented those in attendance with a list of non-discretionary/contractual expenses versus discretionary expenses, both preliminary 2011 budget dollars and the percentage of the budget represented by those dollars. The figures for the 2011 preliminary budgeted revenue (\$7,927,489) versus the 2011 preliminary budgeted expenditures (\$8,976,088) produces a deficit of \$1,048,599. As non-discretionary/contractual expenses cannot be changed, discretionary items must be shaved in order to balance the budget.

Mr. Mott presented a list of his suggested cuts to the budget. Items where cuts might be made were discussed individually, at length, with comments from each department head on each change. The Board emphasized that in the upcoming difficult year, it was necessary to eliminate or reduce projected expenditures. All on the Board are averse to raising taxes in order to balance the budget.

Mr. Lokken's summary of discussion items follows:

Police Department - 01410

| <u>Item #</u> | <u>Comment</u> | <u>Prelim Budget</u> | <u>Revised Budget</u> | <u>Impact To Bottom Line</u> |
|---------------|---|----------------------|-----------------------|------------------------------|
| 18300 | Review -Reduce Police Regular | 59,193 | 59,193 | - |
| 18302 | Eliminate ERT Overtime | 3,000 | - | 3,000 |
| 20000 | Reduce Material & Supplies Exp. | 6,000 | 4,000 | 2,000 |
| 20002 | Eliminate ERT Materials & Supplies | 5,000 | - | 5,000 |
| 21300 | Review - Reduce Small Items of equipment – no change | 4,500 | 4,500 | - |
| 31900 | Delete Fin. System SQL Conversion (to be completed in 2010) | 74,027 | 72,760 | 1,267 |
| 33102 | Eliminate ERT Membership | 6,000 | - | 6,000 |

Police Department – 01410 (continued)

| <u>Item #</u> | <u>Comment</u> | <u>Prelim Budget</u> | <u>Revised Budget</u> | <u>Impact To Bottom Line</u> |
|---------------|---|----------------------|-----------------------|------------------------------|
| 37500 | Reduce Vehicle Maint & Repair Exp. | 50,000 | 38,500 | 11,500 |
| 74000 | Eliminate purchase of 2 (of 3) Vehicles. Only 1 (of 2) vehicles Budgeted in 2010 will be purchased. | 93,000 | 33,000 | 60,000 |

Fire Department – 01411

| | | | | |
|-------|--|---------|---------|-------|
| 52400 | No contribution to Malvern Fire Co. | 7,000 | - | 7,000 |
| 53200 | Reduce Budgeted Contribution to EW Fire Co. (keep same contribution as 2010) | 155,011 | 149,049 | 5,962 |
| 70000 | Review – Reduce New Equipment – Computers. No change. | 1,500 | 1,500 | - |

Codes & Inspections - 01413

| | | | | |
|-------|----------------------------|--------|---|--------|
| 74000 | Eliminate vehicle purchase | 34,000 | - | 34,000 |
|-------|----------------------------|--------|---|--------|

Waste Collection - 01427

| | | | | |
|-------|---|--------|-------|-------|
| 36500 | Reduce Bulk Trash Expense (eliminate one bulk trash pickup) | 10,000 | 4,000 | 6,000 |
|-------|---|--------|-------|-------|

Public Works – 01392 (Revenue)

| | | | | |
|-------|---|--|---------|---------|
| 39231 | Transfer in from Capital Improvement Fund for purchase of 2 trucks and 1 tilt-trailer | | 110,000 | 110,000 |
|-------|---|--|---------|---------|

Public Works - 01430

| | | | | |
|-------|---------------------------------------|--------|---------|----------|
| 74000 | Replace F250 truck deferred from 2010 | 75,000 | 110,000 | (35,000) |
| 75000 | Reduce Cap. Purchases – Minor Equip. | 6,000 | 3,000 | 3,000 |

Public Works 01433

| | | | | |
|-------|---|--------|-------|-------|
| 74200 | Reduce Cap Purchases – Traffic Signals LED upgrades | 13,500 | 5,000 | 8,500 |
|-------|---|--------|-------|-------|

Park & Rec – 01451

| | | | | |
|-------|---|--------|---|--------|
| 45100 | Eliminate Summer Concert Expenses (find sponsors) | 15,000 | - | 15,000 |
|-------|---|--------|---|--------|

Park & Rec – 01452

| | | | | |
|-------|---|--------|--------|-------|
| 13000 | Wages – Reduce number of summer Camp Counselors | 19,142 | 17,142 | 2,000 |
| 20010 | Reduce Summer Camp supplies and activities | 5,000 | 4,000 | 1,000 |

Parks – 01454

| | | | | |
|-------|-----------------------------------|--------|-------|--------|
| 37300 | Reduce Park House Maint & Repairs | 12,000 | 2,000 | 10,000 |
|-------|-----------------------------------|--------|-------|--------|

| <u>Item #</u> | <u>Comment</u> | <u>Prelim Budget</u> | <u>Revised Budget</u> | <u>Impact To Bottom Line</u> |
|--|--|--------------------------|---------------------------|----------------------------------|
| <u>Historical Commission – 01461</u> | | | | |
| 53010 | Reduce expenses – perform archiving in-house | 3,725 | 725 | 3,000 |
| <u>EAC – 01461</u> | | | | |
| 53020 | Reduce consulting fees | 5,400 | 2,000 | 3,400 |
| <u>Transfers Out – 01492 (Expense)</u> | | | | |
| 31000 | Eliminate Transfer to General Fund | 150,000 | - | 150,000 |

The changes above total a reduction in the preliminary budget of \$412,619, thus leaving a deficit of \$635,970. A revised preliminary budget will be prepared and further discussion will take place on November 29, 2010 at 6:30 p.m. in the Township Building. The meeting adjourned at 10:35 p.m.

Respectfully submitted,

Mary Lou Knight
Assistant Township Secretary