

MINUTES

LEGISLATIVE MEETING – DECEMBER 19, 2012

The December 19, 2012 Legislative Meeting of the Lower Swatara Township Board of Commissioners was called to order at 7:00 P.M. by President Frank Linn, Sr.

Roll call was taken with the following officials in attendance:

- Frank Linn, Sr., President
- William L. Leonard, Jr., Vice President
- Michael J. Davies, Secretary
- Thomas L. Mehaffie III, Commissioner
- Jon G. Wilt, Commissioner
- Harry N. Krot, Township Manager
- Marylou M. Rittner, Financial Administrator
- Richard D. Brandt, Police Chief
- Peter R. Henninger, Solicitor
- Jean R. Arroyo, Recording Secretary

Residents and visitors in attendance:

(SEE ATTACHED SIGN-IN SHEET)

President Linn welcomed the visitors to the meeting and opened the floor for public comment.

PUBLIC COMMENTS:

Michelle Kenney, 310 Dauphin Street, stated that she is here for the update on the Lawrence Street project and has several questions, including questions regarding the lighting. President Linn asked that she hold these questions until this item comes up on the agenda. She will then be provided an opportunity to ask questions.

Peggy Ginnovan, 535 N. Lawrence Street, stated that she has questions about the bottom of Lawrence Street and the stop signs at Gina Avenue and the top of Lawrence Street, but can hold those questions until the appropriate time. President Linn agreed that these can be addressed when the two developers provide their updates later this evening. Ms. Ginnovan stated that she also wants the Board to know how a developer has treated her. On June 30, 2011, she signed an agreement for the sale and purchase of her property. Near the end of May 2012,

the back-out date for the sale, it was still a go with the settlement to happen between September and December of 2012. On December 14, 2012, a year and half later and just seventeen days before the expiration of the sale, she was asked to take a reduction in money with a six month extension, with no guarantee that settlement would happen then. Ms. Ginnovan stated that she could be left out again. She is under the impression that one house will be purchased that will house three students. This will prevent any other developer from purchasing what homes are left in the neighborhood. Ms. Ginnovan stated that the developer is greedy and does not want anyone else to develop there, but yet does not want it either at this point. She added that later down the road, she understands that all of Eagle Heights will become student housing. Apparently the cemetery deal will be a go by then. Ms. Ginnovan stated that she just wants everyone to realize what has happened to her.

Ruth Helwig, 341 W. High Street, stated that she hopes nobody else has to go through what neighbors are going through up here. The developers are making comments that they do not want competition, so they will buy up one property and that will be it. They will low ball the rest of the neighbors. She stated that she knows the stop sign issue will be discussed later, but she did want to advise the Board that she had spoken to one of developers about the stop sign on Gina Avenue and the one going into the new Lawrence Street. Vehicles from the townhouses constantly speed through the stop signs. The developer promised to talk to these students, but apparently nothing has been done because it is still constant. Another issue that has not been resolved is the constant parties. Ms. Helwig stated that her tenants have been complaining. One did call the police at 2:30 A.M. the other morning because of a party at the townhouse. Apparently the students at the party scattered when they saw the police. Ms. Helwig added that there is supposed to be security at the GreenWorks student housing, but apparently there is not since there are parties in those buildings constantly on the weekends. She stressed that something needs to be done.

Lin Coble, 400 Young Avenue, said you really have to live up there to see how bad it has become with the students. Some of the landscaping at her home has been disturbed. The students refuse to use the sidewalks, but insist on walking in the middle of the road. They simply have no respect.

Ron Keeney, 310 Dauphin St., stated that he is still concerned about the safety at the traffic signal at the bottom of Wood Street. He added that he does realize this is a state road,

but urged the Board to do something at the light where people are crossing the street. Pedestrians step out onto the road, and if a driver is not watching carefully, they can easily be hit. What is needed here is a crosswalk and better lighting. Mr. Keeney cautioned the Board that someone is going to be killed there.

President Linn stated that he has heard enough about the noise and the bad behavior of the students. He asked the Board's permission to have the Solicitor look into whether the Township can cite the landlord of the property for the noise complaints filed before the district justice. President Linn explained that he would like to put more responsibility on landlords, if they are not doing anything to help the situation. Commissioner Wilt expressed concern about setting a precedent by singling out landlords in this one particular area of the Township. Solicitor Henninger noted that noise citations usually fall under disorderly conduct, which may make it difficult to cite a landlord rather than the individual. President Linn asked if the Board had any objection to having Solicitor Henninger look into it. Commissioner Wilt stated that he does object, because he does not feel the Board has the authority to do this. President Linn clarified that he is just asking that the Solicitor look into it. Commissioner Davies suggested the Township use the resources of the organizations it belongs to see how other municipalities handle such situations. Commissioner Mehaffie suggested Solicitor Henninger look into Penbrook Borough's handling of this issue. It is caught up in major litigation right now for trying to hold landlord responsible for tenants. Solicitor Henninger agreed to research this question, and will check with his colleagues at the state association level. There is also a large data bank of municipal ordinances at PSATS (Pennsylvania State Association of Township Supervisors) that he can look into.

