

MINUTES

LEGISLATIVE MEETING – NOVEMBER 21, 2012

The November 21, 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. He asked that any comments pertaining to the proposed budget be addressed at that point in the agenda. He then opened the floor for public comment.

PUBLIC COMMENTS:

John Kucharski stated that he had observed Township employees cutting the bank of President Linn's property, and asked why this was permitted. President Linn stated that it is not his bank; it belongs to the Township. The Township agreed some time ago to cut it since it is Township property.

APPROVAL OF MINUTES:

A motion was made by Vice President Leonard, seconded by Commissioner Davies, to approve the Minutes of the October 17, 2012 Legislative Meeting. The motion was unanimously approved.

A motion was made by Commissioner Mehaffie, seconded by Vice President Leonard, to approve the Minutes of the November 7, 2012 Workshop Meeting. The motion was unanimously approved.

APPROVAL OF BILLS:

A motion was made by Commissioner Davies, seconded by Vice President Leonard, to approve the payment of bills as presented on Warrant No. 2012-10. The motion was unanimously approved.

APPROVAL OF TREASURER'S REPORT:

A motion was made by Commissioner Davies, seconded by Commissioner Wilt, to approve the Treasurer's Report for October 2012. The motion was unanimously approved.

ENGINEER'S REPORT: None

SOLICITOR'S REPORT:

Solicitor Henninger reminded the Board of the Public Hearing scheduled for December 5, at 6:30 P.M. The hearing pertains to a zoning change request by GreenWorks Development.

MANAGER'S REPORT:

Mr. Krot updated the Board on the drainage issues at the bottom of Wood Street and Route 230. Brenda Wick, Planning and Zoning Director, did receive information from the PennDOT inspector assigned to the project that a temporary drainage system will be put in there to get through the winter season. This work is expected to occur sometime around December 3. Commissioner Mehaffie added that there are three issues that need resolved, at least before winter. As Mr. Krot indicated, there will be a temporary drainage system put in. This will probably be the only item that is addressed until spring. Surveying has been completed, and after PennDOT provides its acceptance, the rest of the HOP can be completed. Lighting is in the works with PPL; Commissioner Mehaffie has a call in to the PPL scheduler. Hopefully, an answer will be provided by the next meeting. According to the contractors, the gate at the Penn

State emergency entrance is either being installed or will be installed. Commissioner Mehaffie noted that he had not had a chance to check this out yet. He added that he did have a heart-to-heart talk with the owners and explained what needs to get done. It appears the ball is rolling and moving much faster.

COMMITTEE REPORTS:

Police Committee – Vice President Leonard – reported that the hearing process for the homicide that occurred in the Township this year is moving along. Halloween was quiet with no problems reported. Thankfully, there is nothing significant to report from Hurricane Sandy. There is minimal activity reported from the Campus Apartments; most of the reports are from people living in the facilities. Vice President Leonard thanked the Fire Department for the work its volunteers did for 24+ hours during the recent storms, and for getting the forest service people through the fire station and over to the east coast where they worked diligently for about a week.

Public Safety - Commissioner Wilt – stated that he is also on the Police Committee, and has nothing more to add to Vice President Leonard’s report.

Public Works – Commissioner Mehaffie – reported that leaf collection continues and will be wrapping up soon.

Budget and Finance – Commissioner Davies – presented the monthly finance report. Cash receipts for October totaled \$325,387.82. The major sources of revenues were from the Act 511 taxes—including per capita, occupation, earned income taxes and real estate transfer taxes; permit fees; SARA patron parking taxes and other miscellaneous receipts. Cash expenditures totaled \$474,000.70 and were comprised of the two transfers to the payroll account, the transfers to the pension funds to meet the Township’s portion of the 2012 MMO, a shipment of diesel fuel, and all invoices due and payable. Investments totaled \$521,677.07 with an average annual yield of 0.5%. Commissioner Davies reported that the good news is that the Township does have a budget to present and advertise. He thanked his fellow Commissioners for the good exchange of ideas at the last meeting, which resulted in about \$120,000 in improvements to the proposed budget document.

Community and Economic Development – President Linn – stated he had nothing to report, but would like to thank EMA Director Alan Knoche for working around the clock in anticipation of Hurricane Sandy. He also thanked the Public Works, Police, and Fire Departments for their efforts and for being on alert.

