HANOVER TOWNSHIP, LEHIGH COUNTY
SPECIAL COUNCIL MEETING

October 21, 2026
5:00 P.M.

Present: Councilmen Rossi, Woolley, Paulus; Kevin Chimic, P.E.; Melissa A. Wehr; Audrey Anderson; Josef Fragnito

Absent: 2

Attendance: 0

Courtesy of the Floor: None

New Business:

1. Public Hearing – Proposed 2027 Operating, Capital, Liquid Fuels, Water and Sewer Budgets (Review, Discussion and Vote)

   The Manager presented the preliminary Proposed 2027 Operating Budget which she and Staff put a lot of time and effort into putting together. The Manager stated that she is pleased to report that it is a balanced Budget with no tax increase. The following is the Manager's overview of the Budget.

   LIQUID FUELS

   We take our street lights out of the Liquid Fuels monies we receive and our turnback monies and allocation we receive. As you know, Liquid Fuels monies can only be used for certain things. To keep it cut and dry for the Township and for when the auditors come, we pay our street lights out of that. The last audit we had on Liquid Fuels was completed January of this year for calendar year 2024. The Manager is pleased to report that as we did earlier when we received the findings back in all significant aspects complied with the criteria with PennDOT publication. We received a very good review from our audit.

   WATER

   Reimbursable Management Services, the 2026 amount is zero due to it being in our Bill List later this evening. That will be up at $45,833.51. Regarding Legal Fees which is the last line item on this page. We have not spent any Water legal fees to date this year in this Budget.

   There are a couple of changes proposed. Under Reimbursable Maintenance Labor will change since it is on this evenings Bill List. Computer Office Supplies is up at $10,000 which includes the Asset Management Program that we are initiating which will get split three ways, i.e. one-third Water, one-third Sewer and one-third General Fund/Highways. In Capital Reserve-Water System Improvements, we proposed $100,000 when going over the Capital Reserve Budget back in July.

After reviewing everything and plans for June, we've considered reducing it down to $50,000 which should cover it. Currently, we have $746,000 in the Capital Reserve under Water and don't really have any major projects planned, but still want to put some monies aside in case something should happen that are unanticipated expenses.

You will see that our Expenditures are way lower than our Receivables. We will have a net difference of approximately almost $700,000 on top of what we have in Capital Reserve for Water.

SEWER

The Reimbursable Management Services will be in the Bill List this evening making a change in this line item. Regarding Sewer Usage. The Manager explained to Council some issues going on with the Borough of Catasauqua and that our Public Works Director had found some errors that they had which included an $80,000 mistake and some administration changes at the Borough. As practice has it, the 4th quarter billing of a given year is paid in the beginning of the following new year and the 1st, 2nd and 3rd quarters of that new year is paid in that new year. We were never billed in 2026. We are working with the Borough to rectify this and hopefully get it squared away so nothing spills over into next year. Even with these projections of what we will need to pay, we are well within the Budget for this year as well as our future proposed Budgets for 2027.

CAPITAL RESERVE

There aren't many changes in this Budget. We reduced the Water from $100,000 to $50,000. With all the proposed projections for 2027 including the personnel changes that were discussed earlier, we still have extra money that we can beef up some monies to put into Capital. I would like to add another $1,000,000 to the Sinkhole Fund. We were at $175,000 and I'd like to change that to $1,175,000. For Future Road Construction, in July's discussions we funded $1,000,000 to this line item. We'd like to add $1,000,000 to this fund bringing this line item to $2,000,000. For Building Maintenance, when we met in July it was proposed to fund this line item $300,000. We have added an additional $300,000 to bring this line item to $600,000. In all, we are putting $2,300,000 back in and taking $50,000 out in Water. Water is a separate fund. To explain things further, once these extra monies are placed in Capital they are also put into PLIGT, where we get a higher interest rate than putting it into a bank.

GENERAL FUND

We are projected to start 2027 with a $3,000,000 beginning balance. This allowed us to put monies into the Capital Reserves to come to a balanced Budget.

As of our last Bill List on October 7 and our Revenues at that point after we paid our bills on October 7, our Revenues were at 98% and our Expenditures were at 51% for the year. We are very keen on watching what we spend and what we take in. As you know, some of these numbers are projections we pull from

different places, i.e, Berkheimer's, the airport, the Township Clerk/Tax Collector and Public Works on what we take in and what we will be spending. Since I've been here as the Manager, that beginning balance has only gone up.

Beyond the Beginning Balance of $3,400,000, go down to Deed Transfers. We projected $100,000. We had some big sales this year of commercial/industrial properties. We took in $437,000 so far this year. There will be two more by end of this year and this number will go up way more than what was projected. We received our Public Utility Property Tax and that was approximately $1,100. The Business Privilege Tax is at $2,700,000 alone. There is more coming by end of year which is a collaboration of staff when we take in a building permit they must provide us with their business license number. The Parking Lot Tax is at $195,218.94 taken in so far this year. We are expecting two more before the end of this year. With the upcoming proposed construction for the parking lot improvements and parking deck, etc. over at the airport, they will have loss of spots in terms of capacity so there should not be that much of a decline. They are projecting only a 1.7% decrease in what we receive from them, which is good news for us. We kept this projection at $200,000.

Our Park Permits remained the same even with the price increases.

We are projecting the Zoning/Building Permits to be down a small amount. We don't know of any big major projects coming in next year. There were a lot this year between all the improvements the Airport was doing, 795 Roble Road, and 1110 American Parkway, therefore, we dropped our projections somewhat.

The Sherwood Park Grant at $336,000. We included this because it is a receivable coming in. We don't project getting funds for the grant we received for this until next year.

The Water and Sewer Reimbursable is a receivable. It will change slightly with everything coming in.