APPROVAL OF MINUTES:

A motion was made by Vice President Leonard, seconded by Commissioner Wilt, to approve the Minutes of the November 14, 2012 Special Meeting. The motion was unanimously approved.

A motion was made by Commissioner Mehaffie, seconded by Commissioner Wilt, to approve the Minutes of the November 21, 2012 Legislative Meeting. The motion was unanimously approved.

A motion was made by Commissioner Wilt, seconded by Commissioner Davies, to approve the Minutes of the December 5, 2012 Workshop Meeting. The motion was unanimously approved.

APPROVAL OF BILLS:

A motion was made by Commissioner Davies, seconded by Commissioner Wilt, to approve the payment of bills as presented on Warrant No. 2012-11. The motion was unanimously approved.

APPROVAL OF TREASURER'S REPORT:

A motion was made by Commissioner Davies, seconded by Vice President Leonard, to approve the Treasurer's Report for November. The motion was unanimously approved.

ENGINEER'S REPORT: None

SOLICITOR'S REPORT:

Solicitor Henninger stated that as part of the hazard mitigation grant program, there are eight properties along the Swatara Creek that are on land owned by the George Frey Trust. The Trust has agreed to participate in the purchase. However, it must get court approval before it can sell the properties under this program. Solicitor Henninger explained that as part of this process, he was delivered eight petitions for those eight properties. One of the requirements is that the Township joins in these petitions. He asked Board authorization for the Manager to sign these petitions consenting to petition the court to allow these properties to be sold. A motion was made by Commissioner Wilt, seconded by Commissioner Mehaffie, to grant authorization for the Manager to sign the aforesaid petitions. The motion was unanimously approved.

MANAGER'S REPORT:

Mr. Krot reported that he has been working through the budget process and also looking into a new billing software program for the Municipal Authority. He is also reviewing the year and laying out priorities for the Board to consider next year.

COMMITTEE REPORTS:

Police Committee – Vice President Leonard – reported that the Township was reluctantly anticipating the resignation of a police officer. Officer Mark Sallada submitted that resignation effective January 7. Officer Sallada, who has been with the Township since 2007, has been successful in establishing a personal business which is doing extremely well, and is leaving to pursue this. The department will be looking to backfill this position. A motion was made by Vice President Leonard, seconded by Commissioner Wilt, to accept the resignation of Mark Sallada effective January 7, 2013. The motion was unanimously approved. President Linn stated that he hates to see Officer Sallada leave, but wishes him well. Vice President Leonard also reported that the Police Department is working with the local Red Cross to obtain four portable defibrillators through a grant. These would be used in police vehicles. There would be no cost to the Township except for maintenance costs. With the unfortunate activities in Connecticut last Friday, there has been increased national and local concern about school safety. The Middletown Area School District has approached its municipal police departments for assistance in making the schools, teachers and students as safe as possible. Vice President Leonard requested a brief executive session upon conclusion of tonight's meeting for personnel reasons.

Public Safety – Commissioner Wilt – reported that two weeks ago, he had met with Chief Brandt to discuss the monthly report and the arrest as a result of the abduction at HACC.

Public Works – Commissioner Mehaffie – reported that leaf collection is over, and the crew is now preparing for the snow season.

Budget and Finance – Commissioner Davies – presented the monthly finance report. Cash receipts for November totaled \$342,259.61. The major sources of revenues were the distribution from the Act 511 taxes, grants for the South Central Task Force and Storm Lee, fees for cable franchise fees and patron parking at SARAA, and other miscellaneous receipts. Cash expenditures totaled \$366,891.17 and were comprised of the two transfers to the payroll account, expenses related to the South Central Task Force, the quarterly payment to Hershey Med for EMS services, and all invoices due and payable. Investments totaled \$521,595.83 with an average annual yield of 0.5%. Commissioner Davies reported that there was a meeting with the Olmsted Recreation Board, and questions focused on whether there will be full participation of member municipalities, particularly with the Borough of Middletown. Questions were

forwarded to the Borough's management regarding its circumstances and how it intends to proceed. The Recreation Board uses many Borough-owned facilities toward which it pays utility costs. Commissioner Mehaffie stated that more information should be available after tomorrow's meeting.

Community and Economic Development – President Linn – reported that there is not much development occurring. There are some good bites out there, but dirt has not yet been turned. Anticipated future projects include Sheetz and Federal Express.

UNFINISHED BUSINESS:

Mr. Krot stated that no action is required on agenda items A, B, and C. A motion was made by Vice President Leonard, seconded by Commissioner Wilt, to table the Final Subdivision Plan of Bryn Gweled East (26 lots), the Final Land Development Plan of Residential Retirement Community (Phase 1), and the Final Subdivision Plan of Old Reliance Farms (Section 18-B, 9 lots). The motion was unanimously approved.

