

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

Henry A. Holman, Jr., Chairman

Lucinda (CeCe) Novinger, Vice-Chairman

Randy Plummer, Supervisor

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The Penn Township Board of Supervisors (PTS) met on Tuesday, July 28, 2009 in the Municipal Building. Chairman Henry Holman, Jr. and Vice-Chairman CeCe Novinger were in attendance. A list of visitors is on file in the Township office.

Chairman Holman called the meeting to order at 7:00 p.m. and announced that the meeting was scheduled to discuss 2010 fiscal year funding for the fire companies. He stated that a request had been made to divide the time for the meeting equally between the two fire companies and asked which company would like to make the first presentation.

Duncannon Fire Company (DFC)

DFC representative Kevin Bissonnette noted that, in December 2008, the Solicitor had suggested meetings between the fire companies and the PTS to discuss fire tax funding for 2010. He stated that it was already July and there was still no fire tax. He added that the fire company representatives have made proposals, but have not yet seen any proposal from the PTS, and can't understand why they have wasted seven months. He stated that DFC needs more money for 2010, that the PTS has promised a fire tax, and that he wants to know where the discussions are heading.

Mr. Bissonnette stated that DFC has provided the information previously requested by the PTS. Chairman Holman stated that he has not yet received the breakdown by types of calls. Byron Warner responded that the information had been given to the Secretary. Mr. Bissonnette stated that he reviewed that particular information with Chairman Holman at the end of the June 24th PTS meeting. The Secretary looked for the information at this time and could not find it. It was discussed that Chairman Holman had possibly taken the information home with his meeting papers on June 24th. He stated that he would look for them.

Chairman Holman stated that he is concerned with the amount of calls made by DFC to Reed Township in comparison to the amount of funding given by Reed Township to DFC. He stated that he has sent letters to Wheatfield Township, Reed Township, and Duncannon Borough (Borough) inviting them to meet to discuss fire company funding. He reported that Reed Township has declined the invitation. Chairman Holman noted that Wheatfield Township provided a donation for repair of the tower truck, and the Borough has offered a loan towards the repair.

Chairman Holman stated that he and Penn Township residents feel that Penn Township is being singled out for a large donation. Mr. Bissonnette responded that Penn Township is not being singled out, that all four municipalities have been asked to provide funding, and that the proof is in the meeting minutes of the municipalities. Chairman Holman asked if it was fair that Penn Township subsidizes calls to Reed Township. He noted that, if the number of calls made to Penn and Reed Township was compared to the donations made by each township, Reed Township's donation is significantly low. Mr. Worner responded that none of Penn Township's money goes toward DFC's apparatus, and Penn Township is not "paying a dime for what goes on over there." Mr. Worner stated that he has shown the PTS a breakdown of how it spent the PTS's donation, and none of it went for expenses in Reed Township.

Chairman Holman stated that DFC would not respond to Penn Township for a \$1,000.00 donation. Mr. Bissonnette explained that Reed Township has \$12,000.00 in assessed valuation, while Penn Township's valuation is \$140,000.00. He stated that 89 residences cannot be billed for

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\$40,000.00 of expenses, and offered that it is not Reed Township's fault it has a high percentage of emergency calls and a low valuation.

Chairman Holman stated that he felt DFC wants the PTS to bail them out of their debt. Mr. Worner stated that DFC only wants the PTS to pay its fair share. He said that, from the beginning, DFC has stated that it wants money for apparatus. Chairman Holman asked what guarantee PTS would have that DFC won't continually incur more debt. Mr. Bissonnette responded that both DFC and PFC have provided options on how to disburse the requested funds.

Chairman Holman stated that he has never heard any compromises from DFC. Mr. Worner stated that the fire companies have given the PTS options, and has never received an answer to the proposals.

