

**RYE TOWNSHIP  
SUPERVISORS' MEETING  
April 23, 2007**

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**PRESENT:** Chairman Ronald Evans, Vice-Chair, Charles Kunkle, Supervisor, Sharon Cole, Daisy Lightner, Secretary/ Treasurer, Ron Cree, Zoning Officer, Jean Snyder, Fred Roberts, Kathleen Miller, Peggy Fedder, Larry and Jean Kuhn, Beverly Miller, Elliott Chotas, Jr., Elliott Chotas, Sr., Charles Cook of Act One Consultants, Robin McClean, Gary Roth, and CPA Craig Witmer and Greg Hall, CPA of Smith, Elliott and Kearns, P. Richard Wagner, Esquire.

Former Supervisors present: John Davis, Jr., Robert Lightner, and Phyllis Page.

The meeting was held at the municipal building and called to order at 7:30 PM. Chairman Ron Evans convened the meeting with the pledge of allegiance to the flag. The meeting was tape recorded to aid with the preparation of minutes.

Supervisor Cole notified the Board that she was tape recording the meeting.

**CITIZEN PARTICIPATION:** Chairman Evans welcomed everyone and asked if there was any citizen participation. Kathleen Miller of 1970 Old Mill Road expressed appreciation to the Board for permitting her to attend a seminar at Hershey. Miller requested grading of the sides of Old Mill Road. Road Superintendent Evans said the road crew is very busy at this time, but he would check into the concern.

**APPROVAL OF THE MINUTES:** Kunkle made a motion to approve the minutes of the February 26, 2007 supervisors meeting as submitted; Evans seconded; Motion carried. Cole opposed.

Cole made a motion to approve the March 26, 2007 supervisors' meeting minutes as submitted; Kunkle seconded; Motion carried. Evans abstained since he was not present at the March meeting.

**OPEN BIDS:** The bid request was advertised in the Duncannon Record on April 12<sup>th</sup> and 19<sup>th</sup>, 2007 and proof of publication is on file. Four sealed bids were opened by the Secretary/ Treasurer and read by Chairman Evans for 1,920 tons of FB2 Wearing Course and 120 tons of binder complete and in place as follows:

<u>BIDDER</u>	<u>TOTAL BID</u>
Wilson Paving, Inc.	\$137,688.00
Jay Fulkroad & Sons, Inc.	\$128,586.00
Pennsy Supply	\$106,656.00
Handwerk Site Contractors	\$123,913.20

The contracts were given to the Solicitor for his review. The bid would be awarded later in the meeting.

**SUBDIVISION PLANS:** Charles Cook of Act One Consultants presented the Timmy B. and Joel A. Heisley minor Subdivision Plan for final approval for Robin McClean. The Heisley plan proposes a lot addition of 1.9262 acres to the property of Robin McClean, who desires to build a new dwelling on her existing 34 plus acre parcel. Perry County Planning comments were received and addressed. The plan was approved at the April 3, 2007 Planning Commission meeting. A \$50.00 security deposit was received.

Upon due consideration, Kunkle made a motion and Cole seconded to accept the following waiver to the Subdivision Land Development Ordinance 90-4 as requested for the Timmy B. and Joel A. Heisley Minor Subdivision Plan for Robin McClean as follows:

1. Section 501, Preliminary plan submission; and  
to approve the Timmy B. and Joel A. Heisley minor Subdivision Plan for Robin McClean; motion carried unanimously. The Mylar plan was left with the Secretary/Treasurer to gain the necessary signatures. Mr. Cook thanked the Board for their time. Robin McClean and Charles Cook left the meeting at this time.

**PERSONS TO BE HEARD:** Greg Hall, CPA and Craig Witmer, CPA of Smith, Elliott, Kearns, & Co presented the Board with the 2006 Financial Audit for Rye Township. CPA Hall, the partner in charge of the engagement, thanked the Board for the opportunity once again to conduct the audit. Hall said the records are in good order and they encountered no disagreements with Management.

CPA, Craig Witmer was introduced and reviewed and highlighted the important items in the 2006 financial statements. Witmer said SEK issued an unqualified audit opinion, which is the best opinion that may be given indicating that SEK is confident that the financial statements are not materially misstated.