Mr. Krot stated that there had been a question raised about the status of the next aged item, the Revised Five Oaks Village (Mobile Home Park) Plans. Ms. Wick stated that the plan had started when Mr. Paul was still here. The owner, Tom Farr, had wanted to do a reorganization of the park. Since it is already a mobile home park, it was not going through the normal municipal planning process. The plan does not expire, did not really need to be submitted, and no fees were paid to submit it the first time. Mr. Farr had indicated in June that the plan was not feasible; instead of just moving the mobile homes, he was looking into the possibility of raising them up on permanent foundations above the flood level. Ms. Wick stated that she does not think Mr. Farr found this to be economically possible. She stated that the plan can continue to be tabled; it does not change the plan status to keep it on the agenda. Solicitor Henninger asked if Mr. Farr would be willing to withdraw the plan. He noted that this would make it easier for the Township from a housekeeping/tracking standpoint. Ms. Wick agreed to pursue the question with Mr. Farr.

The next item under Unfinished Business was acceptance of a 90-day time extension on the Revised Land Development Plan for KGH Properties – Campus Heights Village Wood Street Access, prepared by Forino, Inc. and submitted by Campus Heights Associates, LP. Said plan is due to expire on December 26, 2012. This item was tabled by the Board last month in

order to have the developer come before the Board to provide some answers on the status of this plan. Mr. Krot noted that representatives from both KGH and GreenWorks are here tonight to update the Board on the Lawrence Street project.

Matt Genesio of KGH reported that the site work contractor met with PPL about two weeks ago and they are getting together a game plan and schedule of how that trenching and excavation is going to work and when PPL is going to place the lights. When he gets an update of when this will occur, he will pass this information on to the Board. Other parts of the project are on hold based on the ball being in the court of the engineer. They are not moving forward with doing any more reviews of submittals, design, or engineering on the project due to nonpayment of several invoices by GreenWorks. Vice President Leonard asked what these “other parts of the project” are. Mr. Genesio explained that they include the temporary drainage solution at the base of Lawrence Street to get through the winter and the continued design of the squash pipe that is crossing West Main Street by Wood Street. Until there is a completed and approved design on that, the work cannot move forward. Vice President Leonard inquired if this also includes the deceleration lane going from east to west at the new Lawrence Street, the re-curbings, and the finishing of the road. Mr. Genesio confirmed that it does.

Mr. Kenney stated that a couple of months ago, there was to be a traffic study done regarding the exit/entrance that was supposed to be in the main plan as an emergency exit going out to Wood Street. After the meeting, the sign saying it was an emergency exit only was removed and a stop sign was put up. He stated that the stop sign is nice, but asked if there was even a traffic study done. If not, he questioned why the emergency only sign was removed. Mr. Genesio responded that the stop sign was actually put up based on the request of the residents. The site contractor misunderstood his instructions, however, and also took the emergency vehicles only sign down. It has since been put back up. Mr. Keeney questioned why this exit is even being used as an in/out if it is supposed to be for emergency use only. Mr. Genesio explained that while the developer is doing revisions to the land development plan that would allow this to be a permanent access, this Board granted permission for it to be used temporarily. He added that there was a traffic impact study done and submitted to the Township for review by the Township Engineer. This will be discussed by the Planning Commission at its meeting tomorrow evening.

Matt Tunnell, GreenWorks Development, stated that Mr. Genesio essentially pinned the delays in the project on GreenWorks. He disagreed with that. The Developer's Agreement with the three parties that executed the agreement creates different responsibilities. The primary responsibility for the project and management of the roadway was laid on KGH. The issue really boils down to who is handling what storm water. 60% of the water that is coming off the road goes through the GreenWorks site and is handled through its storm water facilities, which are 100% in place. The water from that system is conveyed across Route 230 west of the relocated North Lawrence Street. 40% of the water from most of the lower portion of the relocated Lawrence Street moves on to the KGH site, and is to be handled by its storm water systems. There is a balance of some water at the lower part of Route 230 which is to be handled by some new systems to be put in place: a new pipe that has yet to be built that would go across Route 230 and move the water across to the storm water system on that side of Route 230. Until that is built, there will continue to be the pooling that is now at the bottom of Lawrence Street. Mr. Tunnell stated that this system needs to be put in place; it has been approved. The area that Mr. Genesio indicated is causing the problem at Wood Street is tied to the Campus Heights stormwater system and is part of the Agreement of who is handling what section of water. GreenWorks was handling the upper section (60% of the water coming off of the relocated Lawrence Street) and KGH was handling the lower section (40% of the water). Mr. Tunnell explained that GreenWorks is not paying bills for items that it did not agree to pay for. The devil is in the details of who is responsible for which components of this project. He noted that in the last two days, there was a partial narrative received from the consultants regarding what work was done and for what parts of the different projects. There are still questions about that billing and narratives. GreenWorks guarantees that it will pay for the items that it is responsibly to pay for. Mr. Tunnell stated that GreenWorks is asking KGH to complete and pay for the work it agreed to do in order to move this project forward.

