

December 20, 2010

SPECIAL MEETING MINUTES

A special meeting of Dover Borough Council was held at Borough Hall, 46 Butter Road on December 20, 2010 at 7:08 pm. Mr. Dentler was absent. The remaining council members and mayor were present. President Sabold called the meeting to order, a moment of silent prayer followed.

The purpose of the special meeting was to adopt the 2011 budgets.

Mr. Eisenhart stated he would like to follow up on a comment made by Mrs. Koch at the December 7th meeting. He recalled Mrs. Koch commented she didn't want to tell the taxpayers they were paying \$40,000 in benefits for the employees. He gave this some thought and feels she is correct. He noted the water and sewer funds each pay a portion of the payroll, so why not have water and sewer pay the same percentage of the benefits. He suggested since the budgets are completed, the money could be moved from capital reserve to a new line item in these budgets and it would not affect the ending balance. This was debated at length. Mr. Seidel stated he would like to know how much each of the funds would be paying. Mrs. Shirey stated the percentage of payroll paid by each fund is divided one way for the laborers (50% sewer, 30% borough, and 20% water), and uses difference percentages for Brad, Becky and herself (50% borough, 25% each sewer and water). She asked if the Council would want the insurance divided by these same percentages. She proceeded to do some quick calculations and reported if water and sewer contributed toward the health insurance, using the same percentages as payroll, the cost for water and sewer would be about \$12 - 13,000 per year. Mrs. Koch stated she was not in favor of the benefit cost being split. The sewer and water funds need to build up their cash reserves, and that money should not be used for something else. She did not feel payroll and benefits should be considered in the same category as payroll. Mr. Sabold stated he agreed benefits were a different issue, and should be paid from one fund. The majority of the Council was not in favor of having the Water or Sewer Funds contribute toward employee benefits. The issue dropped.

The replacement of the dump truck was discussed. Since the dump truck has limited use, Mr. Eisenhart asked if it would be more cost effective to rent or lease one, as needed. This was debated, but Mr. Sabold reported his employer did this and you were required to pay for each dent and scratch. The primary use would be used for snow plowing and spreading cinders, which has a good chance of causing damage. The Council discussed the possibility of purchasing a used truck instead. Research would need to be done to find out if there is bidding and advertising requirements for purchasing used equipment. Mrs. Shirey would ask Mr. Herrold to check on the bidding and/or advertising requirements for used vehicles.

Mr. Lentz asked to address the Council. He stated "the opportunity to work at the Dover Borough has been a challenge and a rewarding experience". He enjoys the variety and responsibilities and attempts to do the best job he is capable of as Borough Manager. When he was hired the benefit package included full paid health insurance. In 2009 an annual deductible of \$2,000 was added. In 2010, he had to begin contributing \$42.07 per week toward health insurance for his family. Both years he received a 1% pay increase. He felt the money he had to pay toward insurance cancelled out the raise. The employees were invited to attend a meeting with the Council regarding employee benefits. He believed the Council made a decision to increase the annual amount they would budget toward employee health insurance for 2011. He stated after he left decisions were made based on what council members pay was compared to his, and what they pay toward their benefits. He felt the Council based their decision on this. He does not feel it is fair to compare jobs and employers without the same qualifications. He is told he is doing a good job, but feels he is being pushed out of his position. He was also informed a council member was making comments about him to people around town. Allegedly, stating he did not do his job regarding replacement of the return screws. He stated he recommended replacing all the old Schreiber equipment during the upgrade. Holley's office did not follow through with this. He felt gossip like

this creates division. If anyone on the Council is unhappy with his job performance they should come to him. He also reported that in almost six years, he had not received a job evaluation. He felt \$50 a week, and a \$2,000 deductible is a fair share to pay. If the insurance cost continues to increase, and the weekly cost continues to go up, he will not be able continue to work here. Mr. Sabold replied that all the guys do a great job! He understands Mr. Lentz's frustration. He asked how Mr. Lentz thought his job was different from what anyone else does who has to contribute toward insurance. Mr. Lentz stated he has made a deliberate effort to do more work in-house to save on costs for the Borough. He gave the example of cleaning out the bypass tank. Kline's quoted \$8,900 to clean out the tank. He, Duane and Matt did it themselves and saved this money. He suffered from heat exhaustion, but continued to work to get it done. Why would they put this kind of effort into their work if the Council is not going to appreciate it? Also, he did not feel you can compare the Borough to an employer like P. H. Glatfelter. The Borough is not a for profit corporation. Mr. Seidel pointed out the employees are paid by taxpayer's money, and the Council needs to be cautious in how they spend that money. Mr. Seidel reported all employers are in an extraordinary situation due to the current economy. He stated the Personnel Committee can begin to give him an annual review if he would like one. Mr. Sabold quoted a portion of the Employee Manual, from page 7, which states the Borough pays benefits for full-time employees. He proceeded to review the paragraph *Insurance Coverage for Dependents*, also on page 7. This stipulates that if the insurance exceeds the maximum the Council allocates toward health insurance that the employees will have to pay the balance. Mr. Sabold stressed this is not something being done against the employees, but unfortunately is reality for employer's in today's world.

