

HANOVER TOWNSHIP, LEHIGH COUNTY
SPECIAL COUNCIL MEETING

October 26, 2020
5:00 P.M.

Present: Councilmen Heimbecker, Paulus, Tocci, Woolley; Melissa A. Wehr; Josef A. Fragnito; Vicky Roth; Pina Romano

Absent: J. Jackson Eaton, III, Esquire; Al Kortze, P.E.; Councilman Lawlor

Attendance: 0

Courtesy of the Floor: None.

Approval of Minutes: Budget Meeting October 21, 2020

Motion: I move we waive the reading of the Minutes of the October 21, 2020 Special Council Meeting and accept same as presented.

Paulus, Heimbecker: Moved and Seconded

Heimbecker, Tocci, Woolley, Paulus:

Aye

Unan.

New Business:

1. Continuation of Public Hearing – Proposed 2021 Operating, Capital, Liquid Fuels, Water and Sewer Budgets (Review and Discussion)

Mrs. Wehr began the discussion with the Liquid Fuels Fund. The only thing notable in Liquid Fuels staff recommended for the state allocation down to \$58,400 from \$63,500 due to the economy and the state has had cutbacks. Therefore, this line item will be down. It trickles down to us.

Water Fund

Water Rentals is down from \$425,000 to \$375,000 projected for 2021. This is based off of this year's totals. Covid affected everything and this is one of the things it affected as well.

Bank Interest is down based upon what staff saw and collected so far in 2020. The number is derived from the history this year.

Utility Expenses are down from \$4,500 budgeted in 2020 to \$3,000 for 2021.

Two new categories have been added for 2021. 1) Computer Training and Office Supplies. This is to better track where monies are being spent and to have a better idea on training and office supplies in Water. 2) Telog and Alarm Monitoring. The Budget has a line item in the Sewer Fund, but not one in Water. This is in keeping consistent with the Sewer Fund and more accurate record keeping.

Sewer Fund

Mrs. Wehr reported that interest is down from \$18,000 that was budgeted in 2020. To end of date in September, Township has only received \$9,000. Mrs. Wehr and staff dropped it down to \$5,000 for 2021 based on the interest rates that we've seen thus far this year. Same scenario for Bank Interest.

Sewer Rentals - Although it was anticipated at \$1,300,000, thus far staff has only collected \$790,000. Based on history for 2020 and where staff will end up with the billing this is how staff came up with the number \$870,000 for 2021.

Reimbursable Management Services – Staff has not had the chance to carry over and pay the line item. This will be forthcoming before the end of the year.

Councilman Tocci questioned Mrs. Wehr regarding the Sewer Connection Fees Reserved Permit EDU. He wanted to know why it was budgeted for \$1,000 but current amount in that line item is \$62,000. Mrs. Wehr replied that this is all based on development. Staff does not have an idea until there is a plan that comes into the Township and the Township's EDUs are planned out.

Councilman Woolley asked Mrs. Wehr what made the Sewer Rentals go down so far. Mrs. Wehr replied COVID. Water and sewer weren't being used. People were home and not at the businesses. Mrs. Wehr said a lot of her recommendations for 2021 are based on current year history and where the totals lie. This would be the reason for some fluctuation.

Legal Fees were bumped up slightly because of the happenings of the Interim Act 537 and Act 537 coming forward. Staff wanted to make sure funds were covered.

Sewer Usage - the treatment is up due to the totals this year which exceeded what was budgeted. In order to compensate for next year so that it is not so far off, Mrs. Wehr budgeted appropriately.

Sewer Insurance - based on an analysis after Mrs. Wehr, Mr. Fragnito and Mrs. Roth sat down with the Township's insurance representative and revealed what items needed to be addressed. They've been addressed and rectified and that is why Council will see a difference in that line item.

Fog Inspections – this line item is down based on the history staff had this year. Based on where the Township is presently with the totals that is how Mrs. Wehr and staff came up with a recommendation for 2021.

A new line item was created titled Vehicle Equipment and Maintenance Repairs for transparency.

