



WARRINGTON TOWNSHIP BOARD OF SUPERVISORS MINUTES FOR DECEMBER 7, 2010

A special meeting of the Warrington Township Board of Supervisors was held on December 7, 2010, 7:30 p.m., at the Township Building located at 852 Easton Road, Warrington, PA 18976, followed by the pledge of allegiance. The members present were as follows:

ATTENDANCE:

John Paul, Chairperson; Gerald B. Anderson, Vice Chairperson; Marianne Achenbach, Secretary; and Paul Plotnick, Member. Staff present were Timothy J. Tieperman, Township Manager; William R. Casey, Esq., Township Solicitor; Vivian S. Bell, Township Treasurer; and Barbara Livrone, Executive Assistant to the Township Manager.

1. University of Phoenix

Jerry Gallagher, Director of Construction Services with Grasso Holdings, informed the Board that the University of Phoenix is interested in offering on-site and on-line educational training classes above the Borders Bookstore in the Valley Square Shopping Center. Room size would be 15,000 sq. ft. offering seven (7) classrooms with 20 people/classroom. Classes would run from 5:30 to 10:00 p.m. Grasso Holdings anticipates an 8-year lease with the University with a 5-year option.

EXECUTIVE SESSION REPORT

Mr. Casey reported that the Board met in executive session prior to this meeting and discussed litigation matters relating to 1) Business Privilege Tax case in Supreme Court; 2) Personnel issues; and 3) Status of the Katz bankruptcy.

Police Department Commendation

Mr. Paul said he received an email from a local resident commending the police department for a job well done in their arrest made in short order with a robbery that occurred on November 22, 2010 at Street Road and Route 611.

2. Continue Budget deliberations on the 2011 Operating and Capital Budget.

Mr. Paul said the 2011 Preliminary Operating and Capital Budget was presented to the Board on November 16, 2010. Since that time finalized 2009 trial balance information had been transmitted by the auditors. He asked for the Board's input on the proposed 2011 budget.

Mr. Plotnick said he had several questions and noted there were many inconsistencies, which he reviewed with the Board. He felt another column should be included in the Wage and Salary Schedule reflecting benefit costs.

Mr. Achenbach said the 2011 Water and Sewer Capital Budget is projecting an \$825,000 deficit, primarily due to a decrease in tapping fee revenues to fund programmed projects. He stated that this marks the second straight year that capital costs exceeded available tapping fee revenues. However, many of these projects are not discretionary and government mandated. Mr. Achenbach had previously recommended the assessment of a flat-rate \$25 fee to begin generating necessary capital reserves to fund these future projects.

Mr. Paul asked Mr. Achenbach if it was feasible to refinance the 2004 Bond at a lower rate.

Mr. Anderson asked Mr. Achenbach if he still recommended the \$25 flat rate fee for 2011.. Mr. Achenbach said he was recommending that it be held off until 2012 because of the economic situation. There were some questions from the Board relative to the monitoring system for the wells.

Mr. Achenbach commented that the main concern is the mandated upgrades at the Tradesville Plant, including the installation of two additional blower units at the current building that will require us to add some space. Based on tentative estimates, the projected \$825,000 deficit may increase to \$1 million.

Mr. Plotnick asked whether the projected 2011 Admission Fees (i.e., Amusement Tax) are firm for 2011. Mr. Tieperman said those fees are not firm given pending litigation. However, there are deferred escrow monies which should generate around \$70,000 in 2011.

Mr. Plotnick observed that the Township's revenue and expenditures for discount tickets is \$50,000. He asked whether this was appropriate. Mrs. Bell said the township receives a small commission check for selling these tickets.

Mr. Plotnick asked if there were any strategies that could be employed to lower costs and raise revenues for Warrington Day. Mr. Tieperman said one option is privatizing Warrington Day and transferring organizational responsibility to Valley Square personnel. The Board's consensus was not to privatize Warrington Day but to focus on getting more advertisers to help offset expenses.

Mr. Anderson felt that non-profit groups in Warrington provide a service and are an integral part of the community and doesn't want to see them assessed an additional fee as they are already financially strapped. He has no problem with charging the other organizations an additional fee.

Mr. Anderson said over the winter months that staff should be following up on suggestions for finding ways to reduce costs at the Warrington Swim Club. He stated that perhaps cutbacks on hours might be one cost possible saving measure. Mr. Paul said the problem is that the pool does not generate excess money and has never paid back the initial investment for the capital improvements at the pool.

Mr. Anderson said he is not in favor of privatizing the Warrington Swim Club. He said we should get a group together and have one of the supervisors work with them to analyze the situation to see where we are going in 2011. Mr. Paul would like to see another Board created to research the Warrington Swim Club and bring back their recommendations to the Board.

Pool Manager, Jim Tate stated that the concession stand would be operated, in some capacity, by the swim team as a fundraiser. This could eliminate the deficit under which the concession stand currently operates.

Mrs. Achenbach asked Mr. Tieperman if the 3.5% salary increase figure that had been built into the budget had been changed or was it still the same. Mr. Tieperman said the figure has been changed to 2.5%. She suggested the Township follow the County's lead and go with 2%. This will be reflected in the final budget document.

Mr. Anderson said the 2011 Budget is looking at a 1/2 mill tax increase built into the debt service. He said he would not support a budget with a tax increase. We need to look at other ways and methods to cover the budget. He supported Mrs. Achenbach with her request that the cost of living increase be changed to 2%. He said if we are prudent we can find ways to make it work without having a tax increase.

Mr. Paul said we have to find ways to fund these issues other than raising taxes.

Mr. Anderson suggested that the township manager will need to find enough revenue in the budget to offset any tax increase. Mr. Anderson commented that the Township needs to start planning and be able to set money aside for capital improvements.

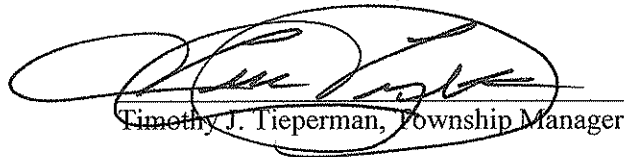
Mr. Achenbach reported that PECO energy costs were not rising as much as originally anticipated and that staff has been investigating several options for electric providers. Mr. Achenbach said the most beneficial thing that has come through so far is from piggybacking on the County Plan. He said that the savings may not be what we had hoped because the PECO costs are not projected to increase as much as originally anticipated.. There still appears to be a savings of \$20,000-\$25,000 that the township can build into this budget if we obtain service from Champion Energy.

Mr. Achenbach said Champion Energy's current rate is better than PECO's and that the Board should act quickly since the rates fluctuate on a daily basis. He recommended the Board sign the contract with Champion Energy, which quoted the best rate throughout the piggyback program. Between the Township and the Water and Sewer Department's energy use, he estimated annual savings at around \$20,000-\$25,000 in 2011.

ADJOURNMENT

Mrs. Achenbach motioned, seconded by Mr. Plotnick, to adjourn the meeting at 9:23 p.m. The motion passed unanimously.

Edited and Reviewed By:



Timothy J. Tieperman, Township Manager