

**RYE TOWNSHIP  
SUPERVISORS' BUDGET WORKSHOP  
October 7, 2021**

**PRESENT:** Chairman Jim Sabo, Vice-Chairman John Stahl, Supervisor Brad Sloop, Daisy Lightner, Secretary/ Treasurer, and former Supervisor John Schulze.

This special workshop meeting of the Board of Supervisors was held at the municipal building and proof of publication is on file. Chairman Jim Sabo called the meeting to order at 6:30 PM. The workshop was recorded to aid with the accurate preparation of minutes.

**CITIZEN PARTICIPATION:** None was offered.

**BUDGET WORKSHOP:** The Board reviewed the budget preparation schedule prepared by the Secretary/Treasurer to assure the 2022 budget is adopted by the last regular meeting of the year 2021, which is rescheduled for the second Monday, December 13, 2021 due to the Holidays.

The Secretary/Treasurer also provided the Board with a first rough draft of the budget worksheet for the General and Solid Waste Funds including information from the prior year budget for each line item account and anticipated or projected totals to the end of the year.

The worksheet also provides a legend that explains the following:

- 01 General Fund
- 09 Solid Waste Fund
- 35 Highway Aid Fund (Liquid Fuels)
- 300 Accounts are revenues
- 400 Accounts are expenses

The Board began their review and discussion of line items in the **General Fund-Revenues, Section 300 Taxes, account #s 01.301.100 to 01.310.200.** The Secretary Treasurer provided a preliminary budget estimate for the tax revenues totaling \$511,685.00. Upon review of the year to date tax figures and with the unstable economy, high unemployment rates, and COVID, the Secretary/Treasurer recommended a very small increase in the Real Property Tax values for 2022. There is one (1) new home and a replacement home that will be completed by the end of the year with the full value on the property taxed in 2022 along with some larger additions and pole buildings. There are four (4) new homes that have recently begun or will begin construction soon with completion early enough for at least two (2) of the homes to add interim tax revenue mid-year. With that being considered, the real estate tax revenue accounts were increased slightly for 2022. She noted a decrease in delinquent taxes, which is a good thing. People are paying their taxes with fewer tax bills sent for collection.

The Secretary/Treasurer continued to discuss the line items for **General Fund - Revenues.**

1. The Fee Schedule Resolution No. 2020-10 was reviewed and discussed. There were no fee increases in 2021. The following revisions were proposed effective for 2022:
  - A. Ten dollar increase in the annual Salvage Yard License to \$245.00 per year
  - B. Revise the Zoning Permit Fees to round to the nearest dollar and omit the cents as follows:

<u>Description/Size of Improvement</u>	<u>Current</u>	<u>Proposed</u>
1. Structures up to 145 square feet .....	\$ 75.00	\$ 75.00
2. Structures from 146 sq. feet up to 249 sq. ft.	\$112.50	<b>\$115.00</b>
3. Structures from 250 sq. ft. up to 499 square ft.	\$131.25	<b>\$135.00</b>
4. Structures from 500 sq. ft. up to 999 square ft.	\$150.00	\$150.00