Chairman Holman stated that he has heard comments that the PTS has the requested funds on-hand. He reminded the fire companies that the amount requested will be an annual amount. Even if the Township's Capital Reserve fund could pay for the first few years, eventually there would be no money remaining and the PTS would have to raise taxes, because it would be broke. He added that 200 new homes assessed at \$200,000.00 would only bring in \$30,000.00 in additional revenue with the current .75 mill real estate tax. He stated that the fire companies currently get the equivalent of .5 mill in donations at this time. This statement was questioned by the fire companies. Jodi Rissinger stated that some of the current funding is derived from the LST tax.

Mr. Bissonnette stated that the EMS is able to bill insurance companies. He noted that DFC has requested an ordinance similar to the one that allows PFC to bill insurance companies for reimbursement of expenses to respond to vehicular accidents. To date no action has been taken on the request. He informed the PTS that the DFC has tried many fund-raisers, including a boot drive, chicken BBQs, and raffles. He stated that it is doing two to three times more activities than were done in the past and the additional revenue is still not enough to get by on.

Mr. Worner then reviewed a proposal previously made by the fire companies. Starting in 2010, the fire companies are asking for a .5 mill fire tax, in addition to the current donation, divided equally between the two fire companies. In 2011, the fire tax would increase to .65 mill, in addition to the current donation. In 2012, the fire tax would increase to .8 mill, in addition to the current donation. In 2013, the fire tax would increase to .95 mill, in addition to the current donation. In 2014, the fire tax would increase to 1-mill, in addition to the current donation. In the year when the total of the fire tax and donation is greater than the equivalent of one-mill of Penn Township's assessed valuation, the excess may be deducted from the donation portion of the funding.

Mr. Bissonnette asked the PTS to provide an amount that DFC will have to work with, so it can come back with a response on how it will be spent. He stated that, by levying a fire tax, the fire companies will be able to budget for equipment and will not need to keep coming back begging for money. He stated that the fire companies are looking into the future.

Supervisor Novinger stated that she is working on a proposed formula for calculating donations, but needs more information before she can present it. Mr. Bissonnette stated that he would be willing to provide any additional information that she needs.

Tom Patterson asked Chairman Holman if he was in favor of a fire tax. Chairman Holman reported that he was, but it needed to be a 'true' fire tax and not an increase of the real estate tax. He stated that the PTS would need a written contract addressing the issue of deducting any excess revenue from the Township's donation.

Perdix Fire Company (PFC)

PFC representative Monte Supko stated that these discussions have been going on since 2003, and that he is worn out from sitting in meetings asking for more funding. He stated that he is a Penn Township resident and does not feel he should not have to wear two hats by paying a fire tax and volunteering his time. Mr. Supko stated that PFC cut its 2009 budget by \$38,000.00 in an effort to survive. He stated that revenue through June is \$67,201.68 and expenses have been \$33,645.69, not

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including loan and insurance expenses of \$40,800.00. He said that the profit from fund-raising was \$4,910.00.

Mr. Supko stated that PFC has "bitten the bullet" to show that it can manage its funding and that it can be held accountable. He stated that PFC makes an extra effort to pursue grants for the benefit of the Township, and that the majority of the funding from one grant was used for the purchase of personal protective equipment.

Mr. Supko noted that his fire tax proposal, like Supervisor Novinger's, stopped at 2013, with a .95 mill fire tax. He added that, by his calculations and based on the amount that can be realistically collected, a .5 mill fire tax would yield \$60,000.00 in revenue. He estimated that the Township donation can be reduced by \$10,000.00 in 2012 and by \$34,000.00 in 2013. He noted that his earlier understanding that the PTS received \$110,000.00 from the LST has been corrected.

Mr. Supko reported that PFC has outstanding insurance billing in excess of \$20,000.00. He explained that, when the auto insurance has paid out its money to policyholders, there is none left for fire companies. He added that house policies may include \$600.00 for fire company reimbursement, but it is up to the policyholder to forward that money to the fire companies after they receive the proceeds for their fire loss. Most policyholders do not forward that money.

