

**SELINGSGROVE BOROUGH COUNCIL RECESSED MEETING**

**WEDNESDAY, DECEMBER 30, 2008 - 4:00 P.M.**

**COUNCIL MEMBERS PRESENT:** Pres. C. Handlan, C/P M. Inch, C/P D. Anderson, C/P D. Mengel, V. Pres. J. Herb, C/P E. Viker

**COUNCIL MEMBERS ABSENT:** C/P S. Hendricks

**OTHERS PRESENT:** Solicitor R. Cravitz; Mgr. J. Bickhart; Mayor P. Carroll; Borough Treasurer Sheri Badman; Other Interested Parties Joe and Margaret Siro; Daily Item Reporter Tricia Purcell

**OTHERS ABSENT:** None

**CALL MEETING TO ORDER:**

Pres. Handlan called the recessed meeting of Monday, December 1, 2008 and of Wednesday, December 3, 2008 to order at 4:00 P.M. Mgr. Bickhart then called the roll, noting for the record others also present. (For the record, the meeting was also formally advertised as the meeting date and time for the adoption of Ordinance # 774 and for the adoption of the 2009 Budget)

**UNFINISHED BUSINESS FROM PRIOR MEETINGS:**

**Review General Fund estimates of current cash-on-hand, expenses and end-of-year balance –**

Treas. Badman provided an update on the anticipated end-of-year balance in the General Fund, showing the current cash-on-hand of \$189,878.47 and a list of anticipated expenditures totaling \$167,792.71. The list of expenditures included bills anticipated to be paid before the end of the year of \$13,311.74; \$23,000 included in the 2008 Budget as an amount to be transferred to the Capital Reserve Equipment Fund; \$18,570.97 in unbudgeted expenditures in 2009 from receipts received in 2008 from Women in Transition; \$83,410.00 and \$17,500.00 in unbudgeted expenditures in 2009 for the 2008 Street and Alley Improvement Project; and \$12,000 in unbudgeted expenditures in 2009 for the replacement of the Route 522 traffic signal control box and controls. The resulting revised estimate of unallocated funds from 2008 to be carried forward into 2009 was \$22,085.76.

Mgr. Bickhart reported that one of the reasons this review is done so late in the year is to know what kind of funds will be carried over to the next year, what kind of monies have been received, and what kind of expenses there are. An estimate is done when the budget is prepared, and in the budget it was anticipated that \$6,171 would be carried over from 2008 to 2009. There will be 2008 expenditures that will be received in 2009 for which no budget expenditure item was created. Enough of the 2008 budget needs to be carried over to cover those items, and these are earmarked. Some of these are noted in the estimate for the street program less the liquid fuels money that is known. All these figures resulted in the \$22,085.76 noted above to carry over into 2009.

**Specify amount of General Fund transfer to Capital Reserve Equipment Fund for 2008**

Motion by C/P Inch to transfer \$30,000, an increase of \$7,000 over the 2008 Budget amount of \$23,000, into the Capital Reserve Equipment Fund for 2008. Seconded by C/P Mengel.

**AYES: SIX (6)**

**NAYS: NONE**

**MOTION CARRIED**

**Adopt Ordinance # 774, pertaining to a proposed tax levy of 14.000 mills for the year 2009, pursuant to the public notice given of this intent –** Pres. Handlan asked if there were any comments received on the budget. Mgr. Bickhart and Treasurer Badman replied that there were none.

Motion by C/P Inch to adopt Ordinance # 774. Seconded by C/P Anderson.

