

Minutes of the Spring Garden Township Board of Commissioners Workshop
5:00 p.m. – October 23, 2024

Persons Present:

Daniel E. Rooney, President Commissioner (Remote)
David Detwiler, Vice President Commissioner
Anne Gray, Commissioner (Remote)
Luther C Wike Jr. (Township Manager)

Andrew Herrold, Commissioner
Thomas Gwilt, Commissioner
Krista Gardner (CFO)

I. Commence Workshop

A. 2025 Draft Budget (Information presented by Krista Gardner unless noted otherwise)

1. General Fund

i) Current 2024 budget versus actual figures

a) Revenues 2024

- 1) Reviewed current revenue figures and indicated those items that were above or below budgeted amount.

b) Expenses 2024

- 1) \$9,500,000 has been expended of the \$12,000,000 budgeted for 2024. The Township is on target to end the year in a positive position of \$382,000. This is not a final number as there are still a few months left in the year.
- 2) Commissioner Detwiler asked if the goal of the budget was to break even. Krista responded that the goal is to be realistic with the budgeted numbers.
- 3) Melissa Stuart of 1161 Hollywood Terrance inquired about how the commissioners are made aware of the budget information on a regular basis. The CFO clarified that the commissioners review budget reports at least once per month via the presented treasurer reports. Ms. Stuart inquired where certain items are within the budget.

c) Current 2024 balances reviewed

2. Proposed 2025 budget. It was stressed that this is just a discussion to review the budget as proposed for comments. The information reviewed is not a final version.

i) Revenues Proposed 2025

a) Revenues of \$11,200,000 budgeted for 2025.

- 1) Tax revenue reviewed.
- 2) Interest revenue has increased.
- 3) State grant revenue reviewed.
- 4) Public Safety – permits for new builds is higher than 2024 due to the estimated permitting for 110 new units at White Oaks and 72 new units at Red Oaks. This is subject to change if more or less of the permitting is issued in 2024.
 - (i) The number of new units for 2025 and carry over into 2026 was discussed.
- 5) Interfund transfers reviewed.

b) Expenses Proposed 2025

- 1) CFO noted that the budget is based on normal operations regarding the police remaining with the Township since a merger decision has not been made.

(i) Police

(a) 2025 police budget has a 17% increase.

- (i) Luther explained that there are grant funds for radios and car/body cameras which would offset some of the police budget increase.
- (ii) The increase also includes new weapons and two new vehicles.
- (iii) Commissioner Detwiler inquired if the expenses included new vests. Luther explained that the vests are on order currently and may be delivered and

recorded as an expense in 2024 and may have grant funds to cover some of the expense.

- (ii) Additional department expenses reviewed.
 - (iii) Fire expenses include capital purchases for 2025 and setting aside funds for capital purchases in 2026 and 2027.
 - (iv) Recreation expenses will include the salary and expenses related to operating a recreation department. If there are additional expenses once the department has time to establish a roadmap they can be brought before the board for review as an unbudgeted expense.
 - (v) The capital project fund includes items for public works as well as obligations for equipment purchases in 2026 and 2027 for YAUFR.
 - (vi) 2025 is budgeted as a \$957,000 deficit
 - (vii) The deficit could be reduced by not earmarking some of the funds for 2026 and 2027 purchases or if the police merger would occur there would be a reduction in the deficit but there is no way of knowing what that amount would be or when it would impact the budgeted amount.
 - (viii) Commissioners Detwiler and Gwilt expressed that they believe the budget is good as presented if it accounts for a six-month reserve.
 - (ix) Krista stated that the Township had been conservative with budgeting in the past and now the Township can currently support a deficit that is projected. This assumption will need to be reevaluated once a decision is made on a merger.
 - (x) Commissioner Herrold inquired if there was a merger when the savings would be realized in budget calculations and how the timing would impact the balance of the capital fund. Krista said that it would depend on when the decision was made and the details would be ironed out, but the police budget is the Townships' biggest line with the largest increase. It should also be considered that the collective bargaining agreement is up for renewal in 2026, which will bring another increase.
 - (xi) Roberta Boffo of 1080 Grandview suggested fundraising to raise funds for the police department. Luther stated that there have been significant donations in the past to the department. Kirsta stated that fundraising in this instance would be asking people that already pay taxes for the services to donate money. Commissioner Gwilt stated that local businesses likely would be hosts or sponsors for fundraising events, but very few can or will do it anymore for liability reasons.
 - (xii) Commissioner Gray asked about the amount budgeted for snow and ice removal and commented that with a delay to the public works facility it might be advisable to look into coverage options for vehicles that are sitting in the elements.
 - (xiii) Melissa Stuart of 1161 Hollywood Terrace inquired if the Township receives or would receive income from a specific property. Krista clarified that income would come through assessments for property taxes.
 - (xiv) Roberta Boffo of 1080 Grandview Rd asked for an explanation of what the mercantile tax was. Krista explained that it is a tax on business where it is located as well as the sales made by the business. Commissioner Herrold noted that it is a legacy tax that can no longer be implemented but can be applied if it is in place.
- c) Sewer Fund
- 1) 2024
 - (i) The sewer fund is targeted to be on budget and may end positively dependent on the interest earnings.

2) 2025

- (i) There is a 4.42% increase to the Township from PA American Water for sewer treatment that will begin in 2025.
- (ii) The proposed residential sewer rate increase is 3.0% - that would bring the connected residential rate to \$169.38 per quarter (up from \$164.45)
- (iii) There is a projected \$505,000 deficit due to one-time purchases including a \$110,000 towards flush truck due in 2027, \$200,000 for the Townships portion of expenses related to the I-83 expansion project, \$100,000 for a loader, and \$100,000 for engineering fees.
- (iv) A larger increase in sewer rates may need to be considered based on a DEP Order to expand our sewer system.

B. Other Business - None

C. Public Comment - None

II. Conclude Workshop

Commissioner Detwiler- Adjourned 5:59pm

Respectfully submitted,

Luther C Wike Jr.
Township Secretary

EA