Sewer Capital Reserve, Pump Station and Sewer Line Upgrade – originally staff proposed \$650,000. Based upon future projects in 2021 and the financial picture that we currently have for this account, it is staff recommendation that we bump this up to

\$1,000,000. This will include the Allendale Sewer Line and Pump Station 3 Upgrade so the account does not get taken down to zero or almost nothing. The Township Engineer gave a projection of what he thinks it might come in at. But, not knowing what the Allendale project will come in at, it is better to have more funds than to be short. Mr. Tocci questioned why it wasn't changed in the proposed budget from \$650,000 to \$1,000,000. Mrs. Wehr replied that the change occurred after the proposed Budget was printed when staff sat down and went over final recommendations and projected future projects and what they could possibly cost compared to what was budgeted in 2020. It has been an interesting year this year and it is going to be even more interesting next year not knowing where the totals are going to be and what the Township is looking to get done. Some of the projects were put off this year already in the past and Mrs. Wehr does not recommend putting them off any further. Mrs. Wehr would like to move forward with those projects. This is why Mrs. Wehr and staff are recommended this line item be bumped up to \$1,000,000. Mr. Tocci mentioned that at the first Budget meeting Mrs. Wehr said she was presenting a balanced Budget. He wanted to know if adding an additional \$350,000 will do that. He wanted to know where the \$350,000 was coming from. Mrs. Roth replied to Mr. Tocci that the Township's Water and Sewer Accounts are enterprise accounts which means they stay by themselves. It has nothing to do with the Township's General Fund. She said the rate that individuals pay to the Township and the incoming monies for rentals has to cover the Township's entire Budget. What staff has looked at very closely is that the Township has Capital projects that need to be finished. They've been put off and shouldn't be put off any longer. The monies are there with this increase and the Township will still have a net at the end of the year. This is something that Mrs. Wehr and Mr. Fragnito are working on with Township Engineering to do an analysis to see what the amount of money that the Township's rates need to be.

Capital Reserve

Mrs. Wehr said based on what staff proposed back in July, the only line item staff is looking to change would be Sewer which would be \$650,000 to \$1,000,000. Everything else at this point and time Mrs. Wehr recommends keeping it at what staff proposed.

Mrs. Wehr said there are advertised upcoming meetings for November 2, which is next Monday, November 9 and November 16. It is Mrs. Wehr recommendation that these meetings be cancelled and place the Budget on the regular Council Meeting on December 2, 2020 as an Agenda item. This way staff can follow the Charter and have the Budget adopted by December 16, 2020. We would go back to two meetings for December. Mrs. Roth said Council will recall that in December they have three meetings which includes the end-of-year Bill List on December 30, 2020.

Mr. Paulus asked Mrs. Roth if she has decided on a percentage of wage increases. Mrs. Wehr asked Council if they wanted to discuss it at this meeting or go into Executive Session. Mrs. Wehr said she is okay with discussing it in front of her staff. Council agreed unanimously to discuss outside of Executive Session. Mrs. Wehr said she proposes a 5% increase for Josef Fragnito, a 5% increase for David Strongowski and a 4% increase for the rest of her staff. Her reasoning for proposing 5% for Mr. Fragnito