C/P Viker asked if this is the year for such a significant tax increase. He knows that the budget has been arrived at by a very complicated formula and that it is coincidental that the amount of tax money raised by the increase next year is very similar to the amount of cash contributions proposed to be given to a pair of tax exempt 501(c)3 nonprofit corporations that provide services of interest to the residents. However, he noted that this is a coincidence that troubles him in today's economic climate. He is not comfortable with raising taxes to an amount that subsidizes two organizations that could go out and find their own money in today's complicated economic climate without using taxpayer dollars. C/P Anderson stated that she does not see the tax increase as excessive, and Pres. Handlan noted that she also did not see it as being a significant amount. However, she stated that she wholeheartedly understands C/P Viker's position on the issue. C/P Viker stated that many elected officials around the region have managed to put forth to their constituents a budget without a tax increase at all, or a tax increase of some modesty that might cover the necessary increases of the costs of doing business as a Borough, and he wonders why Selinsgrove could not do that too. Pres. Handlan asked if anyone saw what Millersburg Borough did this week in order not to have an increase. She stated that they decided to lay off their police chief and eliminate the position. C/P Anderson stated that is awful; it is like biting off your nose to spite your face. C/P Viker stated that Selinsgrove would not have to lay off anyone and could still get away with no increase. Pres. Handlan noted that this budget will give the employees a much-deserved increase, and the Borough will continue pay 100% of their benefits. C/P Viker stated that part of the cost of doing business as a Borough includes being a responsible employer. However, he noted that it troubles him that the tax increase happens to coincide with the amount of cash contributions to entities that, as much as they are beloved and needed in the community, are nonprofit entities – notably the pool and the library – and he is confident that without the Borough's support they would not have to close their doors. They would just have to tighten their belts like everyone else does. He stated he realizes he is in the minority. However, he was not elected to be popular; he was elected to say, "Can we do this with fewer taxes and smaller governance?" C/P Herb stated that both organizations, the library and the pool, provide very valuable services to the community and he feels that part of the question of whether or not to raise the taxes at this time centers around the questions of whether or not the library and the pool are important enough in the community to consider that all people in the community, rather than just those who will dip into their pocket on a voluntary basis, support them and also whether or not this is a significant or a modest tax increase. He feels that it is a modest and responsible tax increase, and therefore he does not have trouble supporting the proposition. C/P Inch stated that regarding the pool, this is being done with the understanding that this year the Borough is contributing more money than usual because of the construction. The amount will probably be smaller next year. C/P Viker stated that it troubles him that the amount that the Borough used to give to the pool had one less digit in it in the not-too-distant past, and it is very disconcerting to see such a significant rise. He stated that the pool is wonderful, but if the community cannot afford to run it that is an issue. C/P Viker stated that he believes that the Borough could have gone into 2009 without a tax increase, and he is respectfully resistant to going into 2009 with a tax increase, however it was negotiated. C/P Mengel stated that she also opposes the tax increase for reasons that she stated at the last meeting, which have nothing to do with what C/P Viker is talking about, but rather with the police budget. She stated that Point Township just approved their budget with no increase for the second year in a row. Pres. Handlan stated there are a few that did that, and she reminded Council that there were many years when Selinsgrove also did not increase the budget. C/P Mengel stated there were not too many. Pres. Handlan stated that each community needs to look at their budgets separately and look at what they are doing. She stated that both the pool and library are organizations that are very critical to the youth today. The youth have to have some place to go, and she stated that she does not feel that this is a significant increase that the community cannot handle at this time. C/P Viker stated that he loves the pool and he loves the library. He is glad they are both here, but he is confident that no one will close their doors if the budget had been reworked to be not quite so generous with the taxpayers' money. C/P Anderson stated that she looks at this another way. She looks at it as the Borough's part being fairly modest and the fact that the Borough makes that modest support makes larger support possible. The pool has received significant money from the Degenstein Foundation and the development grant, and the Borough's contribution pales by comparison to them. The Borough's part of this is to make the larger part possible, because if the Borough did not support this in the way that they do then these other granting agencies would not participate. C/P Inch stated that his decision to go ahead in support of the pool was influenced by the fact that they have raised a lot of private money. So

often organizations come to Council asking for money and if they do not get it they are done, but with the pool a lot of work has been done in raising other private funds. C/P Viker stated that he does recognize the significant contribution. He stated he does not want to be characterized as being anything but supportive of both the library and the pool being in Selinsgrove, but as long as he is on Council he is going to be the person who will ask whether it could have been done without raising taxes quite as much. Pres. Handlan stated that she appreciates C/P Viker's comments, and she encourages everyone to speak their mind and share their thoughts. This could provoke other thought and open new perspectives for other people. No one should ever feel suppressed, and she encourages discussion and expression. Margaret Siro asked if there are any other groups included and C/P Viker noted that the airport gets a \$2,100 contribution. Funds are provided to Dauntless Hook & Ladder Company, but the Borough is statutorily obligated to provide fire and ambulance services to the constituency. The Borough is glad that DH&L is here because it would be more expensive for the Borough to run this themselves rather than the way they are run with the Borough's partial contribution to their total cost.

**AYES: FOUR (4)      NAYS: TWO (2) – C/Ps MENGEL and VIKER      MOTION CARRIED**

**Adopt the 2009 Budget, as advertised**

Motion by C/P Inch to adopt the 2009 Budget, as advertised. Seconded by C/P Anderson

**AYES: FOUR (4)      NAYS: TWO (2) – C/Ps MENGEL and VIKER      MOTION CARRIED**

C/P Viker noted that he has the same concerns about this as previously stated. Mgr. Bickhart noted as a point of information that Council adopts the ordinance for the revenue before the budget is adopted to spend it. He stated they are kind of in reverse order because Council needs to appropriate first and do the expenditures second.

**Authorize the borrowing of funds from the Water Fund as may be needed to provide adequate monies for the January 2, 2009 payroll. Additional authorization to borrow funds to pay expenses in 2009, until adequate revenues are received, may be requested at the January 5, 2009 meeting.**

Motion by C/P Inch to borrow the funds from the Water Fund. Seconded by C/P Anderson.