Commissioner Mehaffie asked if the entire Board could receive a copy of the Finance Report that Commissioner Davies read aloud. He also noted that he had not received an email copy of the financial statements this month. Ms. Rittner stated that she will see that he gets this information.

UNFINISHED BUSINESS:

Mr. Krot stated that no action is required on agenda items A, B, C and D. 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), the Final Subdivision Plan of Old Reliance Farms (Section 18-B, 9 lots), and the Revised Five Oaks Village (Mobile Home Park) Plans. The motion was unanimously approved. Solicitor Henninger observed that the plan for the Revised Five Oaks Village was recommended by the Planning Commission on June 23, 2011 with stipulations. He asked if there is a time frame as far as expiration on the plan. Mr. Krot responded that he is not aware of one, but will verify this with Ms. Wick.

NEW BUSINESS:

Mr. Krot stated the first item under New Business is to act on advertisement of the proposed 2013 General Fund budget. He read aloud the 2013 Budget Report, as prepared by Marylou Rittner, the Township's Financial Administrator:

2013 Budget Report

Revenues

The year 2013 budget for Lower Swatara Township reflects total revenues and beginning cash balance as \$5,169,561. Given the current economic conditions, it was a challenge to present the Township residents with a fair and fiscally sound policy for the upcoming year. This budget for 2013 has \$560,317 more in revenues and beginning cash balance than the revised 2012 budget.

Revenues from the Local Enabling Act Taxes are budgeted at slightly more than the year 2012. 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 revised year 2012 revenues. Due to these uncertain economic times, it is difficult to predict the movement of property sales. We have budgeted a slight increase in the Earned Income Tax receipts. 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 a grant in excess of \$16,140 from our very successful Recycling Program. This projection is somewhat less than in previous years but the revenue flow comes from the Commonwealth and we have no control over the allotment. Revenue of approximately \$87,000 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 are expected to be less for 2013 than for 2012. It is anticipated that commercial activity will be somewhat less than in 2012. Several new housing starts are anticipated, including growth in Old Reliance Farms and townhomes in Woodridge development. The construction of the privately owned student housing units along the Main Street area continues to proceed. 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, state of the art schools, 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 \$5,169,561.

In the administrative categories minor changes have been budgeted. Wage increases are minimal. Due to poor economic returns on the pension funds, the Township is faced with significant increases in its share of the Minimum Municipal Obligation (MMO). Decreases are shown for employee benefits due to our anticipating a return of our premium costs due to good performance with our claims. A part time receptionist position has been budgeted for 2013.

By and large, the Police Department's budget is slightly more than the year 2012 adjusted budget. Wages for the officers have been stated in accordance with the contract that was recently settled. Additional staffing will be added to bring the force up to its full complement. As in the administrative category, a significant increase in the MMO is budgeted for the Police pension. The Township has an informal Capital Asset Acquisition plan that we follow to routinely replace aged equipment and vehicles. For 2013, one fully equipped squad car as well as upgraded computer equipment has been budgeted. 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 2013 due to financial constraints.

The Protective Inspection department is somewhat less than the year 2012.

The Planning and Zoning Department is also slightly less than the 2012 year.

In the Public Works Budget, an overall increase of approximately 11% has been budgeted for 2013 from the revised 2012 budget. One of the other reasons for the increase is due to our having budgeted a more encompassing road project than 2012 as well as the aforementioned MMO costs. The public works superintendent has tentative plans to do major roadwork on Nissley Drive in the Twelve Oaks area. Most of the funding for this project will be through the Liquid Fuels Account. We have also budgeted for a new truck. 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 have now been replaced with LED devices in all of our traffic lights. As a result we have experienced a significant reduction in the electric costs. The Public Works labor forces will mainly be expended on maintaining the existing roadways and the recreational areas.

The budgeted squad car, computers for the police, and the truck for the public works can be found on the budget under the debt principal and interest categories.