and Mr. Strongowski, they both stepped up in difficult positions at a difficult time. They took the ball and ran with it as well as the rest of the staff. They showed Mrs. Wehr as well as everyone else their leadership skills for those roles and to assure that they were the perfect fit for their particular job positions. As far as the rest of the staff goes, Mrs. Wehr is proud to say through Covid-19, Hanover Township remained open and operated as usual. There were many things against staff as far as not only Covid-19, but Public Works had a challenging year. They were down one employee at the beginning of the year, they replaced one employee and got a second one in. Everyone did training. Mrs. Wehr said not once did any of her staff complain. They stepped up to the bat, they met all expectations at a time when many municipalities were working with half shifts, rotating shifts and no shifts for a period of time. Hanover Township did not do that. Everyone stepped up to the plate and not only swing at the ball, but hit it out of the park. There were no complaints or taking time off and no, these people are home we want to be home too. Mrs. Wehr feels this needs to be rewarded for the positions that they hold and the time they dedicated to Hanover and Hanover residents. Mr. Tocci asked how these percentages match previous years. He asked what the normal rate was. Mr. Paulus replied it was 2-1/2 to 3%. He said the Township went usually with cost of living. Mr. Heimbecker said cost of living for this year has gone up. Mrs. Wehr said Council has exemplary employees here at Hanover Township. She said one of the things that happens with employees here at the Township, as Council knows, it happened to her as well. Mrs. Wehr said she was at a place for 24 years and Hanover Township stole her away from there based upon what she was offered at Hanover. Mrs. Wehr said she does not want to lose the staff she has here at the Township and that can and will happen if Council does not keep up with the times and reward their staff where they can. They all deserve it. Mrs. Wehr understands there are budget constraints all over the place, but one thing Council does not want to lose is the time that the present employees have put in and the knowledge and experience that they have. Mrs. Wehr said if anyone of them leaves, as the Township has found out, it is hard to replace them at some of the salaries that the Township had them at. The Township would be losing the employees that they have, their knowledge, and dedication that they've invested to Hanover Township and replacing them with someone knew, losing that knowledge and the Township will still be paying more. Mr. Tocci said they understand how Mrs. Wehr feels and agree that all the employees have done a fantastic job and they value the employees very much. He was just looking at what was done historically and on one hand saying that we have budget concerns and constraints because of Covid-19. Mr. Tocci's concern is if someone from the public did come and look at it and think if things are tightening up everywhere else and some people are struggling on unemployment and having a tough time, how would the Township justify going to a 4% or 5% raise. Mr. Tocci said that is the only reason he is questioning it. It doesn't mean he does not value the employees. Mrs. Wehr said she understands him questioning it and she is prepared to answer him. She agrees it's been tough times, but again the employees worked very hard throughout Covid-19. They went above and beyond and did anything that was asked of them. They put the time in and didn't take any time off. No complaining, no hard times or saying they should be off. Not once did any of the employees say they weren't doing something because of Covid. That has to be rewarded. Again, Council needs to keep their staff. The years they have dedicated to the Township is invaluable and Council does not want to lose that. Mrs. Wehr addressed Mr. Tocci and said to him that he would know as a teacher he is not they are not starting out at when he started out. Mrs. Wehr understands these are hard times, but their employees definitely deserve it. Councilman Woolley said the staff does have

certifications that are not easy to find employees with those certifications. Mr. Fragnito said it is somewhat unique at Hanover Township that the employees have to know everything. Three of his Public Works employees have sewer wastewater certifications. Mr. Fragnito said he himself has a pesticide license, which he will be taking back. Public Works was farming that out for the past two years and now they will be taking it back. His guys can now spray under his license. He thinks Mrs. Wehr makes a good point. What they found out when they started looking to fill two of their lowest positions as equipment operations, and Mr. Paulus can attest to this, which previously were being paid approximately \$20 per hour which Mr. Fragnito thought was a good rate to start at to find out he had a tough time finding even applicants at a starting rate of \$23 per hour with a CDL license. For example, the veteran employees, Mr. Strongowski and Mr. Graver were Equipment Operator Mechanics with 20 years' experience and Mr. Graver with almost 30 years' experience going back three years ago, they were making the same rate as the employee that just started with the Township six months ago. They were making \$23 an hour which took them 20-30 years to get to that rate and they were and are CDL drivers. Mr. Fragnito said he is simply making the point that times have changed and CDL drivers are making, just to drive truck without any other skills, \$28 per hour. It was difficult finding employees. The other benefits to this are that Hanover Township does offer a retirement package, health benefits, etc. Mr. Fragnito said the Township needs to entice employees to stay otherwise Hanover Township will become a training ground for news guys to come and then leave. Mr. Fragnito said this is what has been happening not just with Hanover Township but other municipalities when he spoke to them. The regular job market is paying a hefty amount of money for regular jobs. Mr. Paulus said if he would be questioned about the 4% and 5% raise, his answer would be due to Covid. Just like some companies gave \$2 and \$3 per hour raises to employees that continued to work, Hanover is giving it in a percentage because of Covid. Mrs. Paulus said 4% and 5% won't be the norm, but for this year, yes. Council was in agreement to give the employees the 4% and 5% hourly raise, respectively.

Courtesy of the Floor: None.

Adjournment:

The meeting was adjourned at 4:31 P.M.

Respectfully submitted,

Melissa A. Wehr
Township Manager