

MINUTES

SPECIAL MEETING -- NOVEMBER 22, 2011

LOWER SWATARA TOWNSHIP BOARD OF COMMISSIONERS

The Special Meeting of the Lower Swatara Township Board of Commissioners, held at the Lower Swatara Township Municipal Building, was called to order at 7:00 P.M. by President Frank Linn, Sr. President Linn called for the pledge of allegiance and moment of silence.

Roll call was then taken with the following officials in attendance:

- Frank Linn, Sr., President
- William L. Leonard, Jr., Vice President
- Thomas R. Clark, Commissioner
- Robert L. Loych, Commissioner
- Thomas L. Mehaffie III, Commissioner
- Ronald J. Paul, Manager/Secretary
- Harry N. Krot, Manager
- Peter R. Henninger, Township Solicitor
- Alan Knoche, EMA Coordinator
- Jean R. Arroyo, Recording Secretary

Absent:

- HRG, Township Engineer

Residents and visitors in attendance:

(PLEASE SEE ATTACHED SIGN-IN SHEET)

President Linn welcomed the visitors to the Special Meeting. He stated the purpose of the meeting is to act on advertisement of the 2012 General Fund budget, as well as any other pertinent business. He opened the floor for public comments.

PUBLIC COMMENTS:

Don Martino, Richard Avenue, offered his support for a municipal tax increase necessary to balance the budget and maintain the services. He stated that all the Township's departments impact the quality of life for the residents. A 1.0 mill tax increase, for example, would increase his municipal property tax by an additional \$6.82/month. Mr. Martino stated that he doesn't have much

of a problem with that, especially since he pays the federal government significant taxes, much of which is spent on unworthy programs. Local government here in this community is not complaint driven, but rather service driven. The Township has a culture of volunteerism that also helps keep the taxes down. Many residents volunteer on the Township's various boards and commissions, volunteers deliver the meals-on-wheels provided by the County, volunteers man the polls during elections, and the Lower Swatara Fire Department is totally volunteer. Mr. Martino added that he has experience in federal, state and local government, and government at the local level is the most efficient, transparent, accessible, and gives the people the biggest bang for their tax dollars. Mr. Martino stated that when the Township Commissioners tell him that after many hours of scrutiny and due diligence that taxes need to be raised in order to balance the budget and maintain services to the community, he doesn't have a problem with that.

President Linn reported the Board had met in executive session at 3:00 this afternoon in order to discuss a personnel matter.

2012 General Fund Budget Report:

Mr. Paul reported that the first item for formal action tonight is advertisement of the 2012 General Fund budget. Vice President Leonard, Chairman of the Budget & Finance Committee, informed the public that countless hours had been spent working on this budget document.

Vice President Leonard read aloud the 2012 General Fund budget report, as submitted by Marylou M. Rittner, Financial Administrator:

Revenues

The year 2012 budget for Lower Swatara Township reflects total revenues as \$4,725,244. Given the current economic conditions, it was a challenge to present our residents with a fair and fiscally sound policy for the upcoming year. This budget is actually \$134,260 less than the revised 2011 budget. During the year 2011 some of the largest commercial parcels of real estate were reassessed downwardly. We are losing one of our large tax parcels on Eisenhower Blvd where a hotel is being demolished. The resultant lowering of assessments translates to not only less revenue for the Township but also because this issue had been in the works for several years, we had to refund some of the firms for several years of the differences due to the new

assessed values. The Township was hit rather hard financially during 2011 with the severe winter, the heavy spring rains, and then the devastating flooding caused by tropical storm Lee. We lost many housing units during the fall flooding. While we may be able to recoup some of the losses from the Federal and State Governments, we do not know when and if this will happen. Revenues from the Local Enabling Act Taxes are budgeted at the same level as levied for the year 2011. The tax rates for Act 511 Taxes levied on behalf of the Township will remain unchanged. These taxes include the Township Per Capita, Occupation, Earned Income Tax, Real Estate Transfer Taxes and the Local Services Tax (LST). Real Estate Transfer Taxes are budgeted as the same as the original year 2011 revenues. Due to these uncertain economic times, it is difficult to predict the movement of property sales. We have budgeted the same levels in the Earned Income Tax receipts. We are optimistic that we will achieve the same levels. The Local Services Tax (LST) tax is levied on those employees who work within the corporate boundaries of Lower Swatara Township and who earn \$12,000.00 or more. The Township wants to reinforce that this tax is levied on those people who work (and not necessarily reside) within Lower Swatara Township. These are some of the same people who utilize our services—such as the Police, Fire Department and roadways—while working in our area.