Pollution reduction measures with the Chesapeake Bay area are ongoing and the Township is facing some mandated costs for this purpose,

Insurance premiums for property and liability are expected to increase only slightly for the year 2013. The Township has been able to contain some of the escalating health insurance costs due to our having joined in a consortium with several other Municipalities to purchase our insurance through the Pennsylvania Municipal Health Insurance Group. Also, the Non-uniformed and Police 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. After numerous budget meetings, all line items were examined closely to maximize revenues and/or to minimize expenditures. Let it be noted that as the gap lessened, it was apparent that 92% of the shortfall between revenues and expenses were a result of the unfunded mandates for the MMO and the Chesapeake Bay issues. In light of such scrutiny, with the police force being restored to its 2010 levels, the Township foresees a \$25,000 savings in overtime expense. Among the many other items which were double checked were real estate taxes, earned income taxes, a possible capital contribution to the fire department, a second squad car, and a transfer to the Capital Reserve fund

The finance committee, manager 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 3.25 mills, while the tax rate for the Hydrant Fund, the Capital Improvements Fund, and the Street Light Fund will remain unchanged. The millage for the Fire Department will be set at 0.49 mills. This is the first increase in the Fire Protection Tax since it was instituted in the 1980's. As with all of us, the fire service, which is 100% volunteer, is faced with ever increasing costs for fuel, equipment insurances, etc. Arithmetically, these increases in millage from 2.5 to 3.25 mills and from 0.27 to 0.49 mills equate to \$97.00 dollar per year, or \$8.08 per month increase for the home assessed at \$100,000.00. With the additional inflow into the general fund, we will be able to meet the unfunded mandates such as the increase in the MMO and the Chesapeake Bay pollution reduction measures. We will also be able to set aside some funds into the Capital Reserve Fund so that we meet the funding reserve standards recommended by various professional agencies. Finally, we have always had an informal Capital Acquisition schedule, but we must realistically look at the need to begin a replacement schedule for the public works equipment. One of their pieces is 46 years old and the average age of the trucks is 18 years old.

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 2013 is \$190,490. The Township will use a portion of this sum, along with some General Fund revenues for the major reconstruction of the previously mentioned roads on Nissley Drive from Fulling Mill Road to Route 441 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. Capital Improvement Fund

The taxes generated for this fund, coupled with the transfers from the general fund and the fire department help to pay the note on the municipal building and the bond obligations for major projects. Another major expense that will be borne by this fund for 2013 is the buy outs and related costs of the flood damage properties.

Respectfully submitted,

Marylou M Rittner, Financial Administrator

Commissioner Davies, Budget and Finance Chairman, stated that this is the second year that the preliminary budget has come up short on the revenue side. This is not because of spending money excessively, but rather due to the cost of increasing local government services and increasing mandates. Add to this the increased employee pension costs due to poor investments in 2008, and you have the circumstances the Board is facing today. The Board could see the shortfall

coming last year, when it trimmed the budget down to meat and bone. The only thing left to trim now is public services. The Township faced many public safety issues last year, as it saw its first murder and its first occurrence of a firearm being brought into school. The fact is that last year, the Police Department was running two to three officers short of its compliment of 16. Even at 16, the Department's staffing is below what is recommended for a municipality of this population. While the Township has been fortunate, it remains legally required to provide adequate public safety, which is why this budget provides that the Police Department be returned to its former size and capacity. The new contract with the Police Department makes adding entry level officers a financially smart move this year. Again, the size of the force is not increasing. The Township is just hiring to repopulate the ranks. The citizens need and deserve this level of protection.

The Board has seen the facts and figures submitted by the Fire Department. They are dealing with the same number of calls, but with fewer volunteers. These existing volunteers are facing burnout. The Department is facing more requirements, tougher mandates, and increasing costs. The Fire Department needs help to fund its operations, which the community depends upon. During Hurricane Irene, Lower Swatara Fire Department was the only company pulling people out of flooded houses. The Township is bordered by two bodies of water that regularly flood. If the Fire Department's services are not up to standards, fire insurance rates could rise, impacting the residents. Commissioner Davies stated that he is supporting its call for additional funding, although this budget does not provide for everything the Department requested.