**AYES: SIX (6)      NAYS: NONE      MOTION CARRIED**

Mgr. Bickhart explained that, in light of the revised estimate of funds being carried forward into 2009, this authorization is probably unnecessary. This is a routine measure taken each year. He also stated that at the January 5 meeting it may be necessary to borrow money, noting that expenditures in January and February are difficult because revenues do not match. Unless there is money carried over, there is no money and the Borough is required to have a zero dollar budget. If the Borough held to that exactly they would start on January 1 with no money in the bank, and that would make it difficult to keep things moving.

**Review December 24, 2008 Memo from Treas. Badman and Mgr. Bickhart pertaining to the Compensation for Borough Tax Collector for 2010, 2011, 2012, and 2013, before the deadline for doing so of February 15, 2009:**

Mgr. Bickhart stated he is not looking for any action on this today; he just wanted to share the information with Council. He will put this on the agenda for the January 5 meeting.

**Review December 24, 2008 Memo from Treas. Badman and Mgr. Bickhart pertaining to the Authorization for Borough to begin repairs of damages to traffic signal controls and control box for red-light located at US Route 522 and Broad Street:**

Pres. Handlan asked whether this was covered by someone's insurance since it was hit by a truck. Solicitor Cravitz and C/P Anderson replied that the insurance company does not want to pay.

Mgr. Bickhart stated that up to this point the Borough has received no assurance that the insurance company is willing to cover the expense, and the Borough may need to sue the person in order to compel them to pay. Solicitor Cravitz stated that the last time this happened the Borough went after the driver, and as soon as they filed suit then the insurance company agreed to settle. Pres. Handlan asked if there are plans to do this and Mgr. Bickhart replied there are if Council wishes there to be. Pres. Handlan stated that Council would like to see the repairs completed, and then a suit can be filed to avoid any future issues. Mgr. Bickhart noted there are two parts to this. First, it is an unanticipated expenditure of about \$12,000 so Council would be authorizing the expenditure of \$12,000 that the Borough does not currently have. Secondly, Council would be authorizing Solicitor Cravitz to proceed with the legal procedure to actually recover the \$12,000 from the person who caused the damage. Both of those things would require Council action. He stated it does not have to be done now. He received a phone call the other day which led him to believe the insurance company may be working their way toward accepting the Borough's estimate and paying it, so perhaps by January 5 it will be better known where this stands. C/P Viker asked how much of the carryover of \$22,085.76 has been committed to the capital reserves, and does that mean the Borough does have the money if it is needed. Mgr. Bickhart replied it was \$7,000 and that it is available if needed. C/P Viker stated that rather than risk this piece of equipment going on the fritz and causing a traffic snarl that could endanger the constituents, it might be better to go forward with the repairs and then chase the insurance money as the second part of this issue. Perhaps some calls or letters from Solicitor Cravitz might move things along. Sheri stated that it takes four weeks to order a controller. C/P Anderson asked if C/P Viker is suggesting not waiting until the January meeting and C/P Viker replied in the affirmative. Pres. Handlan stated that she agrees that it needs to be fixed. Mgr. Bickhart stated that this is listed on Sheri's update as an anticipated expenditure in 2009 that was not budgeted, and no insurance was anticipated to cover the expenditure. C/P Herb asked if the Borough, in a lawsuit to cover the costs of the repairs, can also ask for legal expenses. Solicitor Cravitz replied that this cannot be done. C/P Herb asked about the nature of the accident report and why the insurance company would try to get out of paying for this. Solicitor Cravitz stated the insurance company is not fighting the liability issue; they are fighting the damages. They are stating the damages are less severe than what is being requested. Mayor Carroll stated that this is the second time in two years that something like this has happened, and he asked if there is any way to ask PennDOT to reevaluate the location of the box so the Borough will not be in the position again of having to pay the Solicitor for his work and not be able to recoup those funds. He stated that PennDOT would not allow the Borough to install posts, but he wonders if PennDOT could consider placing the box in another location to avoid it being hit again. Mgr. Bickhart stated that there probably is a safer location for the box, but he is not sure who would have to bear the expense to move the box from where it is now to that safer location. He stated he could look into this because there is some time before the equipment shows up to evaluate how and where it is positioned. C/P Mengel asked why steel piers could not be put around it. Mgr. Bickhart replied that is not allowed because it is in a traffic area and everything needs to be breakaway. He stated that everything in a PennDOT right-of-way is designed and proven to have a safe breakaway point so that if it is hit it does not cause any unnecessary damage. Even the 8 x 8 wooden posts have holes drilled through them at the base so that they are weak and will snap. He stated poles are sitting on bolts that are designed to fracture.

Motion by C/P Viker to authorize the Borough to begin repairs immediately. Seconded by C/P Mengel.