Witmer explained that the Management Discussion & Analysis, (M D & A) on pages 2-9, which is prepared by the Secretary/Treasurer, does a good job of summarizing the year financially. to the audit report required with the institution of GASB 34 regulations. Witmer highlighted page 6-7 which shows comparative information between 2005 and 2006. The Summary of Net Assets on page 10 was next explained by CPA Witmer. The governmental activities include the General fund, the Capital Reserve fund and the Highway Aid fund. Pension funds are not included on this statement.

Witmer reviewed page 12, the Balance Sheet, and explained the cash & cash equivalents in each fund at the end of 2006 as follows: General Fund - \$601,106 Capital Reserve Fund - \$389,521 Highway Aid fund - \$55,671 for a total \$1,046,298.

CPA Witmer continued by explaining page number 13, the Statement of Revenues, which totaled \$586,611, an increase of approximately \$40,000 in 2005. The \$40,000 is attributed to an increase in FEMA and PEMA monies due to the storm in June of 2006. Expenditures for 2006 totaled \$492,405, an increase of approximately \$27,000, which is attributed to an increase in engineering fees due to redesign and permitting for a concrete bridge culvert on Idle Road. Highway expenditures were \$119,869 for 2006 in comparison to approximately \$ 104,000 in 2005 because of salaries and increased maintenance. The net change in fund balances for the General Fund was \$48,690, very similar to approximately \$50,000 in 2005.

Page 15, the Statement of Revenues, Expenses and changes in Net Assets for the Solid Waste Fund shows an operating loss of \$45,585. Witmer said the 4<sup>th</sup> quarter trash payment for 2006 was not received as anticipated until January 2007. However, even if the anticipated \$40,000 payment was received in December of 2006, the Solid Waste fund would still have an operating loss of approximately \$5,500.

Page 18 presents a synopsis of the Non-Uniform Pension Funds. The non-uniform pension plan had a balance of approximately \$279,216.

Witmer said the next section of the 2006 Financials contains the footnotes. Witmer highlighted page 24, Capital Asset activity, which had a minimal increase of \$5,990.

Final pages 28-31 show the budget to actual statements for individual items. The Board suggested the next audit include a budget to actual for the Solid Waste Fund also. Witmer said this report is not required to be part of the financial audit report; however, he would make a note of this suggestion for next year.

Witmer than reviewed the March 22, 2007 management letter, which includes a finding involving the preparation of financial statements. Witmer assured the Board this finding is do solely because of newly revised auditing standards and is included in 95% of their clients' letters. As part of the audit, SEK assists in applying complex accounting standards and prepares the financial statements and footnotes from records provided from the Township staff. For internal control purposes your auditor cannot function as part of your internal control system over financial reporting. Witmer reiterated that this is not a negative comment reflecting on the Township staff. Supervisor Cole suggested possibly a resident volunteer CPA look over the financial statements.

Witmer commended the Township for beginning to address a disaster recovery plan as directed in last year's management letter.

Witmer commented on the engagement of a separate payroll audit conducted in December of 2006. He suggested the Board review their personnel policies to prevent further situations from occurring in the future.

A new addition to the report included four graphs, which assists the Board in understanding the financial statements. It was noted that tax revenue is the main source of revenue for the Township, which decreased in 2006 mainly due to a decrease in real estate transfer taxes.

Cole requested the total amount of legal fees expended for the previous four years. Witmer said the Secretary/Treasurer could put those figures together. Cole requested the CPA review the amounts. Witmer agreed.

The Secretary/Treasurer requested permission to explore short term investments with surplus monies held in the General Checking account. It was the consensus of the Board for her to gather monthly revenue versus expense information for the last three years. Supervisor Cole suggested checking with PLIGIT. CPA Witmer suggested talking with the bank about a cash management account or demand deposit account for better interest rates on the checking account, but cautioned to check for any hidden fees.

Supervisor Cole asked CPA Hall to explain how the Board of Supervisors has chosen to deal with the GASB 34 requirements for accounting.

CPA Hall said several years ago GASB, (Governmental Accounting Standards Board #34), was adopted. At that time Supervisor Cole and Secretary/Treasurer Daisy Lightner met with CPA Hall to discuss how Rye Township would implement these standards. Hall said the decision was made for a Township the size of Rye to implement the Modified Accrual basis of accounting. Hall said this is still, in his opinion, the best method of accounting. CPA Witmer agreed and said all second class Townships he is familiar with implement the same method of accounting as Rye.