Mr. Keeney referenced the comment that they are waiting for pipe work to be done. He noted that he cannot understand why Lawrence Street was moved when the developers did not have even what was needed to make the new one. He stated that this was just foolish, and suggested the only reason he can see for this was for them to be able to building the building and have a parking lot for the existing building.

Mr. Genesio agreed that the devil is in the details. Instead of pointing fingers, he suggested that the two developers have the Township mediate to decide who pays for what. He stated that as the project manager, he is acting within his full capacity to move this work forward but his hands are tied. Mr. Krot stated that he does not think it is the Township's role is to be mediator. He suggested that the Solicitor look at the agreement to determine who is responsible for the construction portion of the project.

Mr. Genesio explained that the Township is a party to the developer's agreement and based on that agreement, the two developers have equal responsibility to the Township to complete that project. This is why both had to post equal letters of credit. The disagreement is not over the 40% -- that is handled. The dispute is over additional items that came over the past year as a result of Penn DOT review. President Linn stated that these two developers really need to get their acts together; he gave them until the Board's first meeting in January to resolve this issue.

Ms. Kenney added that both developers should have had public safety issues taken care of first. There is no lighting, and they are holding up safety because of dollars. Mr. Genesio disagreed, and stated that public safety has always a huge concern of KHG. He asked that she realize that it is not the dollars of KGH that are holding up this work.

Commissioner Mehaffie asked if there is an agreed upon amount that would allow the engineers to keep going and the work to continue. Mr. Tunnell said they literally received the information today. There is a dollar amount that GreenWorks agrees it is responsibility for, and it will move forward to pay that. Whether that moves the contractors forward, he cannot say.

In response to a question from Commissioner Wilt, Mr. Tunnell noted that GreenWorks has already paid a significant amount towards this project. Bobbie Van Buskirk, also with GreenWorks, explained that the portion that has not been paid is overages above and beyond the contracted amount of design costs. GreenWorks has been requesting information since September regarding details for these additional costs. As Mr. Tunnell stated, information has just been received over the last twenty-four hours regarding these costs so that a full analysis of the overages and additional costs can be made. She stressed that GreenWorks has already paid what the contract value is; the project is now in extra charges. Commissioner Wilt stated that overages are a part of doing business, and asked if KGH had paid overages too. Ms. Van Buskirk explained that GreenWorks had not been provided details required to approve these

overages. President Linn again stated that the Board is getting into a discussion that should be between these two developers. The Board agreed, and asked them to resolve this issue and come back with a report. Commissioner Mehaffie added that this issue is only holding up the water side; the lighting side is moving forward.

Ron Helwig, 341 W. High Street, stated that the developers were required to post bonds to finish that street, and asked if the Township could use these bonds to finish the project. Solicitor Henninger stated that the answer to this question is yes. Within the roadway improvement agreement there were certain timeframes as to when this project should be completed, with allowable extensions. If these timeframes are outside of the parameters, this is an option. He noted that neither developer would probably want the Township to have to access those letters of credit. Solicitor Henninger added that after reviewing the roadway improvement agreement, he feels it is clear that while this is a three-way agreement, KGH is the lead party and responsible to make sure the work gets done.

Vice President Leonard suggested that in addition to the report, he would like the developers to provide a schedule of when the lights and other improvements discussed will be completed. He also offered use of the Township building in order to have joint meetings and the cessation of one-off meetings with no documentation. When this project came up, it was a great opportunity for two developers to work together and build something jointly that would benefit the area. It is frustrating to see it progress this far and now get stuck. Vice President Leonard stated that he realizes money is a serious concern, but it is not the Township's concern. There is a project that two developers agreed to do, and it is not finished. It is also frustrating since the Board gave special exceptions in order for the developers to obtain occupancy permits when some of the work was not done. Things like roads got done in seven days. Now, after three months, there is no lights, no macadam improvements, etc. There was good weather, and to not have this work done is not right. He asked the two developers to resolve their differences. He again noted that he does not like the one-off meetings and think they need to stop.

President Linn stated that these two developers, as landlords, also need to get their acts together with the student tenants. They are way out of line as far as the respect they are showing for the neighbors and the neighborhood. He stated that he will not tolerate this behavior any longer.

A motion was made by Commissioner Mehaffie, seconded by Commissioner Wilt, to grant a 90-day time extension on the Revised Land Development Plan for KGH Properties – Campus Heights Village Wood Street Access, prepared by Forino, Inc. and submitted by Campus Heights Associates, LP. Said plan is due to expire on December 26, 2012. The motion was unanimously approved.

Mr. Krot noted that another item that had been tabled last month is the Agreement with the Humane Society. A motion was made by Commissioner Mehaffie, seconded by Commissioner Wilt, to approve the Municipal Animal Protective Service Agreement with the Humane Society of Harrisburg Area, Inc. Said agreement will expire on December 31, 2013. The motion was unanimously approved.

