

BUDGET WORK SESSION

December 15, 2009

A Budget Work Session of the Whitpain Township Board of Supervisors was held on Tuesday, December 15, 2009 at the Whitpain Township Building, 960 Wentz Road, Blue Bell, PA at 9:00 AM for the purpose of reviewing the proposed 2010 Budget. Chairman Joseph J. Palmer was present with Supervisors Anthony F. Greco, Brian W. Young, Adam D. Zucker, and Frederick Conner. Township Manager Phyllis C. Lieberman, Assistant Township Manager/Township Engineer Roman M. Pronczak, Director of Finance John Marcarelli, Police Chief Mark A. Smith, Director of Public Works Ronald J. Cione, Code Enforcement Officer Michael E. McAndrew, Fire Marshal David M. Camarda, and Director of Park & Recreation Kurt W. Baker. There were also four members of the public present

Mr. Palmer summarized what has been done to this point and what concessions have been made in budget deliberations. He added that this has been a difficult process because of current challenging economic conditions. He indicated that the budgetary goal of the Board of Supervisors is to preserve the safety and quality of life that defines Whitpain Township, while being sensitive to the financial challenges facing our residents. Mr. Palmer also summarized reductions in revenue streams and the impact on the budget. He also highlighted key cost saving measures which included a change in the healthcare plan, freezing of salaries, reductions in staffing levels, and a hiring freeze. Mr. Palmer indicated that although the budget process only allows for approval of a budget for one year, the Board has built a partnership with key personnel to commit to a five year budget plan. Mr. Palmer concluded by stating that the budget as currently proposed includes a 1.2 mill real estate tax increase, which consists of 1.07 mills for the General Fund and 0.13 for the Debt Service Reserve Fund.

Mr. Conner stated that he understands the need for looking at a five year horizon and agrees with this concept; however, he cannot support a 1.2 mill increase in current conditions. He added that projections and estimates become less accurate and do not provided as much confidence the further in years you get into the plan. Mr. Conner also felt that an evaluation of efficiency could help bring the gap between expenses and revenues closer together in subsequent years. Mr. Conner concluded by stating that he could support a more modest increase, but would not be comfortable with an increase greater than 0.65 mills.

Mr. Greco indicated that he also understands the need for a tax increase, but was concerned with the amount being proposed. He added that not knowing whether the County or the school district will also raise taxes causes additional concern.

Mr. Young indicated that he also understands the benefits of looking at a five year budget, but he loses confidence in the projections beyond the second year. He added that there is too much uncertainty to accurately predict what will happen. Because of this, he would prefer that the tax increase be broken down into smaller increments.

Mr. Zucker asked Mr. Marcarelli what the minimum tax increase would have to be to maintain a desired fund balance of fifteen percent at the end of each year. After lengthy deliberations, most Supervisors felt that at minimum, the 2010 budget should include sufficient revenues without depleting fund balance for the first two years, which equates to approximately a 0.90 mill tax increase. Mr. Palmer asked Mr. Marcarelli to calculate the impacts of this proposal and to determine what increase would be required in 2012 to maintain an adequate fund balance. The Supervisors acknowledged that although this proposal was greater than what Mr. Conner found acceptable, the budget that evening would be presented with a 0.90 mill increase.

At approximately 11:05 am the Budget Work Session was adjourned.

Roman M. Pronczak, P.E.
Whitpain Township Engineer/
Assistant Township Manager