The State Aid/Municipal Pension shows the dividends which is what we get back based upon the investments they have. We received more than we were projecting.

Interest on Investments (PLIGT) is showing zero so far for this year. We transfer these monies over in the beginning of December which will be December to November and we are estimating that to be $600,000 this year when we do this transfer which is done once per year.

Postage Meter we have at $15,000. Postage keeps going up.

Legal Fees is being kept at the same projection. The Township Attorney asked to keep it the same.

Telephone projections are being kept low. We haven't spent the $15,000 projected. This line item is being kept at $15,000 due to the new phone system coming in.

The Codification Services is being kept the same.

We are projecting Software Maintenance at a higher cost due to possibly replacing our software. This also includes computer/server replacements and maintenance, subscriptions for Microsoft, etc. It will be reduced once we get the new software in place.

Capital Reserve/Building Maintenance includes the new projection from $300,000 to $600,000.

It's important to know that there were a lot of changes going on this year with the Fire Company. When we requested their numbers for the Budget to be submitted they had a lot of changeover and miscommunications. In the end, we received no Budget from them. We used their numbers from last year. We bumped up Chemicals. Building Material and Maintenance, our Public Works Supervisor requested we increase that amount since the building is getting older.

Overtime Contingency went up $10,000 from $25,000 to $35,000. This is due to the potential of new employees.

We increased the Fuel/Oil by another $5,000 because of the fluctuation of gas/oil prices.

We increased the Uniform Rental due to the potential of new employees.

We increased Street Lighting due to those bills going up. We wanted to be sure we were covered. Liquid Fuels pays for Street Lighting. This line item in General Fund is to make sure if Liquid Fuels runs over we are covered for the balance.

The proposed amount for Sinkholes which includes the $1,000,000 and we increased it to $2,000,000.

Healthcare has increased 12-14% and we are in a low threshold with amount of employees we have. We are proposing two new employees and don't know which category they fall under, i.e. single, family, parent/child. Worst case scenario they would come in at the family rate and we do have young employees that could eventually fall under the family rate. We took all factors into account.

Library Contributions was kept the same. All contributions were kept the same.

Garbage Contract has been extended for another year.

Planning and Zoning has been increased to $7,000. We are proposing $35 per meeting for Planning Commission and proposing $45 per docket hear for Zoning Hearing Board.

Code Enforcement Salaries. We are proposing $22.00 per hour for the lead of the department with the other two positions at $17.00 per hour. One of the Councilmembers proposed the lead at $25.00 and the starting salary for the other two should be $19.00. The Chairman said they would be deciding as a Board on salaries after they meet in Executive Session.

The Manager proposed a 5% increase for all employees with the exception of the Public Works Supervisor which should be bumped up to $120,000. The Public Works Assistant Supervisor is being proposed at $90,000 to start. The Manager's succession plan for the Public Works Supervisor position to get position advertised and have them start at the beginning of the year so that they get as much time with the present Public Works Supervisor until his end date. A new position being added is the Water/Sewer Lead. Our projection for that is to have someone be in the lead position who the Public Works Supervisor and Public Works Crew Chief will assign a second person to go with them to get more water and sewer done. The Crew Chief will be responsible until we bring in the Assistant Supervisor who will take over the water and sewer and they will do the assignments for that and oversee it.

For Administration, the Manager proposed 5% for everyone across the Board with the exception of the Township Clerk going from $74,000 to $81,000. The Manager proposed this increase because she sees her as her Assistant Manager as far as every day work. She is the go to person when the Manager is not available and it needs to be reflected her pay. The Manager proposed $145,000 for herself reason being just trying to stay in line with her male counterparts in this position is other municipalities. Some do less because they are not doing Zoning or Planning. They have an Assistant Manager or Deputy Manager. They do not do purchasing. The Manager said she takes her role very seriously as Council can see she puts in time and effort with just the Budget alone. She is the go to person at the Township. She said she keeps the best interest of not only the residents but also the business sector. She's built a great rapport with not only the airport but also the shopping centers and the state police. We get a lot covered in our municipalities that they don't get covered in other municipalities. She is proposing what other area manager's are receiving in their salaries. She reiterated that it is a balanced Budget. No increases in taxes. Since she has been the Manager at the Township, there have been no major issues like you see at other municipalities in the neighboring communities. She's put a lot of checks and balances in place. Some of the other municipalities have gone to a four-day work week for their employees. They give longevity pay. They give up to six weeks vacation. They give a healthcare incentive, i.e. an employee may want to go on their spouse's healthcare and we give them say $600 a month which would save us $2,400 per month, but they have to show that they are on their spouse's plan. This may be something we might want to look into if it benefits us. It's a win win for us. Our healthcare goes down and the employee still has healthcare. Some municipalities are giving sick day bonuses. If an employee doesn't use their sick

days, they get x amount of dollars at the end of the year instead of lose them. Some municipalities are paying an employee who retires and has a certain amount of sick days saved up not used, they pay $50 per day of unused sick days. It's a thank you to employees for not using their sick days and being present. These things all boost moral of the employees. A happy employee shows up every day, gives 110%, you'll get more out of them with no complaints from them. The going rates for employees are much higher than what the employees here are making. When our employees leave, we won't be able to get a good employee at these rates. They'll come in asking for higher rates. That's reality.

Since there are two Council members absent this evening, the Board decided to not approve the Budget at this meeting. They will go into Executive Session after the next regularly scheduled Council Meeting on November 4 to discuss this matter with the full Board and the Chairman will have their decision for the Manager the following day. The Manager stated that she will place it on the next Agenda and she is holding firm on this proposed Budget as presented this evening.

Courtesy of the Floor: None.

Adjournment:

The meeting was adjourned at 6:27 P.M.

Respectfully submitted,

Melissa A. Wehr
Township Manager