Elliott Chotas, Jr. of 9 Dicken Drive asked if Rye Township is using an accounting method that is not a recognized accounting method. CPA Witmer and Hall said modified cash basis is a recognized accounting method. The only time full blown accrual accounting is needed is for larger municipalities where there are bond issues or authorities etc. Hall believes this is the best method for Rye Township at this time and pointed out that the State accepts this accounting method.

Supervisor Kunkle clarified that the “bottom line” is: There is nothing wrong with the records or the accounting system used at Rye Township.

With no further discussion, CPA Hall and CPA Witmer thanked everyone for their time and left the meeting.

**LEGAL BUSINESS:** Solicitor Wagner said he received a copy of a letter from an attorney for Sopensky inquiring if the expansion proposed on the Sopensky Properties Preliminary Land Development plan was appropriate for a non-conforming use. Wagner advised the Planning Commission should review the plan to resolve technical issues. The Zoning Officer should render a decision as to whether the proposed content of the Sopensky Preliminary Plan is in compliance with the Zoning Ordinance.

Ron Cree, Zoning Officer, reported that an April 12, 2007 notice of determination letter was mailed certified to John Sopensky with a copy to Sopensky’s attorney and Matthew Hearn of Akens Engineering. Cree summarized the letter, which determined that the Sopensky Preliminary Land Development Plan does not constitute one building, but two separate buildings.

Solicitor Wagner advised that Sopensky now has the independent opportunity to appeal the Zoning Officer’s decision. The Board needs to be aware of the underlying time requirements for the plan. Solicitor Wagner requested the Secretary/ Treasurer fax a copy of the April 12, 2007 notice of determination letter to his office tomorrow. He advised most appeals go to the Zoning Hearing Board. However, there are some appeals that come back before the governing body. The Solicitor will review the letter and respond promptly.

Discussion ensued and concerns expressed with the existing businesses at 1005 Flowers Lane property. Corporal Shoop said he had a report alleging that someone may be residing at the 1005 Flowers Lane address. Zoning Officer Cree said Sopensky denied any residents at the 1005 Flowers Lane address in a very recent telephone conversation. Solicitor Wagner suggested contacting the Patriot News to see if a paper is being delivered to the 1005 Flowers Lane address. Zoning Officer Cree said he would monitor the situation.

Solicitor Wagner advised the Zoning Office compile an itemized list of what constitutes a violation of Rye Township’s ordinances at 1005 Flowers Lane address and a status of what you definitely can prove and/or what you think you can prove.

Solicitor Wagner reviewed an April 10, 2007 letter from District Justice McGuire regarding collection of delinquent trash collection with regard to CTCB/Agent for Rye Township v. Mark Long. McGuire advised that Capital Tax Collection Bureau is not an appropriate affiant to function as the prosecutor in all ordinance enforcement cases. McGuire said his concern with CTCB contracting to enforce all aspects of these ordinances—is that these acts might constitute the Unauthorized Practice of Law. Accordingly, McGuire said there is a potential for significant civil liability on behalf of the Township and possibly the Court.

Discussion ensued. Solicitor Wagner said he would contact District Justice McGuire for clarification since the delinquent trash collection issue for Perry County was already previously decided by Judge Quigley.

Rettew Associates reviewed the draft Driveway Permit Ordinance and comments were received. Solicitor Wagner advised the Driveway Permit Officer and the Planning Commission review the comments received for the proposed Ordinance and provide their input. Similar ordinances from nearby communities could also be acquired for comparison.

Solicitor Wagner reviewed and approved the proposed Ordinance to close Idle Road to remove the existing culvert and install a new concrete bridge culvert. Evans made a motion and Kunkle seconded to authorize the Secretary/Treasurer to advertise Ordinance 07-01, which temporarily closes a section of Idle Road from June 12 to July 13, 2007, for tentative adoption at the May 21, 2007 supervisors' meeting. Motion carried unanimously.

Zoning Officer Ron Cree asked who enforces the third party inspection for the Uniform Construction Codes (UCC) since Rye Township opted out. Solicitor Wagner advised when a third party building permit is required, violators as a courtesy need to be notified of the requirement. Solicitor Wagner advised compiling a list of violators and sending them certified notices giving them ten, (10), days to comply. If the violators move in a new home or use the structure, i.e. garage, addition etc. without the proper third party permits, they will receive a citation and may be subjected to an injunction of the court.