As far as General Fund revenue requests, this budget provides adequate resources for basic needs with a small amount of breathing space for other requirements. For example, the EPA will be paying the Township a visit to see how it handles stormwater. It will then dictate what changes are necessary. This budget provides \$30,000 for the study, but the Township could face even larger fines for not being in compliance. At present time, the Township carries a bare amount of reserves which are used to face unexpected future expenses. This budget allows the Township to bank only a little over \$200,000 a year to rebuild these reserves. Hopefully, this will keep the Township solvent for another five to seven years. Commissioner Davies thanked the Board members for participating in this year's public budget process. \$120,000 of changes in the positive were incorporated between last week's meeting and this week's meeting. Commissioner Davies stated that as Commissioners, the Board members are sworn to do the best job they can to represent the citizens and municipality, and they have fiduciary responsibility to produce a fiscally sound and

practical budget. That is what the Board has before it tonight – an honest and forthright estimation of what the Township needs to operate and provide the services that the citizens deserve and are accustomed to receiving.

Donald Canham referenced the tax millage increase for the Fire Department, and asked how much of this will go to the building and how much will go towards fuel, etc. Commissioner Davies stated that it is his understanding that of the \$162,000 received, about half comes back to the Township to deal with debt service on the building. This increase will basically assist with operating expenses and a portion of equipment replacement costs.

A motion was made by Vice President Leonard, seconded by Commissioner Davies, to approve advertisement of the 2013 General Fund budget as presented. Mr. Kucharski stated that many people do not get a newspaper. Solicitor Henninger clarified that it will also be posted at the Township Building for public inspection. Mr. Kucharski interjected that if the Board wants to save money in the budget, it should downsize and get rid of employees like the Borough of Middletown just did. A roll call vote was taken with the following tabulation: Commissioner Wilt – aye, Commissioner Mehaffie – aye, Commissioner Davies – aye, Vice President Leonard – aye, President Linn – aye. The motion to advertise was unanimously approved.

Mr. Canham reiterated a complaint he has made to the Township regarding a pool in the stormwater retention area in Woodridge. This contributes silt, and has killed the grass in his yard. He also noted that the construction project across the street has fencing so poorly done that it continues to break. Projects that are done correctly do not have dirt wash-out. He added that he has observed the silt being power washed away in broad daylight. Instead of fixing the problem, they just wash it away. Mr. Canham stated that he had called Mr. Knoche here at the Township and has waited two weeks for an answer about the pool. If no permit was issued, either a permit needs to be issued or the pool needs to be removed. He stated that he should not have to wait two weeks for a call back, and added that it is ridiculous that both the pool and the operations at the construction site are permitted. Mr. Krot asked that Mr. Canham provide his contact information before leaving tonight.

A motion was made by Commissioner Davies, seconded by Vice President Leonard, to approve the list of Budgetary Adjustments for 2012 (see attached list). The motion was unanimously approved.

A motion was made by Vice President Leonard, seconded by Commissioner Davies, to approve authorization to prepare and advertise an ordinance that would amend 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. The motion was unanimously approved.

Mr. Krot stated that the next item is to act on the Municipal Animal Protective Service Agreement with the Humane Society of Harrisburg Area, Inc. Said agreement will expire on December 31, 2013. The amount budgeted for this year is larger than what was budgeted last year. This number is more accurate, since the costs over the last few years average about \$7,400 annually. Commissioner Mehaffie stated that he would like to table this item, if possible. There are other municipalities that work with an individual who may be able to keep the costs of picking up cats down. It is basically a spay/neuter/release program for cats. He suggested that this individual be given a chance to come before the Board to discuss this program, or at a minimum contact Mr. Krot to discuss it. Commissioner Wilt stated that it sounds like the Township may be able to save significant money under this program. Commissioner Mehaffie also observed that last year's budget amount for this agreement was \$2,858, and the number in the proposed budget is \$10,000. Mr. Krot explained that \$2,858 was the minimum amount the Township had to put up front, based on the percentage of previous years. Then, as an animal comes in, the Humane Society draws from that. If that amount is exceeded, the Township is then billed. Commissioner Davies noted that so far this year, \$6,686.10 has been expended for the services. Mr. Krot concurred that it was grossly under budgeted last year. The Board agreed to table action on this item.

A motion was made by Commissioner Mehaffie, seconded by Vice President Leonard, to approve authorization of payment for the Middletown Borough Authority Waste Water Treatment Plant BNR construction upgrades, Requisition 30-A, in the amount of \$1,607.72 and Requisition 31-A, in the amount of \$1,428.37 to Middletown Borough Authority. The motion was unanimously approved.

