

PENN TOWNSHIP BOARD OF SUPERVISORS
100 Municipal Building Road
Duncannon, PA 17020-1100

Henry A. Holman, Jr., Chairman

Charles H. Stoner, Vice Chairman

Robert E. Shaffer, Sr., Supervisor

MINUTES OF JULY 11, 2007

Page 1 of 3

Fire Study

The Penn Township Board of Supervisors (PTS) met on Wednesday, July 11, 2007 at 7:00 p.m. in the Municipal Building to conduct a Fire Study meeting. Chairman Henry Holman, Jr., and Vice-Chairman Chuck Stoner were in attendance. Other personnel present were Helen Klinepeter (Secretary), and Susan Long (Recording Secretary). The meeting was recorded to aid in the preparation of the minutes. A list of visitors is on file in the Township office.

VISITORS

Byron Worner	Duncannon Fire Company (DFC)
Brian Waters	DFC
Monte Supko	Perdix Fire Company (PFC)
Scott Howell	PFC
Jodi Rissinger	PFC
Paul Soltis	Emergency Management Coordinator
Joe Elias	The Patriot News
Jason Gehman	

Chairman Holman called the meeting to order at 7:00 p.m. and then turned it over to the fire company representatives.

REVIEW OF FINANCIAL REPORTS

Byron Worner commented that nothing ever seems to get accomplished as a result of these meetings. He offered that a different approach is needed and suggested that only one topic at a time be put on the table for discussion, to prevent issues from being bogged down without resolution.

Mr. Worner provided a breakdown of expenses for both DFC and PFC through June 30th. He noted that the expenses related only to buildings and apparatus and reflected those items needed for the fire companies to do their job. The information was reviewed, with Paul Soltis asking how the expenses compared with those in the same time frame in previous years. Mr. Worner answered that they are pretty much in line with previous years. Jodi Rissinger responded that expenses are consistent with the rate of inflation. Mr. Soltis asked how the expenses to-date compared with the fire companies' projected expenses and was told that the expenses are approximately 50% of the 2007 budget.

FIRE TAX

Mr. Worner noted that the fire companies had previously requested a donation amounting to the equivalent of a one-mill fire tax, to be shared equally between the companies. He offered that the fire companies feel they are justified in receiving the approximately \$120,000 that they are asking for and that it is long overdue. He added that he felt the previous request for a fire tax was not approached in the correct manner as to how it should be accomplished.

Chairman Holman asked how the PTS could donate what the fire companies wanted without a large tax increase. Mr. Worner replied that the fire companies were not asking for the entire amount to be funded by a fire tax, noting that the PTS already gives the fire companies a total of \$50,000.

Mr. Worner stated that the EMS tax has been reclassified as a Local Services tax and that a minimum of 25% must be used for emergency services. He asked if more revenue would be generated with the reclassification and was told that only the name of the tax was changed, not the amount deducted.

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Page 2 of 3

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Mr. Worner stated that the fire companies were not asking for a one-mill tax at once, and suggested starting at 1/4-mill to supplement the current donations.

Chairman Holman stated that, in order to increase donations to the fire companies, taxes would need to be raised, whether it would be a real estate tax or a fire tax. He noted that the PTS had previously offered space for the fire companies to hold meetings to explain to the taxpayers why a fire tax was needed and how the proceeds would be spent, meetings that were never held. Mr. Worner countered that the PTS was to have responded to the fire companies proposal at the last meeting within sixty days, and that never happened.

Chairman Holman stated that the proceeds from the EMS tax kept the PTS from having to raise taxes. He then mentioned the amount of people in the Township who are having difficult times making ends meet because of the high school district real estate taxes and utility bills and added that a number of homes in Perdix are being sold because they can no longer afford to keep them. He reiterated that the fire companies need to go public to get the taxpayers to support an additional tax.

Ms. Rissinger stated that PFC has noticed a steady decline in donations. She informed the PTS that, of the 1327 solicitation letters sent to residents, only 167 residents sent back donations. She commented on how resident participation in fund-raisers has been declining and that PFC has been relying on transients for its projects.

Mr. Worner stated that the fire companies need to know the amount that the PTS will be giving to the fire companies. Will it be the 1% asked for, or the current allotment plus 25%, with the difference made up by a fire tax? He stated that the fire companies can't approach the public until the amount of fire tax needed is known. Chairman Holman told him that it would not be less than the amount given this year.

Mr. Supko noted that the 2nd Class Township Code mandates that townships must provide fire protection. Mr. Worner explained that the money requested is only for expenses necessary for the fire companies to do their job.

Mr. Stoner noted that the Township real estate tax is currently less than one mill and that the earned income tax is the largest revenue source for the township. He offered his opinion that the Township needs to encourage development in order to increase the amount of earned income tax received. He continued that the potential for development is there, but would not happen overnight. He stated that, if the Township had to enact a fire tax in the interim, he felt that it should be started in small increments. He stated that he felt an increase in the earned income tax is a fairer way to raise more revenue.

Mr. Soltis noted that Ms. Rissinger has had to take a part-time job to meet expenses. He asked how the Township can convince other residents in her situation that taxes need to be increased. When she answered that she could not be convinced, he responded that that was the dilemma the Township was facing – convincing the residents that taxes need to be raised. If residents can't be convinced, then what can the Township do to raise revenue? He offered that, if taxes are raised without public support, the negative publicity against the fire companies will be tremendous. Ms. Rissinger stated she knows that, no matter the size of the increase, it will be overwhelmingly detrimental to the fire companies but felt they must take the hit.

Mr. Soltis offered his opinion that a fire tax on real estate is not the way to go. He suggested increasing the earned income tax or enacting a head tax.

Mr. Worner then stated that the fire companies have made a proposal to the PTS and would like a counter-proposal. He said that if something happens to the fire companies, it is ultimately the PTS's

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Page 3 of 3

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responsibility to provide fire protection. Ms. Rissinger asked who would be legally liable if both fire companies have to close their doors.

Ms. Stoner again stated that he felt that the earned income tax had the best potential as a revenue source. Mr. Worner responded that the fire companies would like all of their revenues to come from a fire tax, so that they are not dependent on Township revenues. Chairman Holman noted that, with a fire tax, every new house constructed would provide additional revenue for the fire companies.

Mr. Worner asked if the PTS could provide recommendations for an increase in donations to the fire companies and procedures for implementation within thirty days.

Mr. Supko asked if a square-footage tax could be enacted on new construction on a one-time basis. Ms. Rissinger noted that a fee-in-lieu can be charged to developers to provide parks and recreation but that the solicitor said it could not be charged to provide fire protection. She asked "why not?" It was also noted that a "fire protection fee" could be added to the fees necessary to obtain a building permit.

Mr. Worner said that the fire companies need to know the amount of money that will be given to them in 2008, with Chairman Holman responding that the PTS can not give a definitive answer at this time. Mr. Soltis offered that the fire companies first need to find out what the public thinks their services are worth. He was asked to provide guidance to the fire companies on the best way to approach the public about the need for additional revenue. Mr. Soltis asked the fire companies to come up with suggested dates in September when he could meet with several representatives of each company, with a public meeting to possibly be held during the second week of October.

ADJOURNMENT

At 8:30 p.m. the meeting was adjourned on a Holman/Stoner motion.

Susan E. Long
Recording Secretary