The Township is anticipating grants in excess of \$32,000.00 from our very successful Recycling Program. Revenue of approximately \$74,100.00 is expected from the School Resource Officer Program (SRO). The Township and the Middletown Area School District have partnered to enter into this very worthwhile program. The partnership pays for portions of the salary for the officer and his benefits.

Revenues from permits should be slightly higher for 2012 than for 2011. Some of the major projects, which are in the permit category, include: the new Campus Apartments, Linden Centre, the FedEx expansion and other industrial projects. Several new housing starts are also anticipated, including growth in Old Reliance Farms, townhomes in Woodridge and the former Tinian Manor Swim Club area, and the beginning of the new Retirement Community. The construction of the privately owned student housing units along the Main Street area is currently underway. Unlike other such housing units on the PSU grounds, these building will appear as taxable properties. The Township has all of the amenities which define a desirable community—such as a nationally recognized University, a state of the art elementary school, and a first class international airport.

However, we would like to once again point out that these attractions as well as other non-taxable parcels lead to having almost 1/3 of our Township being tax exempt.

Expenditures

Expenditures are projected at \$4,725,244.

In the administrative categories some changes have been budgeted. Our long time township manager is retiring and his replacement is being educated to take over his duties. There are no wage increases. Slight increases are shown for the insurances. Due to the change in the state's timing of the release of the allocated pension funds, the township's contribution for the pension plans is higher than the year 2011.

By and large, the Police Department's budget is slightly more than the year 2011 adjusted budget. Wages for the officers have been stated in accordance with what the Township has proposed. The police contract has yet to be settled so changes may be necessary. Although we have an informal Capital Asset Acquisition plan that we try to follow, no squad cars have been budgeted. The Township had hoped to replace 7 of the in car computer systems. However, funds could only afford the purchase 3 of these systems. These updated systems not only help our officers to better protect our citizens but also offer our officers better means of communication and add to their safety. The Community Policing endeavors had been a well received program but will not be offered during 2012 due to financial constraints.

The Protective Inspection department is not significantly changed from the year 2011. One employee is anticipating retiring so a slight overlap in time has been budgeted for the educational process of the new employee to be successful.

The Planning and Zoning Department has changed for 2012 due to the hiring of an individual who can assume many of the duties that were formerly performed by an outside engineer.

In the Public Works Budget, an overall decrease of approximately 3% has been budgeted for 2012 from the revised 2011 budget. One of the other reasons for the decrease is due to our having a more limited scope of roadway improvements. The budget does reflect minor costs to maintain the existing equipment. This maintenance program will keep the department operating at maximum efficiency. In the Traffic Signal category please be advised that the old style bulbs were replaced with LED devices in all but one of our traffic lights. As a result we have experienced a significant reduction in the electric costs. The Public Works labour forces will mainly be expended on maintaining the existing roadways and the recreational areas. The public works superintendent

has tentative plans to do major roadwork in portions of Shope's Gardens—for example, Shirley Drive, Sara and James Streets. No new major equipment has been budgeted for the public works department through the General Fund.

The budgeted in car computers for the police can be found on the budget under the debt principal and interest categories.

Insurance premiums are expected to decrease slightly for the year 2012. The Township has been able to contain some of these escalating costs due to our having joined in a consortium with several other Municipalities to purchase our insurance through the Capital Region Insurance Trust. Also, the Non-uniformed employees have agreed to some benefit changes which will result in lower premiums.

As a consequence of the levying of the Local Services Tax (LST), the Township will be able to continue to transfer \$81,000.00 to the Capital Improvements Fund. Those funds then assist us in repaying the outstanding debt issues. The remainder of these funds will assist us in funding the contracted Emergency Medical Services and to assist in the purchases for the police and public works departments.

Each department was very frugal in the decisions to make any purchases for their respective division. However, due to the rising costs of the same forces which the private citizen is facing—rising energy costs and the accompanying impact on the cost of the goods that the Township consumes in providing its services—there may be some delays in doing some of previously planned road projects.