Mr. Krot updated the Board on the status of the Community Cats program which was presented to the Board by Amy Wimmersberger at the last meeting. The Township had agreed to enter into an agreement with the organization. Ms. Wimmersberger, however, had indicated that the organization presently does not have a formal agreement/contract with any of the other participating municipalities. Solicitor Henninger had questioned whether the Board's intention was to have him draw up the agreement at the Township's expense. President Linn stated that the program sounds like a good idea, but he is concerned about liability without a written contract. Commissioner Mehaffie asked if the Board would have a problem talking to the other municipalities involved, which he believes to be five, about the possibility of having a very basic contract drawn up and splitting the cost of it, provided this cost could be kept at \$500. Solicitor Henninger stated that he believes a contract could be drawn up for this amount. Mr. Krot had confirmed that the agreement with the Humane Society is not an exclusive agreement, so if the Township is able to work things out with Community Cats, participation could be beneficial. President Linn directed Mr. Krot to speak to the other municipal managers involved with this program about the idea of participating in this contract. Vice President Leonard inquired if the Township already has a written proposal from the group stating exactly what services it will perform. Commissioner Mehaffie confirmed that it did submit a very basic proposal stating what it will do and the associated costs. Solicitor Henninger stated that he can formulate an agreement based on this information, and also include wording to provide liability protection.

NEW BUSINESS:

Brenda Wick, Planning and Zoning Director, addressed the Final Land Development for the Educational Activities Building Addition and Alterations submitted by Penn State University Capital Campus and prepared by Raudenbush Engineering, Inc. Dauphin County Conservation District approval is outstanding. The plan was recommended for approval by the Planning Commission on October 25, 2012. The plan was extended for 30 days on November 21, 2012 and is due to expire on December 21, 2012. Ms. Wick explained that there are two waiver requests associated with the plan. One is for a waiver of the preliminary plat requirements. The plan is on an existing street and no new streets are involved, so it qualifies as a Minor Plan. The Planning Commission made a recommendation to approve this waiver request. The second request is for a waiver to provide all storm drainage structures in accordance with Penn DOT Pub. 408 specifications. The request is for Inlet I-2 only, which is in a courtyard area. An 18" x 18" inlet is proposed instead of a larger Penn DOT standard inlet. The Planning Commission also made a recommendation to approve this waiver request. If the plan is conditionally approved, the Board will also need to approve the Security Agreement and the Stormwater O&M (Operations & Maintenance) Agreement. Solicitor Henninger suggested the Board first act on the waiver requests. A motion was made by Vice President Leonard, seconded by Commissioner Mehaffie, to grant a request for an "Alteration of Requirements" for a waiver of the following requirements of the Code of Ordinances, Section 22 (Subdivision and Land Development) and Section 26 (Stormwater Management): (1) §22-403.1. -- A waiver of the preliminary plat requirements; and (2) §26-126.3.O. – A waiver of the requirements to provide all storm drainage structures in accordance with Penn DOT Pub. 408 specifications. The motion was unanimously approved. Solicitor Henninger then addressed the agreements, and stated that he had reviewed both documents and found them to be satisfactory. With the waiver requests granted, a motion was made by Commissioner Mehaffie, seconded by Vice President Leonard, to grant a conditional approval on the Final Land Development Plan for Educational Activities Building Addition and Alterations submitted by Penn State University Capital Campus and prepared by Raudenbush Engineering, Inc., with the stipulation that all conditions are met including receipt of Dauphin County Conservation District approval and a signed Security Agreement and Stormwater O&M Agreement. The motion was unanimously approved. Vice President Leonard stated that since there are representatives from this project here tonight, he

would like to give them an opportunity to provide an update. Doug Gambar (Raudenbush Engineering) and Kyle Hollick (Office of Planning and Architect) updated the Board on the two-story, 52,000 square foot engineering building. This will be a classroom and laboratory facility with educational-type site features which will serve as teaching tools for the students. President Linn thanked Mr. Gambar and Mr. Hollick for the presentation.

Mr. Krot stated that the next two agenda items pertain to the proposed budget. He turned the floor over to Commissioner Davies, Budget and Finance Chairman.

Commissioner Davies stated that the budget before the Board tonight is the product of months of budget committee effort with input from Commissioners, department heads, and professional staff regarding needs to ensure the continuation of the level of public safety and services that the citizens need and deserve in the future. From the onset, this process has been as open and transparent as possible. Last year, the budget process was marked by eleventh hour changes to basic budgetary assumptions; the alteration of line items were not made with full and open input from the complete Board of Commissioners and were achieved in perhaps a less than completely open negotiation process. Commissioner Davies stated that as Budget and Finance Committee Chairman, he strongly believes it would be inappropriate to repeat the process that occurred last year. To that end, monthly input has been repeatedly requested from all Commissioners and involved parties to ensure full and complete transparency of the budget process. This budget before the Board tonight is designed to meet present and future needs of the Township for the foreseeable future, not just a one year temporary solution to the hard financial challenges facing the Township.