**AYES: SIX (6)**

**NAYS: NONE**

**MOTION CARRIED**

**Review December 24, 2008 Memo from Treas. Badman and Mgr. Bickhart pertaining to the Authorization for Solicitor to proceed with legal action necessary to recover damages:**

Mgr. Bickhart suggested delaying any action on this to the January 5 Council meeting because the insurance company may come through with an acceptable offer. Mgr. Bickhart stated that TRA Electric recommends replacing all of the equipment. The insurance company is not arguing over liability but rather over the costs of the repairs. Since all the electronic devices were jarred loose from the box, the Borough would want to replace them rather than take a chance on something happening later. The Borough gets one shot at the insurance company because they will not indemnify it for a period of time. It

is the Borough's plan to replace all the equipment and that is why the cost is what it is. TRA Electric has provided a letter in support of the Borough's position in case they need to go forward with a lawsuit.

#### **OTHER BUSINESS:**

**Position Descriptions** – C/P Anderson stated that Council will find in their packet for January the position descriptions that have been worked on for the Borough Manager/Secretary, Borough Treasurer/Assistant Manager, and Director of Public Works. Attached to each is the evaluation form that is being proposed. To work this through for the first time, C/P Anderson is asking that before January 5 each Council member complete the evaluation form for the Borough Manager/Secretary and give it to her or to Pres. Handlan. The two of them will compile the results and then have a meeting with Mgr. Bickhart to do the evaluation. It will be Mgr. Bickhart's responsibility to do the evaluations for Sheri and Corby. C/P Herb asked if this is a trial run for this and C/P Anderson stated that it is. This will give people an opportunity to try it out and express any concerns before it is finalized. Pres. Handlan stated this is a big step for the Borough. It is a first and it is necessary because the Borough owes it to the employees to provide them with feedback. Pres. Handlan noted that the Borough is blessed to have the talent and the longevity that they have. She stated that Council also owes it to the community to make sure that what the employees are doing is known. C/P Viker stated that the employees have the right to assume that no news is good news if Council does not give them constructive criticism.

**Tax Collector Compensation** – C/P Viker stated that he is in support of Council discussing tax collector compensation at the January meeting. He stated that as a Councilperson it startled him to discover how many taxpayer dollars are spent compensating the process of collecting taxes, and if there is any way to reduce that burden to the taxpayers of the Borough he would support that. Mgr. Bickhart stated that there are two meetings before this issue needs to be finalized, but Solicitor Cravitz replied that there needs to be an ordinance for this. Mgr. Bickhart stated that in that case Council will need to take decisive action at the January meeting and adopt the ordinance at the February meeting. C/P Herb stated that it seems to him that Council is being asked to consider this without having enough time to really undertake a considered evaluation. He is not aware that this has been before a committee, but within a couple of days Council is being asked to propose an ordinance to be acted on in February to change the compensation of someone who is elected to office when the parameters of that job and the compensation for that job were laid out. C/P Herb stated that if Council decides at this point to make a change in this coming year, they are doing so in an ex post facto way. C/P Anderson stated that the change would not take effect until a new person is elected. Solicitor Cravitz stated that the reason it is being one now is that it must be done before February 15 of the year prior to the general municipal election so that if someone is considering a run in 2010 they will know what the compensation will be. He stated this will not affect the tax collector next year at all. C/P Viker stated that the person can choose not to run if they do not like the compensation amount. Solicitor Cravitz stated that if Council misses the deadline, then they are stuck for the next four years. C/P Herb stated that he understands now, but he is still not happy with the fact that Council has about seven days to consider this and come to a decision in one meeting. C/P Inch asked if Mike Bolig will be coming to the meeting and Mgr. Bickhart replied that he will. C/P Viker asked if there is time for a Finance Committee meeting to specifically discuss this between now and January 5. He stated that anything that can be done to reduce the taxpayers' burden of the cost of collecting taxes seems to him to be the thing to do. C/P Anderson stated that it would be helpful to know if the school board and the county are considering any increase. As she reads this, the Borough is bearing an unfair burden as a municipality when compared with the compensation provided by the larger entities of the county and the school district. Solicitor Cravitz stated that the county is meeting with all tax collectors the second week in January and C/P Inch noted that Council will not have the information in time. C/P Viker stated that what the county is doing does not affect Selinsgrove. Council wants to find a way to collect the taxes from the citizens for the common good regardless of what is happening outside the Borough. He stated Council can make a reasoned, responsible decision for their citizenry without having to consider what is going on in the county or school district. He stated he would not be concerned about the tax collector because that person can choose to do the job or not based on the compensation made available in taxpayer funds. C/P Anderson asked if Council can find out what other boroughs are paying. Solicitor Cravitz reported that at a meeting today Lee told him that Selinsgrove is pretty much the only borough around that pays a percentage. C/P Mengel stated that she remembers that Selinsgrove went to

