

THE SMITHFIELD TOWNSHIP BOARD OF SUPERVISORS
BUDGET WORK SESSION
OCTOBER 26, 2022

A Budget Work Session of the Smithfield Township Board of Supervisors was held on October 27, 2022, at the Smithfield Township Municipal Center, at 1155 Red Fox Rd, East Stroudsburg, PA 18301, and via Zoom.

Present are Supervisors Jacob Pride, Robert Lovenheim, Brian Barrett (via Zoom), Budget & Finance Manager Lucas DeBartolo, Treasurer Frank Cefali, and Township Manager Julia Heilakka. Also present is Auditor Vicky Ozgun.

1. Chair Jacob Pride calls the meeting to order at 10:02AM. A quorum is present. The Pledge of Allegiance is recited.

2. New Business

- a. Budget Discussion. Lucas DeBartolo discusses estimated fund balances, capital improvements, paving estimates for 2023, millage rates for other townships in Monroe County, a possible amusement tax (recommend for), a possible flat business privilege tax (recommend against), how to raise additional revenue for the township, and proposes an increase in taxes to 1.00 mills. This increase will cost taxpayers approximately \$50/year for real estate valued at \$250,000. Robert Lovenheim discusses considering budgeting requirements over the next five years.

Lucas DeBartolo discusses creating a capital improvements/grants fund, general increases in line item and the removal of a proposed seventh person for the road crew. Robert Lovenheim discusses eliminating smaller permitting fees, like yard sales, temporary signs, and special events. The Board discusses permit fees, supervisors' working hours, and combining cleanup day efforts with Middle Smithfield to reduce costs.

Lucas DeBartolo discusses paving, traffic signals, pass-through expenses, insurance costs, major equipment, and creating a capital improvements/grants fund. The Board discusses the Green Light GO grant.

Frank Cefali, Lucas DeBartolo, and the Board discuss the pros and cons of paying off the bond now. Paying off the bond will save the township approximately \$130,000. The Board has set aside funds to pay for the bond (which costs the township about \$237,000 a year), but they are not restricted. Those funds could be used to pay for other expenses now, but those funds will need to be replenished in the future by additional revenue. The Board considers additional revenues from new development.

- b. Highway Fund. The Liquid Fuels tax allocation increased slightly but will be entirely consumed by paving in 2023.

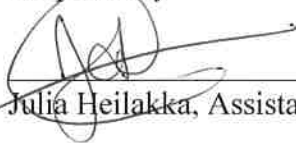
- c. Professional Escrow Fees. This fund demonstrates the expenses and reimbursements incurred through escrow agreements.
- d. Capital Improvements Fund. Capital improvements will shift to this fund and be funded by the township's fund balance.
- e. Budget Discussion. Robert Lovenheim disagrees with an amusement tax. Lucas DeBartolo states amusement taxes are the only way to outsource taxes to individuals who don't live here. Brian Barrett discusses golfing and a potential pool at Terra Greens. Lucas DeBartolo clarifies that using the funds designated to pay for the bond for other expenses means the township must replace those funds to pay the bond in the future.

The Board discusses the ARPA funds and the importance of keeping the public informed, and how best to accomplish that. The Board discusses publishing a letter with the budget. Frank Cefali suggests a 6-month operating expenses buffer. Lucas DeBartolo states in an emergency, money in the capital improvements fund could be used. Lucas DeBartolo reminds everyone that funds for capital improvements comes from the township's fund balances, which is not sustainable. Jacob Pride leaves at 11:44AM and returns at 11:47AM. The Board discusses additional paving needs. Lucas DeBartolo summarizes the changes the Board wants to make to the budget and cautions that with those changes, the millage would need to increase to 1.27 mills. The Board will discuss the updated draft budget at the next budget meeting on Wednesday, November 9th at 10AM.

- 3. Public Comment – none.
- 4. Robert Lovenheim motions to adjourn, Brian Barrett seconds: meeting adjourned at 11:54AM.

Minutes recorded by Julia Heilakka

Respectfully submitted:



Julia Heilakka, Assistant Secretary