The Township has increased local tax rates only twice in 22 years. This year, however, it is necessary to call for increasing local revenue for the first time in eight years. This is due to the increased costs of providing public services and significant increases in the cost of funding pensions. It is also necessary to provide for emergency services. The Police Department has operated with three fewer officers than standard complement in the past year. This is a situation that needs to be corrected. This year, the Township experienced a gun related murder as well as the first gun incident in a public school. In today's world, the Township must do its best to protect its community against these threats. This proposed budget supports restoration of the police complement to 16 officers from the present 13 officers.

Commissioner Davies stated that the Township has been blessed with active and competent volunteers who serve with the Lower Swatara Volunteer Fire Department. This year, the Fire Department approached the Board for the first time in many years with a request for additional funding to ensure that it can continue to operate and equip its members in the future. This requires an increase in revenues from the fire tax portion of the municipal tax bill. The request for a regular stream of revenue to fund continuing operations and update aging equipment is both reasonable and necessary to the public safety and well-being of the citizens. Fundraising has become more difficult due to expanding gaming opportunities in Dauphin County; the Fire Department cannot depend on pancake breakfasts and bingo games to make ends meet.

The Township faces a number of growing mandates from the state and federal government, including costs associated with the Chesapeake Bay. Significant expenses will be required to comply with federal EPA stormwater drainage remediation programs. The initial budgetary impact for the coming year is small, but neighboring communities have recently experienced significant costs to comply with the arbitrary, punitive and unexpected judgments levied by this federal enforcement agency.

The Township also faces the issue of less than adequate financial reserves. Noted economists, state officials and the Government Financial Officers Association all strongly recommend that municipal governments maintain a minimum level of financial reserves to address emergencies. Two months of expenditures is the accepted rule; presently the Township reserves are significantly shy of this mark. The proposed budget will enable gradual rebuilding of reserves to ensure the Township can weather unexpected, unbudgeted expenses without the possibility of becoming one of the financially distressed municipalities. This financial breathing space will also allow the addressing of future needs in terms of replacing aging equipment and developing long term plans to rebuild and replace aging transportation infrastructure.

Commissioner Davies summarized that what is before the Board is a budget designed with future needs in mind and with serious forethought to providing necessary operating flexibility to maintain already lean operations through coming economic challenges. The numbers are accurate to the best of the Committee's knowledge and have been on file for public examination since last month. This is the second year that the Township's financial professionals and Township Manager have strongly recommended increases in revenue. At the

end of 2011, for the purpose of avoiding a revenue increase, somewhat arbitrary changes were made at the last minute to the budget document to achieve that result. Through dumb luck and economic good fortune, those variances from standard budgeting practices did not cause any serious financial problems. However, it is the carefully considered opinion of the Budget and Finance Committee that this approach represents an unorthodox approach to the municipal budgeting process that is fraught with financial risk.

Commissioner Davies reported that on Monday, December 17, other members of this Board submitted an alternative budget. The Budget Committee did meet on December 18 to examine this proposal. After a thorough examination, it concluded that the revenue assumptions presented in the alternate budget document are not fully verifiable, and the expenditure numbers expressed have not been fully agreed to or discussed in other meetings of the full Board. For this reason, the Budget and Finance Committee recommends approval of the existing 2013 budget document as presented and advertised following the November 21, 2012 meeting of the Board.

A motion was made by Vice President Leonard, seconded by Commissioner Davies, to approve Ordinance No. 544. This ordinance appropriates specific sums estimated to be required for the specific purposes of the municipal government, hereinafter set forth, during fiscal year 2013. Commissioner Mehaffie stated that he would like to discuss this further prior to the vote. He noted that he and Commissioner Wilt had the opportunity to put an amendment together. It is not an alternate budget, just an amendment to the proposed budget that was presented to the Board. First, he addressed Commissioner Davies' comment about the prior budget succeeding because of dumb luck. He clarified that it was not dumb luck, but good forecasting last year. Commissioner Mehaffie stated that he was one of those that had recommended the changes that were approved last year, and the Board can see that the 2012 budget was indeed successful. He stated that he is open to questions about the amendment that he and Commissioner Wilt have presented.

Commissioner Davies observed that the amendment presented shows earned income tax revenues at \$900,000. The year-to-date is presently at \$721,904.41. Commissioner Mehaffie explained that these are paid in quarters. He added that he would like to thank Marylou Rittner, the Township's Financial Administrator, for the time she spent answering his questions throughout the last several weeks. He continued that last year, the number was close to this

amount and ended up at \$949,000. Looking back at the last six years, there was only one year that this amount was under \$900,000. Commissioner Davies stated that since 2006, he sees three years which were under \$900,000. He stated that he prefers to stay with the safe number, especially with this particular economy. Commissioner Mehaffie reminded the Board that it thought the same thing last year, and the earned income tax revenues came in at \$949,000. He agreed that while this is a judgment call, his call is based on history over the last six years. The number he is proposing is a good and solid number.

Commissioner Davies next addressed the local services tax revenues. At eleven months, this amount is at \$233,620.54. The budget is predicting \$300,000, and this amendment is predicting \$325,000. Again, Commissioner Davies stated that he prefers to stay with the more conservative number. Commissioner Mehaffie responded that his answer would be the same analyzation as the one he used for the earned income taxes.