a percentage because the other boroughs were doing it. Sheri stated that she has all the data and the other boroughs use a percentage. Solicitor Cravitz noted that Lee was wrong. Pres. Handlan asked Sheri to compile that information and provide a copy to Council. C/P Anderson stated that if you just look at the school district and the county, then it seems unfair. However, in looking at it in the context of other municipalities within Snyder County then maybe it is not unfair. Mgr. Bickhart stated that in order to evaluate the compensation, the revenue amount must be known because it is a percentage of revenue. In Monroe Township they have not raised taxes in a long time. Penn Township has no real estate tax so the local elected tax collector gets paid only from the school district and the county and receives no compensation from the township. He did not give Council the information because it is not enough to just know percentages. C/P Mengel asked if Sheri had the dollar amounts. Mgr. Bickhart stated that in looking at this, he understands what the decision was in 2001. There was a committee, which included C/P Inch, that spent some time talking about it and converted from a per-bill basis to a percentage basis, as most of the boroughs and townships did. Mgr. Bickhart is not sure why because in Selinsgrove's case, over the last eight years with a 70% increase in the real estate taxes the tax collector received a 70% increase in his compensation because he gets a fixed percentage of the borough's real estate taxes. That is what has caused this to get so far out of line. There is nothing about the process of collecting taxes that has anything to do with the amount of money that is collected. There are a certain number of bills that are sent out, pieces of paper that the tax collector has to collect and mark paid and deposit the check in an account. The whole process is much more related to the number of bills than to a percentage of the revenues. C/P Mengel stated that there had been some question on whether the tax collector does extra work, such as taking calls from realtors and lawyers who want to know if the taxes were paid and then they need proof of that so the tax collector has to write letters. Solicitor Cravitz, Mgr. Bickhart and C/P Anderson stated that the tax collector gets paid for those, and C/P Mengel stated that she thinks that was part of the changes in 2001. Mgr. Bickhart first thought that that was later on, but then agreed that this was all done at the same time, noting that there was an ordinance to compensate the tax collector for those extra services. C/P Inch stated that he was one of the six who voted for this and at the time they felt that the tax collector was inadequately compensated. C/P Viker stated that it seems strange that if bills come through for a mansion and for a very tiny home, the same amount of work is done on each bill but the tax collector gets more for the property with the higher assessed value. Pres. Handlan stated that she was not aware that Mifflinburg Borough has no taxes, and Mgr. Bickhart stated that Mifflinburg runs their borough off of the electric utility. They have their own electric company and buy bulk power. Sheri reported tax collector compensations as follows: Middleburg Borough is 5%, Shamokin Dam Borough is 3%, Northumberland Borough is 4%, Lewisburg Borough is 2%, Mifflinburg Borough is none, Danville Borough is 3½% but they are going to think about doing it in-house. Pres. Handlan remarked that Selinsgrove is pretty much average. Mgr. Bickhart stated that Council has to know what they are multiplying that percentage by. Some places have been reassessed. Sheri stated that she asked Shamokin Dam if they reviewed what the county and the school district were paying and they did not. They had no idea what the county and school district paid. C/P Inch stated that he thought in 2001 that the tax collector was going to go to the county and the school board and ask for a raise from them also. C/P Mengel stated that apparently it was rejected. C/P Viker cautioned Council about thinking in terms of the individual currently doing this because that person is elected or reelected every four years, so it is not personal. The compensation should never be personal but should be about what is best for the citizens of Selinsgrove. C/P Herb stated that he feels what needs to be evaluated is the job that is being done and the fair compensation for that job. He stated it is subjective, but this cannot be done in a vacuum that does not take into account the requirements of the job, the training, the experience, the judgment, the availability and service to the community. He stated it may not be popular to look at the tax collector job as providing a service, but people know that the type of service received can make a difference. These are all factors that have to be taken into consideration, and they are one of the reasons that he is very bothered by the fact that Council is all of a sudden discussing something that will take effect and perhaps govern the type of candidate the Borough hopes to attract to do the job for the next four years, and Council only has a couple of days to do it. C/P Viker asked if this can go to the Finance Committee, stating that they might get a chance to talk to the incumbent. C/P Inch stated that the Finance Committee will meet earlier in the day of January 5 but he thinks there needs to be discussion before Council. He agreed that it is an important decision that needs to be made in a short time. He stated that he hopes the current tax collector will come to the Council meeting. Mgr. Bickhart replied that he called Mike Bolig and advised him that Council was going to take his compensation under consideration. C/P Viker asked if

