

YORK TOWNSHIP TRUSTEES

Colene Conley
Special Meeting

Richard Monroe

William Pavlick
November 14, 2012

Chairman Colene Conley called the special meeting to order at 5:00 p.m. Present were the trustees, fiscal officer, Asst. Co. Prosecutor Bill Thorne and Ken Barrett and Guy Roach from the fire department.

Colene stated that we were here to discuss purchasing a new fire truck.

Bev Fry handed out updated forecasts for the fire department funds. They were then reviewed. The assumptions used by Bev are attached as Item A. There was much discussion about a comfort level with the existing balance to see how much of the truck would need to be financed and how much could be paid cash for. Bev had also contacted FirstMerit Bank regarding borrowing the money from them. They are competitive, but would not guarantee an interest into the future. Bev pointed out that Leasing 2 wanted to update their rate also after a certain time period. Bev re-iterated that she uses a conservative method because she has no knowledge of what the department's plans are out in the future.

Bill Thorne asked about funds to tie in to a lower interest rate and sending money while the truck was being built. Since the new forecast shows a satisfaction of funds, the township can go forward with the purchase. Banks would want a resolution committing the funds. Some truck companies give a reduction if the customer makes a partial payment after the frame is built. Ken will check on this. There would also need to be a resolution to purchase the truck from Sutphin. Bev needs to be able to certify the funds.

RESOLUTION #12-11-01 – Purchase Fire Truck from Sutphin Co.

Moved by Monroe, second by Pavlick to allow Ken Barrett to contact Sutphin Co. to send up the contract for a new Sutphin Shield Series 2 pumper. Roll: Monroe, yes; Pavlick, yes; Conley, yes.

Ken will ask if any discounts are available on signing of the contract or building and approval of the frame.

Ken asked Bill if the EMS funds, which can only be used for EMS purposes, could be used toward the EMS equipment on the new truck. That was a yes with the invoices clearly stating the EMS equipment from any other equipment.

Bev will ask FirstMerit Bank to send the basic financing documents so they can be sent to Bill Thorne for review.

Bill Thorne left at 5:55 p.m.

Ken then asked the trustees about cancelling the LST contract effective January 1st. The department has been able to cover the calls the last 6 months. It was then brought up that at the last accident, someone commented on the length of time to respond. Ken explained that during an event like that, a minute seems like forever.

If LST generates a run number, then we get charged. In 1993, there was a need for LST for 6 a.m. to 6 p.m. coverage. Now, we have enough manpower. If we don't have a contract and we need LST, it would be as mutual aid at no charge. It would help our bottom line.

Ken will contact Life Force for a current fee schedule.

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An additional \$40,000 would be needed for equipment for the new truck. The current 51-1 would be sold once the new truck is in service.

Ken will send the contract to everyone for review once he gets it.

RESOLUTION #12-11-02 – Adjourn

Moved by Monroe, second by Conley to adjourn at 6:15 p.m. Roll: Monroe, yes; Conley, yes; Pavlick, yes.

Colene Conley, Chairman

Beverly Fry, Fiscal Officer

ITEM A

Fire Dept. Forecast Assumptions

We have 10 months of actual figures and 2 months of estimated for FY12.

REVENUES:

The taxes have been totally collected for the year including the homestead and rollback from the state which recently was received. The homestead was double the estimate which gave us an additional \$19,000. I increased the future years for this line item because of that, but not that drastically. Just last year (FY11), we only received \$18,500 instead of this year's \$38,800. That was the major change on the revenue side since the last forecast.

EXPENSES:

Fire Protection

Salaries – We've paid the fire department for the 4th quarter so except for the fire inspector's wages being unknown, the salaries should be good. They were \$4,000 higher than anticipated and \$6,000 more than last year. I've adjusted the future years to reflect this higher increase.

Benefits – This has been changed to reflect the salary increase.

Purchased Services – This has been decreased due to the repairs, gas and contracted services being less than last year.

Supplies – This too has been decreased since it has been less than last year.

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Other (Dues & Fees) – This year is less than in years past, but that is the only year's figure I've adjusted.

EMS Protection

Salaries – This has been increased for this year and future years since it was higher than anticipated and \$6,000 more than last year.

Benefits – This has been changed to reflect the salary increase.

Purchased Services – This has been decreased due to the training, repairs and contracted services being less than last year. The LST billings are running just under last year which was almost half of two years ago.

Supplies – This too has been decreased since it has been less than last year.

Capital Outlay – This has been decreased by almost \$43,000 due to not being spent. Since I don't know what future plans are in future years, I've left those figures at \$55,000.

Notes

Due to the above changes, we have healthier looking ending balances. Our 3-mill, 5-year levy was renewed last November beginning with the Tax Year 2012 – Collection Year 2013. The last year of collection on it is 2017. Assuming that **none of the expenses jump out of line**, we will make it with a truck payment included in.

Financing

The truck company sent info from Leasing 2. I've also contacted FirstMerit (FMB) as asked. With FMB, we can either do a lease purchase or issue a note. They don't have the straight out loan option we had with the land available for a truck.

To issue a note, we would need the Prosecutor's Office, or other legal, as bond counsel and get a legal opinion for the bank.

The lease purchase with FMB would work much the same as with Leasing 2. FMB is competitive at a current 2.5% interest rate. They can't guarantee the rate 4 – 7 months out when we actually would borrow the money. However, on Leasing 2's paperwork, they have a paragraph about getting updated rates also.

The sheet for new ending balances has only used the 7-year option since that is the longest that FMB can go out for. I've rounded the annual payment amounts instead of using exact to allow for any change in interest rate, as well as it being easier to follow. The legal fees and additional costs on the second page don't normally come into play with a new truck. As long as we don't ask for changes so their legal has to review it, there would be no add'l fees. They have worked with 12 – 20 government entities so far this year with no changes made to the documents.