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**Board of Supervisors Budget Work Session
Wednesday, September 21, 2022, 5:30 p.m.**

In-person attendance: Supervisors - Elaine DiMonte, Ricki Stumpo, and Raymond McKay;
Mark Knightly, Public Works Director; Peter Barsz, Treasurer; William Cloak, Treasurer
Support Staff.

Public in-person attendance: 1

1. **Call to Order:** DiMonte called the work session to order at 5:30 p.m.
2. **Public Comment:** no public comment.
3. **2023 Proposed Preliminary Budget ("budget") Discussion - General Fund/Revenue and Expenses:** DiMonte welcomed everyone to the 2nd Budget Works Session for the 2023 Budget. Secretary noted that the budget document submitted for the Work Session is the most recent version prepared by Cloak. Barsz commented that Cloak has done a yeoman's job in preparing the preliminary budget. He noted that the goal is to provide the Board with a substantive budget. Posting issues have been addressed to correct misclassifications to date. Therefore, the entries as of August are nearly 100% accurate which will allow for comprehensive year-end 2022 figures that are referenced for 2023 identified as deficit or surplus situation. Barsz commented that it is critical that transfers are posted properly for the reconciliation process. DiMonte commented that 2023 budget discussion must include health insurance as well as overage for the construction of the administration building. Barsz suggested that the budget include \$20,000.00 as a line item for facilities in the general fund.
4. **General Fund Budget Line Items:**
 - a. 301.100 proposed change for real property tax is additional \$2,000.00; projected using a 5-year annual average; interest rates are rising as is inflation, the job market is in flux, so a conservative projection is in order; proposes change to property taxes maybe only another \$2,000. Projected = \$195,00.00.
 - b. 301.10 Real Estate Transfer Tax Projected = \$200,000.00; \$125,000.00 for 2023.
 - c. 322.800 TV franchise fees \$115,000.00 given trend toward streaming and households reducing or eliminating cable.
 - d. 355 State Shared Rev & Entitle Projected \$11,000.00 as it is offset by pension expense; clarification for foreign fire insurance required as the money is a pass-through.
 - e. 362.410 Building Permits are difficult to annualize; year-end projection at \$64,000.00.
 - f. 400.050 Salary Supervisors year-end \$5,625.00 based on ADP Payroll Calendar that includes one additional pay period in 2022.
 - g. 400.216 Supplies 2023 proposal is to increase postage and lower budgeted amount.
 - h. 400.325 Web Site/Internet \$9,800.00 as township website requires updates.
 - i. 402.310 Treasurer Professional Services \$7,250.00 for external auditors; Barsz will provide sample letters for external auditor solicitation to assist task assigned to elected auditor.
 - j. 404 Solicitor/Legal Fees propose \$55,000.00 for 2023.
 - k. 408.310 General Engineering at \$22,000.00. Secretary indicated that township consultants have indicated that a 3% increase is anticipated. Clean-up of escrow items

needed. Secretary indicated Treasurer Support Staff Member Sharon Gledhill has reclassified and updated escrow entries and suggested running a QuickBooks Report to obtain figures for 2023 budget.

- l. 409.360 Knightly commented that utility line items must be updated to include all utilities (electric, water, sewer, internet) as applicable for Locust Grove Schoolhouse, 664 South Wawaset Road, 740 Denton Hollow Road, Public Works Garage, Pocopson Park Gate, and Barnard House. Knightly added that 2023 budget items must include elevator inspection. Cloak will do some research and update and consolidate the entries including eliminating 409.700 Denton Hollow Property Professional Fees.
 - m. 409.600 Barnard House Professional fees will be deleted.
 - n. 411 Fire will be moved from the General Fund to the Fire/Emergency Service Sheet.
 - o. 409.450c McKay inquired as to the cleaning of the Barnard House restroom. Knightly indicated Public Works cleans the restroom at this time and will increase cleaning as activity dictates.
 - p. 409.600 409.620 Knightly indicated that \$1,200.00 is insufficient for the 2023 budget for Barnard House improvements as planned improvements include painting the "L" and replacing siding. Taxonomy for Barnard House is confusing as entries appear in multiple locations but should be removed from the General Fund.
 - q. 409.710 Denton Hollow 2023 budget should be consolidated with facilities.
 - r. 430 Public Works Garage - Knightly indicated that replacement/repair of the gutters for the Garage should be budgeted for 2023 approximately \$8,000.00 to \$9,000.00. Increase proposed for staff snow removal to keep up with pay rate of other municipalities.
 - s. 430.432 Vehicle Fuel for 2023 proposed at \$17,000.00.
 - t. 430.450 Contracted services for 2023 \$20,000.00 with services to include tree work and infrastructure repair in Red Bridge Farms subdivision. Discussion included allocating \$30,000.00 to a contingency fund. Knightly expressed that the township will need to purchase preconditioner for the salt before the end of the year.
 - u. 438.250 proposing \$6,000.00 for Repair Maintenance Supplies; Knightly noted 2A modified stone cannot be paid out of Liquid Fuels.
 - v. 446 MS4 Stormwater Management to be evaluated based on passage of amended SWM Ordinance on September 26, 2022 which will include township inspection SWM facilities. PUBLIC COMMENT: Linda Moore, Red Hawk Trail Homeowners Association inquired as to the extent of the annual inspections per proposed ordinance. Secretary indicated that the township awaits proposals from consultants for inspection. Board noted that the proposed ordinance is on the website for Moore to review.
5. **General Comments:** FICA, Medicare, Unemployment Compensation, and other deductions will be broken down by department and reclassified; escrows to be resolved. Stumpo commented that zoning hearing board solicitor has agreed to change the billing system used in 2022 so as to allow for submission of monthly billing statements. Supervisors asked for a 3% placeholder for 2023 personnel compensation to be discussed at a later date. DiMonte commented that the Board should include a motion for the September 26th public meeting to release 2022 contributions to the Kennett and West Chester Libraries. She expressed concern with regard to the capital contribution to the Kennett Library Building Project not having been processed by the township.
6. **Health Insurance:** DiMonte indicated that Knightly and Simone joined her in a meeting with the township benefits group to discuss advantages and disadvantages of the Silver