	<u>Description/Size of Improvement</u>	<u>Current</u>	<u>Proposed</u>
	5. Structures 1000 square feet and over	\$187.50	\$195.00
	6. In-home business	\$150.00	\$150.00
	7. Cell Tower zoning inspection & permit	\$225.00	\$225.00
	8. Underground tanks	\$135.00	\$135.00
	9. Certificate of Use	\$112.50	\$115.00
	10. Temporary Certificate of Use	\$ 75.00	\$ 75.00
	11. Temporary Use Permit (issued by Supervisors)	\$ 75.00	\$ 75.00
	12. Zoning Permit Renewal	\$ 75.00	\$ 75.00
	13. Zoning Officer- Inspection/on-site consult	\$112.50	\$115.00
2 .	<u>01.321.610</u> Solicitor's License. No change in the fee. Chairman Sabo recommended we post the extremities of the roads that lead into Rye notifying companies that solicitation permits are required. The Board agreed along with the purchase of an additional Rye Township sign in the western end of the Township. The Secretary/Treasurer indicated she would check on ordering (6) six no solicitation signs.		
3.	<u>01.321.800</u> The franchise contract for Blue Ridge Cable renews in the year 2022. The record notes Comcast Franchise Agreement's term is for seven (7) years and renews in 2025. Following discussion, the consensus of the Board was to increase the franchise fee \$300 per year. The record notes that Blue Ridge Cable does not pay any tax to the Township to operate their business within the rights of way of Rye Township.		
4.	<u>01.355.090</u> PA State Aid for Pensions. The annual allocation was received at \$10,359.46. This is more than anticipated in the 2021 budget. The consensus was to deposit the total into the non-uniform pension at PMRS to continue to provide a cushion of funding, which results in a lower financial obligation for the Township due to the larger percentage of reserves. This change will be seen following the next actuarial.		
5.	<u>01.362.480</u> Zoning Permit fees remain stable. The total number of permits average over the last two years is 39-40 permits per year. The high cost of lumber and building supplies may hinder construction somewhat. That remains to be seen.		
6.	<u>01.341.010</u> - Interest rates are the lowest since 2008-2009, even lower than in beginning of the year 2021. The secretary decreased this account item greatly to \$12,000. This is tentative. Renewal rates for CDs maturing in 2021 unfortunately are rock bottom.		
7.	<u>ARP accounts</u> - (American Rescue Plan) All accounts are open at this time until final determination for eligible funds is received from the Federal government. The Board receives 50% this year 2021, with the final 50% in 2022.		
8.	<u>01.360.400</u> - The budget allows for two (2) zoning hearings at \$750.00 each.		
9.	<u>01.391.100</u> - Sale of Fixed Assets- The Board was not aware of any equipment or other assets that might be sold in 2022.		
10.	The record notes that the Budget will be balanced without recognizing Prior Year Balances as a revenue.		

With no further discussion on the General Fund revenues, the discussion moved to the **General Fund - Expenses**. The following highlights of line items discussed were noted:

1. 01.400.460- Funds are budgeted for one supervisor to attend the Hershey Convention next year and all three supervisors to attend the Perry County Township Convention.
2. 01.402.100- Elected Auditors' Salary was increased slightly. Their hourly rate is set by the Second Class Township Code and has not been changed for years. An increase in the current rate of \$10 was discussed by PSATS and may be revised in the near future.
3. 01.409.383- Building Remodel and Improvements – Supervisor Sloop recommended replacement of the lights in the garage bays to LED. The Secretary noted that since the lights in the office and meeting room areas have been changed to LED, the electric bill has decreased. Changing the garage bay lights should further decrease the electric expense. Mike Kelly of Kelly Electric provided an estimate.
4. 01.409.600- Capital Construction. No major construction is proposed.
5. 01.430.260- Minor Tools & Equipment. The same amount as 2021 appears adequate. Supervisor Brad Sloop noted that the Road Department intends to purchase an additional piece of plate steel yet this year if it is available.
6. 01.430.740- Road Equipment Capital Purchase – No large capital expenditures are anticipated this year. During discussion the purchase of a used tractor/mower was anticipated for purchase in possibly 2023. The Road Crew will continue to maintain the existing tractor/mower to allow for more accumulation of funds to assist with payment of the purchase.
7. 01.432.242 Increase in salt and cinders proposed at \$14,000.00. Supervisor Sloop directed the Secretary to order 2 loads of salt and 2 loads of cinders before year end.
8. 01.436.215- Storm Sewers and Drain Materials increased to \$25,000. Supervisor Brad Sloop offered that due to contractor's schedules the Pierce Road culvert may not be replaced until 2022. Any cross pipe replacements on the roads proposed for paving would be expensed from this account.
9. 01.438.215 –Proposed \$35,000. Guide Rail will need installed on Lambs Gap Road next year with the proposed road paving. This account includes expense for stone or cold patch for road repairs. Supervisor Sloop recommended the purchase of shale to reinforce the dirt section of Idle and Millers Gap Roads.
10. 01.439.010- Road Construction/overlay – PennDot District Representative Rick Levan was on-site today to check the roads proposed for paving and provide estimates. Information came in late this afternoon.
11. 01.457.156- Health insurance expense will be estimated at 105% of the current expense.
12. 01.457.540- Recreation Board expenses. The new wooden walkway to the Park may not be completed in 2022.
12. 01.486.351- Property and liability insurance expense will remain stable for 2022 per an insurance review with the president of H. A. Thomson.
13. 01.492.300 Transfer reserves to Capital Reserve Fund. Proposed - \$10,000 Road Equipment, \$5,000 Underground Storage Tanks, and \$5,000 for MS4/Stormwater.