The issue of moving the health insurance renewal date to January 1 for 2012 was revisited. Mrs. Shirey explained application process and deductible, and why the renewal was not January 1 this year. The issue of health insurance options was debated. Mrs. Shirey was waiting for the rates from Capital Blue Cross. She would provide the rate information to the Personnel Committee to make a recommendation.

Mr. Eisenhart stated according to the Account Balance report from the January 2010 council meeting, the General Fund had \$254,000 in the checking account, and \$100,000 in a CD. As of today, there is \$202,000 in a CD and only \$6,000 in the checking account. This is a difference of \$150,000. If this money was spent then it should show up in the 2011 budget in the 2010 projected expenses, and ultimately as negative net income. Mrs. Shirey was asked to research this further.

Mr. Eisenhart pointed out the largest expense on the General Fund budget is the police services contract, at a cost of \$216,000 for 2011. He suggested the Council should consider cutting some police time. Mr. Seidel noted the state has a minimum number of hours of police coverage a municipality is required to provide, and the Borough is at the minimum mandated. Mr. Eisenhart stated Yorkanna and East Prospect use the state police, and maybe the Borough should consider this. Mrs. Koch noted the budgets for these municipalities is much smaller than the Borough.

Mr. Seidel made a motion to approve the 2011 budgets, as presented. Mr. Eisenhart seconded the motion. Under the question, Mr. Eisenhart noted Mrs. Shirey showed the reimbursement of water and sewer payroll to the General Fund as income, but there would need to be a corresponding expense. Mrs. Shirey stated she made a mistake including it in the budget in this way, because it incorrectly inflated the income. She apologized she had not thought it through logically. A discussion of how to remedy this proceeded. Mrs. Shirey recommended the \$95,000 for payroll reimbursements would need to be moved from item 395.0 - Refund of a Prior Expenditure to 392.01 - Transfer from General Fund Savings to correct for this error. Moving a line item did not alter the budget because the total income and expenses remain the same. Mr. Seidel made a motion to remove \$95,000 for water and sewer payroll reimbursements from item 395.0. This will leave a balance of \$5,625 in this item. Item 392.01 will be changed to show \$95,000 transferred from savings to balance income and expenses. Mr. Eisenhart felt they should plan to use this much money from savings to balance the budget. He suggested the Council should re-evaluate the

expenses. Unfortunately, the budget had to be approved prior to the end of the year. The PA Borough Code allows the budget to be reopened in the new year. It was decided the budget would be adopted, as corrected, and the Council would discuss reopening the budget at the January 2011 meeting. Mr. Seidel and Mr. Eisenhart withdrew their earlier motions to adopt the budget. Mr. Seidel then made a motion to approve the 2011 budgets, as corrected. Ms. Bishop seconded the motion. Four were in favor. Mr. Eisenhart and Mr. Hess were opposed.

Mrs. Koch asked why meeting dates for the council, planning commission, zoning hearing and recreation board were not advertised at the same time. Mrs. Shirey stated the planning and zoning hearing meetings only needed to be advertised when they will be held. Mr. Dentler was to let her know the meeting dates for 2011 after their December meeting.

Mr. Lentz asked if Glenda Lentz had been appointed to the Recreation Board. Mrs. Shirey stated she had not. He stated if she was not on the board that her name should be removed from the list of members on the Borough website.

1/3/2011 Addendum: When the minutes were approved it was noted that the above paragraph contains incorrect information. Glenda Lentz had been appointed to the Recreation Board.

With no further business before them, Mr. Eisenhart made a motion to adjourn, with a second by Mr. Hess. All were in favor. The meeting adjourned at 8:35 pm.

Respectfully submitted,

Janet T. Shirey
Secretary/Treasurer