anyone else in the area does per-bill compensation any more. Sheri stated that she only checked boroughs, but she did not check all the townships. C/P Mengel noted that Sheri mentioned that Danville is looking to go in-house. C/P Viker asked if they can do that; he thought it had to be an elected official. Solicitor Cravitz stated that it has to be an elected official. The only way they can go in-house is if there is nobody running and there is a complete vacancy. Pres. Handlan asked if Mike Bolig is in his second term and Mgr. Bickhart replied that he is in his third term now. C/P Viker asked if there are a required number of hours that the tax collector must be available to the public for office hours. Solicitor Cravitz stated this only occurs at the end of the tax period. Mgr. Bickhart stated the Pennsylvania Borough Code requires that the tax collector have hours and an office opportunity for the general public for three days out of each of the last two weeks in the discount period. Since Mike Bolig collects both the school district's and the tax bills that are the Borough and county together, there would be two discount periods, one applying to the school district's taxes and a different one that applies to the Borough/county taxes. C/P Viker stated that it could be argued that a lot of what C/P Herb mentioned about qualifications and training and experience is left up to the voters. Mgr. Bickhart stated that he has a document that is published by the Department of Community and Economic Development, which is also available online. It is a tax collector's manual that talks about all these issues, including duties, training, and compensation. He stated he can make copies for Council of the current version. He stated that he has read through it and he feels it does not add anything to the discussion. There are no hidden duties or special duties. C/P Viker asked if just over \$14,000 is too high for what this person is expected to do. He stated that is what Council is being asked to reconsider, and if the answer is yes then what Council is to do about it is the second part of this conversation. He stated he does not know that \$14,000 is too high. C/P Herb stated that that is his point and C/P Viker stated that if there is any way to do it less expensively for the citizens of Selinsgrove then he is onboard. If there is a way to do the same amount of work for less, he favors that. Pres. Handlan stated that she is glad Council is looking at this, whether it stays the same or not. However, this needs to be looked at further. She stated she is surprised that no one talked about Council members being compensated, and Mayor Carroll stated no one talked about the salary of the mayor either. Pres. Handlan stated she will feel better hearing directly from Mike Bolig on January 5. In addition to the time he spends at the Borough Office for his designated hours, which are noted on the tax bills, she wants to know how much more time he puts in to hear cases and help. C/P Viker asked if there is a way for Council to get an objective assessment of what it takes. He stated he knows what the tax collector is likely to come and say, but he is wondering if there is some way to get an estimate of hours that are worked per capita. C/P Inch asked Sheri if Mike keeps a record of the hours he spends, and Sheri replied that he does. She stated that he cut back his hours. He used to be in the office every Tuesday night and the residents were upset that he did not do that this past year. Mayor Carroll pointed out that Mike was not obligated to do that; he just did it on his own. C/P Mengel asked if the extra duties that he does for realtors and such is the only way they can get the information. She asked if they can go to the courthouse for the information. Sheri stated that Mike is responsible for certifying taxes paid for the current year. Mgr. Bickhart stated that when the bills are due and payable they are in Mike's hands and his hands only, and only he can certify as to whether they are paid. At the end of the year, after he turns over his records, then they go to a delinquent tax collector so there are different records then. During the course of the year the tax collector is the only person who can certify them. C/P Viker stated that it surprises him that nobody goes with a per-bill payment, which seems fairer. Solicitor Cravitz stated that the county and school district do, and C/P Viker noted that he is speaking of boroughs. He stated it would be fairer to figure out what it costs the tax collector in time to process a bill and to compensate for that. He stated that just because everyone else is doing a percentage compensation does not make it right. C/P Herb stated that no system will work perfectly to everyone's satisfaction. If it is done on a per-bill basis and a payment system is set up that operates for a four-year period, then Council would have to choose to overpay the person at the beginning of the four-year period, hoping that at the end of the four-year period that the inflation increase at the end of that time will even things out. He stated that that may be one reason why boroughs got away from a per-bill system, because a percentage system helps the tax collector keep pace with the change in what is fair compensation. He stated that this is an issue that there should be conversation about, but he is not convinced that Council will be able to solve this in the time period they have to do so. C/P Viker stated that it could be done, and if Council does not do it now, it will be the next Council in four years that will have to do it. He agreed that he wished it had been brought up six months ago. He stated that \$14,000 sounds like a lot of taxpayer dollars for a part-time job. C/P Mengel asked how many bills go out and Sheri replied there are 1,451 for real estate and there