Mr. Supko stated that, while he agrees that accountability is needed, he cannot provide an accounting of how PFC will spend the Township's donation until he knows how much PFC will receive. He stated that PFC understands that someone must be responsible for the funds and that, if the PTS wants to hold all the funding, that is satisfactory, but the Township treasurer would be very busy. He noted that the PFC would set up a separate bank account for the fire tax proceeds and that there had been previous discussions on setting up committees to decide how the funds would be spent. Other discussions had been held concerning fire companies borrowing against the funds at a 2% interest rate.

Mr. Supko noted that there is a proposed House bill that would allow townships to exempt certain residents from paying a fire tax. He offered his idea that, if a resident donated \$300, the resident could be exempted from the tax. He stated that he has talked to several residents who are willing to pay a fire tax because they realize the importance of having a fire company.

Mr. Supko stated that PFC is concerned that \$27,000.00 is not sufficient to get the fire company through the year, and is also concerned about funding for 2010 and beyond. He offered that, when Penn Township raised its real estate .25 mill several years ago, he never heard a complaint. He added that he did not feel the fire companies received all of the funding that was supposed to have been earmarked for them at that time – a \$5,000.00 shortfall.

Upon questioning by Chairman Holman concerning missing state grants, Mr. Supko responded that there was one year when the PFC missed the deadline, one year when the state forgot to fund the grant, and a period when two years were combined. Mr. Supko noted that there should be grants each year in the future.

Chairman Holman offered that he felt some funds should be held back in reserve each year for equipment replacement. Mr. Supko noted that PFC had a reserve in 2008 of \$180,000.00. When the bingo proceeds started to decrease, PFC had to redeem several of the CDs for expenses. PFC currently has 3 CDs in the bank. Mr. Supko offered that he would be in favor of a reserve, if the amount given to the companies was sufficient to pay the expenses. He asked how much would be held in reserve? Chairman Holman responded that the amount would need to be discussed.

Jodi Rissinger offered a caution that the current supervisors could set up the reserve but future supervisors could choose to take it away. Mr. Worner stated that fire tax money cannot be taken away. Ms. Rissinger responded that the annual donation could be taken away. There was consensus that an agreement would be signed to cover the collection and dispersal of any funds held in reserve.

Mr. Supko stated that the Mac fire truck should be paid off by September 9th, freeing up \$31,500. By 2013, PFC should have plenty of funds in its account since it would not be needed for loans. He

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stated that PFC would be open to discussing a reserve fund. Mr. Worner stated that DFC had been thinking of creating its own reserve account.

Chairman Holman reported that he has heard from residents that, if Penn Township gives \$60,000.00 to both DFC and PFC, and Wheatfield Township gives \$20,000.00 to DFC, then there is a shortfall of \$20,000.00 to PFC. Mr. Worner responded that PFC doesn't protect Wheatfield Township. Mr. Supko stated that he hears the same type of statements. He reminds the residents that there is an agreement with the PTS to give annual donations on a 50%-50% basis, and an ordinance recognizing PFC as the volunteer fire company in Penn Township. Chairman Holman stated that he hears mixed comments from residents about both DFC and PFC. He reiterated that a lot of residents see it as being unfair, that PFC has a \$20,000.00 shortfall.

Mr. Supko stated that PFC is asking for a long-term funding plan that will give the residents security that equipment and resources are available to protect their property.

Mr. Worner stated that DFC protects over 60% of Penn Township, but settled for 50% of the funding, as per the agreement. He offered that more of the assessed valuation is on the north side of the mountain. Mr. Supko disagreed, stating that Susquenita has a very high assessed valuation. Mr. Worner replied that it is not taxable. Mr. Supko offered that if the fire tax was renamed a "fire service fee", than the district could be taxed.

Mr. Worner stated that, even though DFC protects more than 50%, when there is a fire in the Township, both fire companies respond, and both have agreed to split the funding equally.

The date for the next meeting will be scheduled at the July 29, 2009 PTS meeting.

ADJOURNMENT

Upon a Holman/Novinger motion, the PTS voted unanimously to adjourn at 8:30 p.m.

Susan E. Long
Recording Secretary