Commissioner Mehaffie explained that the amendment is for a no tax increase budget. One concern was taking care of the Fire Department. In lieu of the .22 fire tax increase, he and Commissioner Wilt have come up with the idea of exempting the Department for one year from its \$81,000 building payment. This is not reflected in the budget due to the fact that it comes out of the capital improvement fund. Commissioner Davies explained that there is a concern about this exemption, since there is a contractual arrangement with the Fire Department in regards to this annual transaction. He added that he feels that this particular suggestion would put a \$81,000 hole in the capital improvement fund while only giving the Fire Department half the relief for one year. It does not solve future problems in terms of its funding needs. Commissioner Davies stated that he feels the Board should try to take a longer view and put together a budget that will carry both the Township and the Fire Department through a longer period of time.

Vice President Leonard reminded the Board that the Fire Department originally came in with a request for \$50,000 in capital consideration, and that was taken off the table. He noted that a .22 mill increase in the fire tax equates to about \$130,000. If the Board offers relief of \$81,000 for one year only, what happens in the ensuing years? Even looking at this year, the \$81,000 in relief still does not address the \$50,000 in operating expenses that the Department must bear. He stated that the agreement with the Fire Company for the building payment can certainly be changed, but he is concerned that the Board would only be offering relief for one

year, and also taking the \$50,000 off the table. Commissioner Wilt clarified that the \$50,000 was not something the Fire Department ever had; it was not taken away but was a simply a request submitted this year. Commissioner Mehaffie added that the \$81,000 exemption he and Commissioner Wilt are proposing may not be as much as the Fire Department requested, but it is something for now, and future requests can be addressed on a year to year basis. Vice President Leonard stated that these five Commissioners may not always be on the Board to make that decision. Commissioner Mehaffie agreed, but stated a new Board could possibly take away the fire tax completely. Nothing is guaranteed. He stated that he does appreciate the Fire Department, and wants to help out. However, when the Department built its new, larger facilities, it should have thought about the expenses that would be associated with it. A building that size is more expensive to operate.

Commissioner Mehaffie added that he assumes all Commissioners agreed that the \$66,000 needed to pay for the buy-out of the flooded homes is coming out of the capital improvement fund. He asked if this is recognized in this budget or is being voted on. Commissioner Davies responded that this expenditure was previously voted on and approved. Commissioner Mehaffie agreed that the Board had approved the expenditure, but had not voted on where it would be taken from. He asked what the capital improvement fund is used for. Commissioner Davies responded that it is used for capital improvements. Commissioner Mehaffie asked if the \$81,000 relief he is proposing is a capital improvement since it is towards a building payment. He stated that this account has more than one million dollars in it. It has been put aside for many years, and if it needs to be used at this time when the Fire Department is in need, the Board should do so. Commissioner Mehaffie stated that as a steward of this Township and the individuals that live here, he is concerned about the tax increase. While it may not really affect him, it does affect the residents who may be having the biggest problems of their lives due to the poor economy. The Board cannot cry “henny penny” every year. It just cannot live like that. Commissioner Davies again explained that this is exactly why they are trying to create a multiple year stable budget with this budget document. Commissioner Mehaffie stated that he feels they can do the same with a no tax increase budget. Commissioner Davies responded that this is not the right way to run a municipality. Commissioner Mehaffie disagreed, and stated it is not right to burden the taxpayers. Revenues in 2006 were 3.6 million dollars and have grown to over 4.5 million dollars, which is almost a million dollar increase in

revenues. This growth is not only based on real estate taxes. Revenues are increased by growth and do not always have to fall into the pockets of the taxpayers. If expenses are controlled properly, even small growth will allow the Township to move forward without having to do this to the taxpayers. Commissioner Mehaffie agreed that this budget is only an opinion, but noted that he is disappointed with the comment that last year was luck. It was not luck. The previous budget may have been presented in a difficult manner, but there was no luck involved in its success.

Commissioner Davies stated that the Board members had ample opportunity over the past four month period to provide real positive information. He agreed that in a number of situations, Commissioner Mehaffie had come up with several hundred thousands of dollars of worthwhile savings that were incorporated into this budget. He stated that he does appreciate that. However, in terms of the financial stability of the future of the Township, he suggested that he and Commissioner Mehaffie will have to agree to disagree.

