

**COLLEGE TOWNSHIP COUNCIL
SPECIAL MEETING MINUTES
Monday, November 17, 2014**

ATTENDED BY:

L. Eric Bernier, Chair
Mary Shoemaker, Vice Chair
Carla Stilson
Lynn Herman
D. Richard Francke

STAFF:

Adam T. Brumbaugh, Township Manager
John J. Franek, Jr., Management Analyst
Kent Baker, Township Engineer
Robert T. Long, Jr., Finance Director
Garry Williams, Director of Public Works

CALL TO ORDER:

Chair Bernier called the November 17, 2014, Special College Township Council Meeting to order at 6:05 PM. The purpose of the meeting was to conduct a review of the draft 2015 College Township budget. There were no members of the public in attendance.

NEW BUSINESS:

NB-1 Proposed 2015 College Township Budget Review

Mr. Brumbaugh provided an overview of the draft 2015 budget document prepared by staff and distributed same to Council prior to the meeting. The proposed draft 2015 budget details total General Fund revenues of \$4,712,034 and total expenditures of \$5,031,102, resulting in year-end 2015 fund balance reserve of \$471,181. This reserve is slightly in excess of the Township's previously adopted fund balance policy of a year-end, unreserved fund balance reserve comprised of ten percent (10%) of budget year general fund revenues. In order to meet the requirements of the fund balance policy, the Manager proposed a .25 mil real estate tax increase and a shifting of approximately \$167,000 of designated capital reserves to unreserved general funds.

Council engaged in a protracted discussion of the 10% fund balance policy, and the origin, function, and necessity of the policy. Staff informed Council that the policy exists primarily to provide sufficient cash flow for the conduct of Township business in the 2015 budget year, especially during the first four months of the year prior to inflows of real estate taxes. Council and staff also discussed the pros and cons of shifting designated capital reserves from the Trout Road signal project and COG Regional Parks-supplemental construction to unreserved general funds. It was further discussed that the shifting of the Trout Road signal designated funds to unreserved general funds will require the Township to bear all or most of the cost of that future signal construction at such time as PennDOT warrants are met and compel the project.

Staff recapped the major budget drivers of the 2015 budget, citing continued escalations of employee health care costs, police services, and Centre Region Council of Government (COG) obligations.

Council reviewed and discussed items detailed in the Manager's budget memo describing items and projects that are either "in" or "out" of the 2015 proposed budget. Two of these items, social media/citizen engagement initiatives and a proposed electronic document management system, were discussed in detail. Neither was included in the 2015 budget; and, Council reached consensus that these two initiatives/projects should be revisited by Council in 2015 after the first quarter finance report has been completed and a better picture of the Township' financial position is known. In the meantime, it was the consensus of Council that staff should work to provide notifications to residents to alert them to meetings and the availability of agenda packet materials for those meetings.

It was suggested that members of Township staff be encouraged to participate in the local leadership development program, Leadership Centre County, and that the Township may be willing to sponsor this training for interested staff.

Council discussed a clarification of police hours provided by State College Police Chief Tom King. In October, Chief King recommended to Council that hours of police service in 2015 should be reduced from 265 hours per week to 262 hours. Council approved 262 hours of service per week at its meeting of November 6, 2014. Staff received confirmation from Chief King after November 6, 2014, that he was mistaken in his recommendation and that it was his intention to recommend that the Township contract for no more than 260 hours of service per week in 2015. The reduction in hours to 260 per week would result in 2015 budget savings of \$10,862.

Ms. Stilson moved to approve the reduction in 2015 contract hours of police services with the State College Borough from 262 hours per week to 260 hours per week.

Mr. Herman seconded the motion.

Motion carried unanimously.

Council discussed an expansion of bike path winter maintenance in conjunction with a request received from a local resident and member of CentreBike for winter maintenance to be performed by the Township on the S. Atherton Street bike path. Mr. Williams pointed out that winter maintenance of this section of bike path would be extremely difficult given the volumes of snow, ice, and anti-skid material that is frequently deposited from the cart way onto the path. Additionally, Mr. Williams pointed out that the S. Atherton St. bike path is constructed much differently than the Puddintown Road-to-E. Branch Road bike path that the Township now maintains throughout the winter. There is little to no stone base under the S. Atherton St. path, and Mr. Williams expressed his concern that winter maintenance with the equipment that would be required would destroy the two-inch wearing course of the path. After discussion, staff agreed to contact Scott Landscaping to seek a quote for winter maintenance service for the S. Atherton St. bike path.

Staff identified several upward revisions changes in expenditure line items totaling just over \$10,000, all of which will be offset by reductions made in the cost of 2015 police contract hours.

Council discussed the need to re-evaluate potential uses for Workforce Housing funds listed in the 2015 budget as a designated capital reserve, as there has been very limited use of these funds.

Mr. Franek distributed several worksheets to Council analyzing current and future funding requirements in the Road Machinery, Debt Service, Fire, and Library funds. The analysis depicts current millage to the funds and future millage requirements to meet obligations over the coming years. The analysis pinpoints those years in which deficits in the funds will accrue, indicating a need for Council to act to provide additional funding to meet the obligations of those funds.

Council and staff discussed the recommended real estate tax increase of .25 mils at length. It was the consensus of Council to move forward with the utilization of \$167,000 in designated capital reserve funds from the Trout Road Signal (\$106,000) and COG Regional Parks – supplemental construction (\$61,000) to unreserved general funds. Council eventually reached consensus on lowering the 10% fund balance policy requirement by \$107,000 to nullify the need for a real estate property tax increase in 2015. This action will result in a year-end anticipated unreserved general fund balance of \$374,563, slightly more than 8% of budget year general fund revenue.

Staff indicated that the changes identified by Council will be incorporated into the 2015 proposed budget document and that a modified motion will be available for Council's consideration for the adoption of the proposed 2015 budget at their Regular Meeting on November 20, 2015.

COUNCIL/STAFF OTHER MATTERS:

No *Other Matters* were presented.

ADJOURNMENT:

Hearing no additional topics for discussion, Chair Bernier adjourned the meeting at 10:29 PM.

Respectfully submitted,

Adam T. Brumbaugh

Adam T. Brumbaugh
Secretary