**AWARDING OF THE ROAD BIDS:** Upon due consideration and with all bid bonds in place, Cole made a motion and Kunkle seconded to accept the lowest bid received for road resurfacing from Pennsy Supply in the amount of \$106,656.00. Motion carried unanimously.

**MONTHLY MUNICIPAL REPORTS:** Corporal Clint Shoop submitted copies of the March Police Report to the Board and read it as follows: 59 gallons of fuel used for the Impala, 0 gallons used for the Caprice, drove 1,188 miles, worked a total of 168.25 hours for full time, 41 total calls which included, 2 traffic warnings, 12 traffic citations and 2 non-traffic citations. Total fines collected from the District Justice were \$250.15.

Corporal Shoop drafted and presented the Board with a copy of the Police SOP manual for approval. Shoop said he had the District Attorney review them and revisions were made. Corporal Shoop asked if the Board would consider acting on them as soon as possible. This item would be added to the May 7<sup>th</sup> meeting for discussion.

The April Zoning Report was submitted by Assistant Zoning Officer, Ronald Cree. and available for review. Cree read the report as follows: six (6) complaints, eight (8) zoning permits, mileage reimbursement for 143 miles, \$595.00 collected.

The March Sewage Enforcement Report was submitted by Mike Higgins. Vice-Chairman Kunkle read the report as follows: (2) two activities: final processing for Denny Eichelberger and probes for Michael Mutzabaugh for a total due in wages of \$290.00 wages and a total with expensed due of \$307.45.

The April Road Report was submitted by Brad Sloop, road foreman. Chairman Evans placed it on the table for public review.

Supervisor Cole mentioned that Corporal Shoop questioned the legality of the installation of double stop signs at the intersection of Fleisher Road and SR 850. Evans explained the additional stop sign was placed there for better visibility and as a safety precaution. Solicitor Wagner said if there is a safety issue, it is fine to place the sign there immediately, but the existing ordinance needs to be amended to reflect the second sign.

No Recreation Board report was given. The March 27, 2007 Park and Recreation board minutes were submitted and available for review.

No Emergency Management Report was submitted.

The March Treasurer's Report & General & Solid Waste Fund Balance Reports were submitted for review by the Secretary/Treasurer & with no discussion or questions were accepted as read. The Secretary/Treasurer noted that \$650.00 was contributed to the Elaine Pierson memorial in March. Currently the total is \$2,750.00.

**RESOLUTIONS:** Kunkle made a motion to adopt Resolution 07-02 which authorizes the Secretary/Treasurer of Rye Township, Perry County, Pennsylvania to transfer Highway Aid funds in the amount of \$83,500.00 from the Highway Aid savings account to a short-term investment CD at a rate of 5%. Cole seconded. Motion carried unanimously.

Cole made a motion and Kunkle seconded to adopt Resolution 07-03 to open and maintain account at the First National Bank of Marysville for the Rye Township Recreation and Parks checking account with two signatures required; Motion carried unanimously.

Supervisor Cole mentioned that a check was received from the Commonwealth of Pennsylvania in the amount of \$5,229.00 the beginning of April 2007 from the Gaming Board profits, which increases the amount paid from \$.40 per acre to \$1.20 per acre for Game Commission lands. Over 6,500 acres of Game Commission lands are located in Rye Township. The Secretary/Treasurer said the annual check from the Game Commission in lieu of taxes (\$.40 /acre) is expected in September.

**OLD BUSINESS:** Discussion ensued on the police car purchase. Evans made a motion and Kunkle seconded to table the purchase of the new police car until after arbitration expenses are known and remaining finances are considered. Motion carried. Cole disagreed and opposed the motion. Cole will research the minutes to locate discussion she thought occurred in regards to the police car purchase. Corporal Shoop recommended the purchase of a new police car for his department stating the current police car hesitates during high speed pursuits.

The Secretary/Treasurer has been in contact with Robert Miller and Jeff Wenger of Blue Ridge Communications. The high speed internet will be installed as soon as Bob Bishard receives the part. Cole made a motion and Kunkle seconded to approve the franchise agreement was revised accordingly in Section 4 to include one (1) modem. Motion carried unanimously.