and Gold Plans offered by Independence Blue Cross - in terms of the premium paid by the township as well as coverage. She added that the discussion included increasing the Health Reimbursement Account for each employee to \$5,000.00 for 2023. McKay inquired if the Gold Plan was chosen, could the HRA employee allocation remain at \$2,000.00? DiMonte will double check with the broker, but it does not appear that the reduction in the co-pay would offset the significant increase in premium. DiMonte commented and the Board agreed that the benefits are most important because without personnel the work of the township will come to a screeching halt. At 7:10 p.m., motion was approved to suspend the work session for a break, with motion approved to resume at 7:20 p.m.

7. **Liquid Fuels:** year-end projection for 355.020 Liquid Fuel Tax reduced to \$154,406.00 and 2023 to \$160,000.00; year-end projection for 355.030 State Turnback Payment reduced to \$21,760.00 and 2023 to \$21,760.00. Increase year-end projection for 432.240 Winter Maintenance Supplies to \$25,911.00 and 2023 to \$45,000.00. Knightly requested an increase for Total 438 Maintenance Repair Roads and Bridges to \$70,000.00 for paving Valley Road, chip sealing Haines Mill Road. A good portion of the \$131,000.00 (439 Hwy Rebuild Liquid Fuels) will be spent this year for paving Red Bridge and Tullamore. Salt is not needed but magnesium purchase will be necessary. 433 Traffic signals proposed for 2023 should be \$1,250.00 due to increase in maintenance contract and call-outs for repairs. 437.450 Vehicle Repair for 2023 should increase by \$3,500.00 to accommodate a brake overhaul for one of the trucks.
8. **West Creek Road:** general discussion ensued with regard to budgeting for West Creek Road Repair including scenarios for obtaining a loan in the event the township is not a recipient of the Local Share Assistance Grant (state gaming funds) for which a decision remains pending. Approximate cost for repairs is \$900,000.00. Barsz and Cloak indicated that the path forward will be to budget a loan payment, perhaps a 20-year loan with a monthly payment of \$5,472.00. Cloak will include a code for the West Creek Road Project. PUBLIC COMMENT: Linda Moore appreciated the opportunity to observe the Work Session and recognized the efforts the Supervisors must put forth in overseeing financial operations for the township.
9. **Fire and Ambulance:** McKay provided an overview of the EMS Commission and the annual percentage increases, including a 30% increase for 2022. He commented that the township will pursue requesting that the county increase the \$65,000.00 annual contribution given the data collection on emergency response to the County Prison and the Aged Home so that the contribution represents a fair share. He reported that a 4% increase is proposed for 2023.
10. **General Reserve:** DiMonte inquired as to the genesis of the account. Secretary indicated that it was established as a contingency to address a shortage or in the event of a transfer for processing payroll.
11. **Capital Reserve:** Knightly indicated no public works expenditures for 2023.
12. **Facilities Fund:** DiMonte indicated that additional statements are expected next week for the new administration building. 2023 budget should include \$15,000.00 for a generator for the new administration building. Downspouts/gutters for the public works garage are referenced elsewhere.
13. **Route 52 Intersection:** this is a wash given recent review of the account by the solicitor.
14. **Historical Fund:** projecting a deficit. Secretary noted that the Brandywine Conservancy Greenway Mini-Grant does not appear to be accounted for.

15. **Adjournment:** at 8:40 p.m. DiMonte moved, Stumpo seconded, to adjourn the meeting; motion carried.



Susan Simone, Secretary



Elaine DiMonte, Chairwoman