The Board moved their discussion to review of the **Solid Waste Fund**. The Secretary explained that the main sources of **revenue** generated by the Fund are a small amount of interest and the collection fees paid by residents for residential and commercial trash fees. A fee for the annual clean-up of \$20 per load was suggested. After much consideration and discussion, the consensus was to increase the trash collection fees and not charge any fees for the clean-up.

The Secretary discussed the **expense accounts** and asked the Board if they anticipated an increase in the quarterly trash collection fees for 2022, currently at \$54.00 per quarter, with the additional 4% increase in the trash hauling contract with Penn Waste, Inc.

2020 Annual trash collection fees were \$12,000 per month or \$144,000 per year.

Trash fees per the current three year contract are as follows:

2021	\$14,896.00 per month or \$178,752.00 per year	24.1% increase (\$34,752.00)
2022	\$15,501.15 per month or \$186,013.80 per year	4.0% increase (\$ 7,261.80)
2023	\$16,106.30 per month or \$193,275.60 per year	<u>4.0% increase (\$ 7,261.80)</u>
	Total Increase	32.1% (\$49,275.60)

With the percentage of increase calculated on the increases in year 2022 and 2023, the total percentage of increase from the year 2020 is 34.2% for the three year period of the contract. The costs for collection from any vendor are not anticipated to decrease in the foreseeable future.

Reviewing the fees for two years, the trash collection rates paid to Penn Waste have increased 28.1% from 2020 to 2021 with no increase in the quarterly trash rates paid. With the COVID situation last year, the Board chose not to raise the fee, but balanced the fund entirely with reserves.

Discussion ensued. The Board directed the Secretary/Treasurer to estimate the revenue with a \$2 to \$3 increase per bill per quarter, which increases the quarterly rate to \$56.00 or \$57.00. If necessary, a small amount of reserves could be used to offset the expenses and balance the fund to lessen the burden of the quarterly rate increase for residents. All agreed trash collection is a concern with short staffing and continued substantial contract increases.

The Board reviewed the expense accounts in the Solid Waste Fund beginning with account # 09.403.320 to & including # 09.492.300 as follows:

1. Costs for recycling expenses remain the same in 2022 at \$320.00 per pull for cardboard recycling only. This is an "On Call", "As Needed" service. Ten pulls are budgeted.
2. The Board agreed to budget for one Spring bulk clean- up. The date to be established at the Organization Meeting in January 2022. Following discussion, the consensus was to not propose any additional charges to residents for the annual bulk clean-up or for tire disposal.
3. Overtime expense includes labor worked at the Saturday Clean-Up by full time employees.

The Secretary/Treasurer indicated she would research a few items discussed and finish the calculations on several other items. Drafts of the proposed budget would be provided for review at the next budget meeting scheduled for Thursday, October 21, 2021.

**CITIZEN PARTICIPATION:** Chairman Sabo asked if there was any additional public comment at this time.

Former supervisor John Schulze suggested the Board review the amount of reserves in the Solid Waste Fund.

**ADJOURNMENT OF THE MEETING:** Chairman Sabo adjourned the budget workshop at approximately 8:49 pm.

Respectfully submitted,

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Daisy Lightner, Secretary/Treasurer