are 2,143 per capita at \$5 each. She asked Council to keep in mind that the county and the Borough are on the same bill. The school is a separate bill. C/P Viker stated that comes to a payment of \$10 per bill, and C/P Mengel corrected that it was about \$4 per bill. C/P Anderson stated it is actually \$3.96 and C/P Viker then realized it was for a total of 3,594 bills. C/P Anderson stated the county pays \$1.64 per bill, and that is what makes it problematic. Pres. Handlan suggested looking at the total compensation. Mgr. Bickhart asked if it is appropriate to share in a public meeting Mike Bolig's answers to the questions about how much time he spends. Solicitor Cravitz replied that it is appropriate because Mike is an elected official. It would be like Solicitor Cravitz asking how much time Mgr. Bickhart or Sheri spend on their work. Mgr. Bickhart stated that he anticipated that Council would need to know what Mike's duties were and how much time he spends on them, so he asked him to be prepared to share that information. Mike reported to Mgr. Bickhart that he has approximately four to five bad checks a year that he has to deal with. There is an additional charge that he can recover whole costs for bad checks. He does not charge any extra for his labor, just whatever the bank charges him he passes on to the person who issued the bad check. Mike receives about \$900 in compensation for his certifications in a year. At \$10 each there are roughly 90 requests for certification throughout the course of a year; he estimated about two to three per week. Mike estimated that he and his assistant together put in approximately 1,700 man hours a year in collecting all of the taxes. Mike estimated that he puts in 1,200 man hours a year in collecting the Borough and the county. Mgr. Bickhart stated he cannot make those numbers work and he did not have a chance to ask why that was because the job is about the same. There are the same number of pieces of paper and the same number of checks. He does not understand why the work load is different, but Mike estimated that without the school he would have to put in 1,200 man hours. C/P Inch stated that Mgr. Bickhart can confront Mike about the figures on January 5. Mgr. Bickhart stated that he understands this is last minute, but it is an important issue and unfortunately Council has a time limit so he is trying to get Council as much information as he can. He stated he and Sheri have researched this pretty extensively in the last week or two, trying to gather all the information they could to answer Council's questions. Mgr. Bickhart notified Mike, who wanted to come in to discuss it. Mike indicated that he would be in a position to propose to Council a rate of 2½% for the next two years and 2% on the two years thereafter. C/P Viker stated that this is a counteroffer before an offer, which is weird. Mgr. Bickhart stated that at this time of year Mike approaches the school district with an offer. Sheri stated that this happened after the Borough talked with the school district. She was notified of this by Jeff Hummel. C/P Inch asked if Jeff indicated whether the school district would make the change and Sheri replied that they had just gotten the offer and had not met to discuss it yet. Mgr. Bickhart stated that Mike is asking the school district for 50 cents per bill for 2010 and 2011 and another 50 cents per bill for 2012 and 2013. C/P Anderson stated that he will try to make up the decrease with the school district, by getting them to increase while the Borough decreases. Sheri stated that is what Mike had done before. He was getting \$3 for the first two years from the school and then the last two years they went to \$3.50 per bill and that is how he does his increases for the school. She asked what he suggested to the county and Solicitor Cravitz reported that he has not suggested anything yet. Mayor Carroll asked about the 1,700 hours and Mgr. Bickhart stated that was the combined hours of Mike and his assistant. Mayor Carroll asked about the 1,200 for the Borough and the county, and Mgr. Bickhart replied that was Mike's assessment if he did not have to collect the school district's taxes. Solicitor Cravitz stated that Mike does not have a choice on this. Mgr. Bickhart stated that that is a lot of hours. There are only 2,080 normal work hours in a whole work year for someone who is employed full time. Therefore 1,700 hours is a very large chunk of hours for someone doing a part-time job even with an assistant. Mgr. Bickhart stated he is not in a position to evaluate this, but he is merely passing along what Mike told him. He stated that by law the Borough has no authority over what the tax collector does, when he does it, or how he does it. He is elected and the law only speaks to a very few specific items, and that has to do with the three days in each of the last two weeks of the discount period that he must have an office open. It does not even regulate how many hours; it could be open for five minutes or 24 hours. C/P Viker asked if the Borough is obligated by statute to compensate the tax collector and Mgr. Bickhart replied that that is correct, and Council is obligated to make this decision before the 15<sup>th</sup> of February for the next four years. C/P Viker asked what the statute's guideline is for compensation, such as how it is compensated and how much. Mgr. Bickhart stated there is no guideline and the manual indicates that compensation strategies are all over the place and are complicated. If it is a percentage, what is it a percentage of? If it is per bill, how many bills? What is the job and what is the fair compensation, and how do you figure out how to pay for it? He stated that from his and Sheri's discussion and research, they would recommend that Council go

