

SUMMIT TOWNSHIP SUPERVISORS

**Special Meeting
January 26, 2018**

Chairperson Lee called a special meeting of the Board of Supervisors to order at 2:00 p.m. followed by the salute to the flag. Supervisors Lee and Welka were present, as were, Solicitor Sennett, Secretary Yeast, John Spaulding, President of the Perry Hi-Way Hose Company (PHHC), Atty. Robert Ward, and eight members of the PHHC Board.

CALL TO ORDER

Chairperson Lee explained that the purpose of this meeting is to receive input from PHHC in regard to the renewal of the PHHC Memorandum of Understanding (MOU), expiring March 31, 2018. This MOU provides funding from Summit Township to PHHC for staffing costs.

PURPOSE OF
HEARING:
PHHC MOU

John Spaulding, President of PHHC explained that he is here to discuss (2) issues. Number 1: the development of the Presque Isle Downs Casino has caused the Hose Company to lose one of its main sources of revenue; namely bingo operations. In response to this loss of revenue the Township awarded \$125,000 per year to PHHC from the Gaming Revenue. When the recent law suit with the PA Gaming Commission was being decided in 2016/2017, the Board of Supervisors declined to budget this \$125,000 for the 2017 fiscal year. Spaulding requested the Board to reinstate these funds for 2017 and 2018. Number 2: The renewal of the PHHC and Summit Township MOU. Spaulding summarized the history that led to the creation of the MOU adding that the original projections for revenue generated from the increase in the LST were grossly overestimated. PHHC has hired (9) full-time staff, consisting of (1) Manager, (4) EMTs, and (4) Paramedics. They also have approximately (10) per diem employees to cover vacations or sick days. In the second year of operations they awarded the paid staff a 3% increase in wages. With the lower than expected revenue from the LST, PHHC has invested approximately \$184,000 to cover the shortfalls in 2016 and 2017. Spaulding added that they would like to add another full-time staff member, and increase wages by 3% for their next fiscal year. Spaulding estimates the total to accomplish this growth to be \$672,000. PHHC can fund \$50,000 per year. Discussion ensued regarding the difficulties of billing collections.

Motion by Welka, to increase the percentage from LST collection to 98%, netting an additional \$53,000 funding to the PHHC Staffing Account from the estimated \$348,000 already budgeted. This equates to a total of \$401,000.

Supervisor Lee explained the Township is willing to give up the original \$5 LST, and reduce the administration costs from 5% to 2%.

Atty. Ward maintained that \$600,000 is required to operate at the current level, with the one new hire, and a moderate wage increase. Discussion ensued regarding the use of PHHC operating funds to subsidize the staffing fund, which affects funding for capital purchases and operation costs. Discussion ensued regarding the complications in billing collections and donations.

The Board of Supervisors adjourned to Executive Session at 2:43 p.m.

EXECUTIVE
SESSION

The Board of Supervisor reconvened at 3:10 p.m.

Supervisor Lee offered to amend the 2018 MOU to fund PHHC not only 98% of the LST collected, but to add an additional \$100,000 for 2018.

Spaulding expressed frustration that this amount of funding cannot support the staffing, and still allow PHHC to remain fiscally responsible for the entire operation of the Hose Company.

Supervisor Welka further encouraged PHHC to utilize the funding opportunity STIEDA offers when PHHC is soliciting for capital project funds. Welka assured Spaulding that this Board will also continue to fund STIEDA.

SUMMIT TOWNSHIP SUPERVISORS

Special Meeting

Friday, January 26, 2018

Page 2 of 2

Solicitor Sennett added that the additional \$100,000 is discretionary and will depend on the fiscal climate of the second year of the MOU, adding that the term of the MOU should remain (2) years. Solicitor Sennett indicated that he will revise the MOU based on the discussions presented tonight and will forward a red-lined copy to Atty. Ward.

Spaulding requested consideration for \$125,000 in 2017 and 2018. Supervisor Welka responded that the Board will not be "going back in time".

The Board expressed their appreciation for the work PHHC performs in our community, but added that Township revenue sources are anticipated to reduce making these decisions complicated.

With no further input from the public, motion by Welka, seconded by Davis, to adjourn at 3:25 p.m.

ADJOURNMENT

Respectfully submitted,

Christene S. Yeast

Secretary

2/7/2018