

PALMER TOWNSHIP BOARD OF SUPERVISORS
DECEMBER 1, 2011 AT 6:00 P.M.
BUDGET HEARING

The preliminary 2012 budget hearing of the Palmer Township Board of Supervisors was held on Thursday, December 1, 2011, at 6:00 p.m. in the conference room of the municipal building with all supervisors present: David Colver, Robert Lammi, Mike Mitchell, Ann-Marie Panella and Bob Smith. Also present were the Township Manager, Public Services Director, Road/Parks/Utilities Superintendent, Public Utilities Director, Police Chief, Police Lieutenant, Planning Director, Fire Commissioner, Community Center Director, Data Coordinator and Administrative Assistant to the Township Manager. Lynn Olanoff from the Express Times and Adam Clark from the Morning Call represented the news media.

Colver announced that the Board held an executive session earlier in the day regarding one personnel issue and no action is required tonight. Colver then turned the meeting over to the Township Manager for a budget introduction.

Christman thanked the staff for the hard work that was put into the 2012 budget. Christman said he is happy to report that the budget being presented tonight has no tax increase. Christman stated it will be the fourth year in a row that the township millage rate will remain at 6.25. That rate costs the average resident approximately \$313 a year in Palmer Township taxes based on an average home assessed at \$50,000. Christman said he feels the residents receive a lot of quality services for a very good price. Christman said the \$600,000 operating reserve reflects the current economy with the township revenues less than where they were one year ago.

Colver thanked the manager for putting the numbers together and stated he was very happy to see we aren't looking at a tax increase. Colver thanked the township staff as well. Colver noted the numbers keep getting tighter each year. Colver said there will be a change in the township wide healthcare program. Colver said we just received new numbers two hours ago from the insurance company and the Township Manager will give us an update on those changes.

Christman said when he met with the department supervisors in September we discussed a possible new healthcare plan. The police arbitrator recently awarded a new plan option. Christman said it makes sense for the township to offer the plan to both uniform and non-uniform employees and the change will save the township approximately \$176,860 a year. Christman said the premium for the plan will still be 100% paid by the township but copays will increase. The plan will have a \$500 individual /\$1000 family deductible for both in and out of network services. Office visit copays are going from \$10 to \$20, emergency room copays are going from \$35 to \$100. The current \$5 prescription copay will be increasing to \$10 generic/ \$30 brand/ \$50 brand non-preferred, and the mail order is going to \$20 generic/ \$60 brand/ \$85 brand non-preferred. These changes will produce a cost savings to the township of \$176,860 a year. Christman said the healthcare numbers will be changed in the budget tomorrow morning to reflect the new plan costs in each department budget category. Panella stated the jump for the emergency room copay from \$35 to \$100 is to help prevent individuals from going to the emergency room for non emergency situations. Panella also stated to remember when you use

the mail order prescription drug option you are receiving a 90 day supply and only paying what it would cost in the pharmacy for a two month supply.

REVIEW OF PROPOSED 2012 BUDGET

INFORMATION

The Board needs to approve/disapprove the proposed preliminary 2012 budget.

DISCUSSION

The following line items of the proposed 2012 budget were revised as follows:

General Fund

All healthcare line items in the budget will be changed to reflect the new plan design costs.

- 01-310-800 Increase the 2011 year end estimated business privilege tax line item to \$1,058,000.
- 01-362-470 Decrease 2012 fire inspection line item number from \$25,000 to \$12,500.
- 01-410-112 Reduce 2012 overtime police line item from \$503,217 to \$400,000.
- 01-410-175 Reduce ERT/Training/Expenses 2012 line item to \$0.
- 01-410-193 Reduce K-9 Corps – Payroll 2012 line item to \$5,000. Eliminating one dog. Lammi did not agree with this change.
- 01-410-194 Reduce K9 Corps – Non-Payroll 2012 line item to \$7,129 for the reduction of one dog.
- 01-410-197 Reduce Pension 2012 line item to \$414,617. The reduction represents a lower general fund contribution to the police MMO due to a 5% contribution rate that will be made by the officers in 2012.

Special Funds

Healthcare line items in the sewer and community center funds will be changed to reflect the new plan design costs.

Lammi suggested Paul Hosking check the treatment costs line item 08-429-300 and the payment to EAJSA line item 08-429-510 with the Easton Sewer Authority. Lammi believes the numbers are going to be lower than these projections.

On motion by Lammi, seconded by Panella, and agreed by all, the Board voted to place the 2012 preliminary budget on public display at the Palmer Township Municipal Building on December 2, 2011, with the above changes. The meeting was adjourned at 8:20 p.m.

Respectfully submitted,

Christopher S. Christman
Township Manager