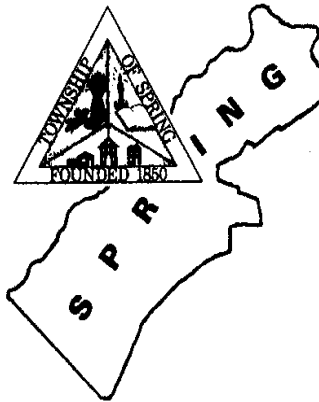


BOARD OF SUPERVISORS



TOWNSHIP OF SPRING

BERKS COUNTY, PA

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BUDGET WORKSHOP

MINUTES

October 24, 2011

OPENING OF MEETING: A budget workshop meeting of the Board of Supervisors was called to order by Chairman Collins, at 5:00 p.m., on Monday, October 24, 2011, in the Public Meeting Room of the Township of Spring Administration Building, located at 2850 Windmill Road, Spring Township, Berks County, Pennsylvania.

Upon roll call, Supervisors Collins, Hummel, Smith, Ulrich and Vaughan were present. Also present were: Leon Mazurie, John Groller, Sheryl Rowan, John Dallas, Al Kreider, Judy Houck and Erin Negley, of the Reading Eagle.

PRESENTATION BY DIRECTOR OF FINANCIAL SERVICES:

Mr. Groller distributed the following handouts:

1. 2012 Preliminary Budget – All funds
2. 2012 Preliminary Budget – General Fund
3. Preliminary Budget Summary – General Fund Only
4. General Fund Net Operating Service Costs in Mills – 2012 Budget
5. 2012 Projected Budget
6. General Fund Budget Projections 2012-2014 (Scenario Summary)

At this time, the preliminary budget for 2012 is \$29,215,000.00 (operating capital and debt service). Most of the funds are in good shape, and rates are adequate for expense levels. It was noted that the Refuse Fund will reimburse the General Fund for the cost of leaf collection in 2012 (\$85,000.00 for General Fund). The tax rate of 1 mill for Fire Protection is adequate.

The General Fund is stagnant (same as in 2010). Real estate taxes are not growing. There is no new construction. Banks do not want government money. Projected revenue for the General Fund in 2012 is \$9.93 million, basically the same

as 2011.

With regard to expenses, most departments were able to improve their bottom line by 5% and retain staffing at the same number - \$10,199,000.00. Estimated overall shortfall - \$171,000.00. In 2011, the shortfall was estimated to be \$396,000.00.

Revenue is not anticipated to change significantly in 2013 and 2014. Expenses will change, however, due to MMO's, the radio lease agreement and personnel costs. In 2013 and 2014, rising personnel costs will decrease cash reserves quickly.

The following scenarios were discussed in order to retain full staffing and services in the future (see attached sheet):

1. **No Tax Increase – Staff Size Same**
2. **No Tax Increase – Do not Fill Retired Positions**
3. **.225 Mill Tax Increase for Ambulance**
4. **.31 Mill Tax Increase for Ambulance & Library**

Mr. Ulrich requested that Mr. Groller combine #2 and #3. Mr. Hummel suggested eliminating paying for ambulance service. Mr. Vaughan explained that the Township has been mandated to provide ambulance service. It would be much more expensive to run an ambulance business for Township residents.

As President of the Spring Township Library Association, Mr. Dallas listed increased expenses for the library. The library has asked for \$149,350.00 in 2012 and \$15,000.00 for a Community/Library Needs Assessment. Mr. Kreider questioned whether an ambulance or library tax would be a dedicated tax. He was, also, interested in how often the ambulance oversight committee has met. The committee has met twice.

A second budget workshop will be planned for November 14, 2011, at 6:00 p.m. Formal presentation of the budget is set for November 28, 2011.

There being no further business, Chairman Collins adjourned the meeting at 5:55 p.m.

Respectfully submitted,

Sheryl Rowan, Township Secretary