Evans announced that Spring Clean up would be held on Friday, May 4 from 6:00 AM to 2:00 PM and Saturday, May 5 from 8:00 AM to 12 noon. Evans encouraged all residents to take advantage of this bulk clean up provided as part of the trash collection fees. Residents are limited to one pick up truck-sized load along with four (4) vehicle tires.

Evans also announced that the May supervisors' meeting would be changed to the third Monday on May 21, 2007 at 7:30 PM due to the Memorial Day Holiday.

**NEW BUSINESS:** The Secretary/Treasurer reported that the health insurance plan through PCI Insurance is due for renewal on June 1, 2007. The renewal rates are 17.9% more than the cost last year for a total of more than \$75,000. Obviously, this is not financially feasible. The Secretary/Treasurer acquired options from PCI and from IBA, the Independent Business Association. Discussion ensued. Solicitor Wagner advised acquiring written waivers from the road department and the police department unions stating their approval to switch health insurance plans so the Board avoids an unfair labor suit. When asked by the Solicitor about the switching to Blue Cross if feasible, Corporal Shoop agreed to sign the waiver.

Kunkle made a motion and Cole seconded to authorize the Secretary/Treasurer to check into IBA's Blue Cross plan for health insurance effective on June 1, 2007 conditional upon receipt of written approval by the police and road department's union and approval to issue a check for one month's premium expense conditional upon written documentation that the premium would be refunded 100% if we decide not to contract with them for Rye Township's health insurance. Motion carried unanimously.

Kunkle made a motion and Cole seconded to authorize the advertisement of a special meeting to be held on May 7, 2007 and directed the Secretary/Treasurer to add "any other business that may come before the Board" to the advertisement. Motion carried unanimously.

Corporal Shoop expressed concern with a rat infested property formerly owned by Bonnie Clouser and addressed as 2470 Valley Road. Shoop spoke with Clouser's son, who now owns the property. The son is cooperating and attempting to clean up the property. To date all of the dogs have been removed. However, there are still goats and chickens on the property. Shoop said he gave Ms. Clouser until the weekend to relocate the animals. After the animals are relocated, options for extermination of the rats would be considered and pursued.

Kunkle asked Solicitor Wagner if the variance, which granted Bonnie Clouser permission to have goats on her property, continues with the land. Solicitor Wagner said, "Yes."

Solicitor Wagner suggested contacting an agency to assist with the animals and/or a group to assist with the extermination of the vectors.

**APPROVAL AND PAYMENT OF THE BILLS:** The Secretary/treasurer provided an April check register and submitted the following checks for approval and payment: General Fund Check's #s 10816-10864 in the amount of \$33,980.32. Void check number 10609 in the amount of \$59.50 issued to District Court for delinquent trash collection fees.

Payroll checks #s 4830-4839 in the amount of \$5,807.81. No payroll checks void.

With no further discussion on the bills presented, Kunkle made a motion & Cole seconded to approve the checks & pay the bills. Motion carried unanimously.

**CITIZEN PARTICIPATION:** Peggy Fedder of 2985 Valley Road said she would like Judge Rehkamp, the judge who granted Ms. Clouser the variance to have the goats, to come and see the condition of the property now.

Phyllis Page of 165 Mountain Road asked about check number 10840 in the amount of \$1,170.00 to H J Towing. Evans said the check was payment of expenses to repair and replace the clutch in dump truck #2.

Phyllis Page also asked about checks #s 10839 issued to Embarq, #10846 issued to Nextel Partners and check # 10817 issued to Cingular Wireless. The Secretary/Treasurer said Embarq is the office and police fax and telephones, Nextel Partners is the cell phone service for the police and Cingular Wireless is the cell phone service for the road crew and office.

Corporal Shoop said he has his own personnel cell phone and does not need the Township's cell phone service. Shoop recommended the Board cancel the Township's cell phone service. The Secretary/Treasurer was directed by the Board to cancel the cell phone service, (Nextel) for the police department.

**ADJOURNMENT OF THE MEETING:** There being no further business before the Board, Cole made a motion and Kunkle seconded to adjourn the meeting at 9:41 pm. Motion carried unanimously.

Respectfully submitted,

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Daisy Lightner  
Secretary/Treasurer