A motion was made by Vice President Leonard, seconded by Commissioner Wilt, to accept a 30-day time extension on the Final Land Development Plan for the Educational Activities Building Addition and Alterations for Penn State Harrisburg, prepared by Raudenbush Engineering,

Inc. and submitted by the Pennsylvania State University Capital Campus. Said plan is due to expire on November 21, 2012. The motion was unanimously approved.

Mr. Krot stated that one additional item came in this morning from Catherine Kilgore of District Attorney Marsico's office. As the Board is aware, the Township was asked several years ago to be the lead municipal applicant for an information sharing grant. Ms. Kilgore has suggested a few potential changes, and would like to amend the grant for two purposes: to move some unexpended funds from line items within the budget to enable three other municipal partners to join, and to extend the expiration time of the project by 90 days(from December 31, 2012 to March 31, 2013). Mr. Krot asked for Board action on this tonight, since a signed amendment is required by November 30. Solicitor Henninger stated that he had reviewed the amendment; there is no expense to the Township, as this is basically a "pass-through" grant. A motion was made by Commissioner Mehaffie, seconded by Commissioner Davies, to approve the amendment to the information sharing grant through the District Attorney's office. The motion was unanimously approved.

FINAL COMMENTS:

The Board members wished everyone a Happy Thanksgiving. Vice President Leonard also thanked all the departments/volunteers for their work during the storm.

Mr. Canham asked where he could obtain more information regarding agenda item 14C, specifically the waiver request regarding Stormwater Management procedures. Solicitor Henninger suggested that he contact Ms. Wick for more details on this request.

ADJOURN:

Hearing no other business, a motion was made by Commissioner Mehaffie, seconded by Commissioner Wilt, to adjourn the meeting. The motion was unanimously approved, and the meeting adjourned at 7:58 P.M.

ATTEST:

Harry N. Krot
Township Manager

PLEASE PRINT NAME CLEARLY

NAME	ORGANIZATION (IF APPLICABLE) OR ADDRESS
MONK WIL	Fulling Mill No. 11c.
Nelle Barnett	Press and Journal
TROY WHITE	LST PUBLIC WORKS
PA Runkel	ORP
Severn	405 BRUNSWICK
Justin Leakey	FDLS
Trevor Eisnerth	FDLS
Sean Taylor	FDLS
Austin Byler	FDLS
Vicki Canham	Middletown
Donald Coban	Middletown
ERIC BRON	OLD RELIANCE RD
Jeff Ash	5 RAY RD.
Chris DeL	LST
Phyllis Zimmerman	Patriot-News
DAVE RIDGE	FDLS
JASON BROWN	FDLS

Lower Swatara Township
Budgetary Adjustments
2012

Debit

Credit

1 Adjust for insurance refund to reflect savings in line items

380.000 Miscellaneous	\$ 116,000.00	
401.156 EE benefits		\$ 3,314.00
402.156 EE benefits		\$ 6,629.00
405.156 EE benefits		\$ 3,314.00
408.156 EE benefits		\$ 3,314.00
410.156 EE benefits		\$ 59,657.00
413.156 EE benefits		\$ 9,943.00
430.156 EE benefits		\$ 29,829.00

2 Adjust transfer from Capital Reserve Fund that was not necessary for 2012 due to increased revenues from other sources

392.300 Transfer from cap res	\$ 160,244.00	
301.400 RE taxes delinquent		\$ 30,000.00
301.550 RE taxes fd prior		\$ 3,500.00
310.100 RE transfer taxes		\$ 15,000.00
361.300 Zoning permits		\$ 10,000.00
362.410 Building permits		\$ 65,000.00
362.420 Electrical permits		\$ 7,300.00
362.430 Plmbing permits		\$ 5,800.00
357.160 Grants		\$ 23,644.00

3 Adjust grants to reflect School Resource Officer Grant as distinct line item

357.160 Federal/state/local grants	\$ 74,100.00	
357.410 SRO School resource officer		\$ 74,100.00

4 Adjust recycling grant to reflect more accurate receivable from State

357.05 Recycling grant	\$ 15,860.00	
357.16 Grants		\$ 15,860.00