back to a per-bill basis and not compensate any more than what the county compensates. There is some rationale for saying that the county and the Borough should jointly split a cost no greater than what the school district pays because the work is almost identical, if not exactly identical. C/P Viker stated that number of hours aside, it troubles him to look at a \$3.96 charge to his fellow citizens when the same piece of paper is going out at a charge of \$1.64 for the Snyder County assessments. C/P Herb asked why it is assumed that what the county pays is fair and that what the Borough pays is too much. He stated he would not make that assumption as there is a lot of evidence that the county has not been overly generous through the years and he suspects that there is not a lot of evidence that the county will suddenly become generous in what they are paying. He stated that these are all ambiguous. What Council needs to establish is whether there will be a change in compensation and what is a fair and just compensation for the work that is being done. Council will not be able to figure out in the next few days what the tax collector does and they will not be able to come up with a figure that everyone will agree is a fair compensation. However, Council only has two choices: leave it as it is and do nothing for the next four years, or arrive at something that would be an equitable and suitable arrangement. C/P Herb stated that he is skeptical that Council will be able to do that in the time that is available. Mgr. Bickhart stated that he and Sheri tried to work it backwards from the compensation point of view, not just saying let's assume that what the county is paying is fair. He stated that he and Sheri look at what the county and the school district are paying and they believe that that is more than fair for the job that has to be done. C/P Herb stated that that is Mgr. Bickhart's position but it is not necessarily C/P Herb's position as he does not necessarily make the same assumptions that Mgr. Bickhart and Sheri make. Mgr. Bickhart stated that this is his position and his recommendation, and he just wanted Council to know that he and Sheri just did not assume that what the county is paying is fair. They believe that it is, so they looked at it both ways. Sheri stated that Mike Bolig, on taking the position, knew what he would be getting from the county and the school district, so as far as what is fair and acceptable, he accepted those rates so why would he not accept the same from the Borough. C/P Viker stated that any savings for the people of Selinsgrove will be savings that he is happy about and it is interesting for him to note that the incumbent tax collector has told the Borough's staff that he would "accept" 2%. If that will work for him, C/P Viker does not care what he is getting from other municipalities. For the people of Selinsgrove that is that much less that comes out of the taxpayers' pockets. C/P Anderson asked what the per-bill cost would be if it were 2%, and whether it would come pretty close to matching what the county pays. C/P Herb stated it would reduce his compensation by a third. Sheri stated the Borough would still be paying more than what the other two are paying for the same work. C/P Viker stated that this does feel rushed, but based on the fact that during the prep for this conversation Mgr. Bickhart had that conversation with the incumbent and the incumbent said he would do it for 2%, C/P Viker would accept that offer to the benefit of the taxpayer. He said he would not keep it at 3% if the tax collector said he would do it for 2%. As far as fairness, the tax collector will say what he thinks is fair, and he said 2%. Sheri stated that there is also no guarantee that Mike Bolig will be the one collecting the taxes after the next election. Pres. Handlan stated that Council always has to look at creative ways to save money in the Borough. By putting this all together on the same page Council has realized that there is a significant difference in what the compensation is. This needs to be researched further, Council needs to hear from Mike, and Council needs to be thoughtful in order to come up with a fair and equitable compensation before they change anything. Mgr. Bickhart stated that if there is anything else that Council would like him to research, they should let him know what it is. Solicitor Cravitz stated that Council could have another meeting in January as this only has to be advertised seven days prior to adoption of the ordinance. Pres. Handlan stated that this does give Council a bit more time. C/P Viker stated that Council is in better shape than they thought they were in this rushed decision process because the incumbent has given them a number that he feels he can do it in. Pres. Handlan asked Council to continue to think about this, and she asked Sheri to email all Council members if she comes up with any more information. Mgr. Bickhart asked if there is any more information that can be gathered that would be meaningful to Council, and Pres. Handlan replied that she wants to have a conversation with Mike Bolig. C/P Mengel asked if the Boroughs Association could come up with what people see as a fair per-bill amount. Mgr. Bickhart stated that fair compensation for a job will be easier to understand. C/P Inch noted that Council will not know what the school or the county is going to do before January 5. C/P Viker stated he would like to hear what other boroughs of the same approximate size of Selinsgrove compensate their tax collectors. He stated figures were obtained from the local region but that is not the same. C/P Mengel stated that the Boroughs Association has a lot of comparative statistics. Mgr. Bickhart stated that Council is lacking the dollar compensation from other

boroughs. That information needs to be known to get a sense of what the tax collector is paid. Sheri stated that will be hard to do because Shamokin Dam Borough pays 3% but they also collect the occupational tax. C/P Anderson asked for any information that might provide a comparison. She stated she is hung up on C/P Herb's point as to what is fair and equitable. C/P Viker asked if Council trusts the incumbent to say what is fair and equitable. Mgr. Bickhart stated he will ask the county tax assessor if she can provide some insight. She is the only person that he knows of who might have an opinion because she oversees the whole process. C/P Anderson stated that the total compensation from everyone should be sufficient so that it attracts somebody to run for office who can do the job and do it well. C/P Herb asked what would happen if Council were to do something that would result in no one running for office. C/P Viker stated that in that case the Borough could hire someone to do it for significantly less than what is being paid to the tax collector. C/P Herb stated it is hoped that someone could be found who is trustworthy, reliable, and could do the job effectively for less money. He stated that if a company is hired to do it, it would cost more. C/P Viker noted that it would have to be another part-time Borough employee.

**ADJOURNMENT:** Meeting adjourned by acclamation at 5:08 P.M.

Attachments: None