Commissioner Wilt stated that many times when taxes are raised, that extra money is spent and then it is necessary to come back that much sooner for another increase. He expressed concern that this will happen here – two or three years later, that extra money will be gone and another tax raise will be requested. Commissioner Davies stressed that this proposed tax increase really does not provide a lot of extra breathing room. It just provides some breathing space to rebuild reserves while beginning to address needs in a methodical manner instead of floating from crisis to crises. Commissioner Wilt stated that he does not want to wear out a cliché, but believes that sometimes you have to do more with less these days. He asked where it ever stops. Vice President Leonard stated that is a good question. Where does it stop? They are talking about operating a police department below staff. They are talking about not giving the Fire Department funds for operating expenses long term and expecting the 40 volunteers to raise funds for 2 million dollars worth of fire apparatus. Where does it stop? These are solid needs. Commissioner Wilt responded that nobody wants to compromise to save money. Vice President Leonard disagreed. The Police Department staffing, as suggested by a professional organization, is recommended to be 18. The request is only for a total of 16 officers. The Police Department requested two police cars, but only one is included in the proposed budget. The Fire Department contribution request of \$180,000 has been compromised down to \$130,000.

Commissioner Davies called for the question on the motion on the floor to approve Ordinance No. 544. A roll call vote was taken with the following ballot tabulation: Commissioner Wilt – nay, Commissioner Mehaffie – nay, Commissioner Davies – aye, Vice President Leonard – aye, President Linn – aye. Ordinance No. 544 was approved by a 3 – 2 margin with Commissioner Mehaffie and Commissioner Wilt dissenting.

A motion was made by Commissioner Davies, seconded by Vice President Leonard, to approve Ordinance No. 545. This ordinance fixes applicable tax rates for the year 2013. A roll call vote was taken with the following ballot tabulation: Commissioner Wilt – nay, Commissioner Mehaffie – nay, Commissioner Davies – aye, Vice President Leonard – aye, President Linn – aye. Ordinance No. 545 was approved by a 3 – 2 margin with Commissioner Mehaffie and Commissioner Wilt dissenting.

A motion was made by Vice President Leonard, seconded by Commissioner Mehaffie, to approve authorization of payment for the Middletown Borough Authority Waste Water Treatment Plant BNR construction upgrades, Requisition 32-A in the amount of \$1,376.24 to Middletown Borough Authority. The motion was unanimously approved.

A motion was made by Commissioner Mehaffie, seconded by Commissioner Davies, to approve the appointment of Bernheimer & Associates as Lower Swatara Township delinquent tax collector for Act 511 taxes for the years 2011 and 2012. The motion was unanimously approved.

A motion was made by Commissioner Mehaffie, seconded by Vice President Leonard, to approve the appointment of Powell, Rogers and Speaks as Lower Swatara Township delinquent tax collector for Act 511 taxes for the year 2010 and prior. The motion was unanimously approved.

The Board acknowledged the opening of two checking accounts at Mid Penn Bank to be associated with the Hazard Mitigation Program.

A motion was made by Commissioner Davies, seconded by Vice President Leonard, to approve the confirmation of the list of Special Fire Police for the year 2013, as attached. The motion was unanimously approved.

A motion was made by Vice President Leonard, seconded by Commissioner Davies, to approve the following committee/commission appointments/reappointments:

Rita Nagy	3 year term	Community Policing Advisory Committee
Randall Breton	3 year term	Community Policing Advisory Committee
Chris DeHart	4 year term	Planning Commission
Randall Breton	3 year term	Zoning Hearing Board
Richard Myers	3 year term	Code Hearing Board
Edward Meltzer	5 year term	Civil Service Commission
Charles High	5 year term	Municipal Authority

It was noted that there will be a vacancy in the Community Policing Advisory Committee, as Skip Guenther, the present appointee, has provided a letter to the Board indicating that he does not wish to be reappointed. President Linn suggested that the Police Committee discuss this. The motion was unanimously approved.

A motion was made by Commissioner Davies, seconded by Commissioner Wilt, to approve Ordinance No. 543. This ordinance amends the Code of Ordinances, Ordinance No. 448, Chapter 1, Administration and Government, Part 7, Police Pension Plan and Pension Fund, in order to comply with the results of an arbitration award effective as of January 1, 2013, amending the service increment benefit, providing for an early retirement option, and providing for a deferred retirement option plan program. A roll call vote was taken with the following ballot tabulation: Commissioner Wilt – aye, Commissioner Mehaffie – aye, Commissioner Davies – aye, Vice President Leonard – aye, President Linn – aye. Ordinance No. 543 was approved by a 5 – 0 margin.

FINAL COMMENTS:

The Board members, Solicitor Henninger, and Mr. Krot wished everyone a Merry Christmas and Happy New Year. Commissioner Davies added his thanks for the emergency service personnel and everything they do.

Vice President Leonard reported that he and Mr. Krot had attended a Local Government Commission meeting at PSATS this month which was held on behalf of the Lt. Governor’s Office. He noted that Penn State and local businesses had received an award for their cooperation on the very successful Meade Avenue Project, and a presentation of the project had been provided at this

meeting. Vice President Leonard thanked Penn State, the local businesses, and the Township staff for making this happen.

ADJOURN AND CONVENE INTO EXECUTIVE SESSION:

Hearing no other business, a motion was made by Commissioner Davies, seconded by Commissioner Wilt, to adjourn the meeting and convene into executive session. The motion was unanimously approved, and the meeting adjourned at 8:45 P.M.

ATTEST:

Harry N. Krot
Township Manager