The finance committee, the commissioners, managers and staff report that a slight real estate tax increase for general purposes will be necessary for the first time in 8 years. The General fund millage rate will be set at 3.10 mills, while the tax rate for the Hydrant Fund, the Capital Improvements Fund, the Fire Department, and the Street Light Fund will remain unchanged. Arithmetically, this increase in millage from 2.5 to 3.1 (.60 mills) equates to a \$60.00 dollar per year, or \$5.00 per month increase for the home assessed at \$100,000.00.

Miscellaneous Funds

In addition to the General Fund, the Township maintains several miscellaneous funds. The activity in two of these funds should be noted. As the Township grows, the impact of these funds is also magnified.

1. Highway—Liquid Fuel

The anticipated allocation of State Funds for 2012 is \$199,000. The Township will use a portion of this sum, along with some General Fund revenues for the major reconstruction of the previously mentioned roads in Shope's Garden and for other allowable expenses. Let it be noted that the State's allocation is based upon the fuel purchased, the miles of township roads, the population, and is allocated to each municipality by a complex state formula. The lesser allocation is the result of people driving fewer miles due to the higher costs of fuel and driving more fuel efficient vehicles.

2. Sewer Revenue Fund

The final numbers for the sewer revenue fund are still being compiled. At this point, it is apparent that a rate increase will probably be necessary. Quite simply, some of the project costs of the mandated treatment plant upgrades have run over budget, portions of the sewer lines that have been in place for some times are in dire need of repair/replacement, and due to the economy there have been fewer tapping and connection fees generated.

Vice President Leonard thanked the Finance Department for the report, and summarized that there will be a proposed .60 mill tax increase for 2012. This budget will maintain the level of existing services, staffing at current levels, and the AA bond rating. It will not only look at the coming year, but the future as well. A motion was made by Commissioner Leonard, seconded by President Linn, to approve advertisement of the 2012 General Fund budget, in the amount of \$4,725,244.00, which includes a proposed .60 mill tax increase. Commissioner Clark stated that he is going along with advertising the budget, simply because the Township must meet the timeline. However, he stated that he wants to make sure everything doesn't just drop tonight – there still needs to be effort put towards balancing the budget, or making it better, between now and adoption. A roll call vote was taken with the following ballot tabulation: Commissioner Mehaffie – aye, Commissioner Loych – aye, Commissioner Loych – aye, Vice President Clark – aye, President Linn – aye. The motion to advertise was unanimously approved.

President Linn thanked Vice President Leonard for the endless hours he put in working with the staff on this document. He noted that none of the Commissioners want a tax increase, but the handwriting is on the wall.

OTHER PERTINENT BUSINESS:

A motion was made by Commissioner Clark, seconded by Commissioner Mehaffie, to approve Resolution No. 2011-R-13. This resolution authorizes Alan Knoche, Lower Swatara Township EMA Coordinator, to execute for and in behalf of Lower Swatara Township, all required forms and documents for the purpose of obtaining financial assistance for the Hazard Mitigation Grant Program (HMGP) under the Robert T. Stafford Disaster Relief and Emergency Assistance Act (Public Law 93-288 as amended by Public Law 100-707). The motion was unanimously approved.

ADJOURN:

Hearing no other business, a motion was made by Commissioner Mehaffie, seconded by Commissioner Clark, to adjourn the meeting. The motion was unanimously approved, and the meeting adjourned at 7:20 P.M.

ATTEST:

Ronald J. Paul,
Manager/Secretary

PLEASE PRINT NAME CLEARLY

NAME	ORGANIZATION (IF APPLICABLE) OR ADDRESS
TROY WHITE	LST EMPLOYEE
Charles E. Ash	1807 Blackhawk Ln
Don Martino	8 Richard Ave
JEFFREY ASH	LST / 5 Ray Road
Rick Fox	LST
Steve & Kathy Seurin	465 BRUNSWICK
Steve Anderson	LST.
Jeff + Wanda Sipe	LST Employee
Joseph D. Dykstra	
Alan Knoche	917 Swatara Drive
Dan Wagner	LST Employee
J. Adam Korsak	1411 Old Reliance Rd.
Jamie Ecker	LST PD
Michelle Wagner	644 Longview Dr.
Dave Wagner	194 Powderhorn Rd
A. E. G.	LST
Tom Soltzberger	LST X
Daniel Tingle	LST PD
Heather A Schlen Richmond	LST
Darlene Stoult	LST
Jim Wier	LST
Phyllis Zimmerman	Patriot-News
Don Bowers	

