

MINUTES

NOVEMBER 2, 2016 – SPECIAL BUDGET MEETING

LOWER SWATARA TOWNSHIP BOARD OF COMMISSIONERS

The November 2, 2016 Special Budget Meeting of the Lower Swatara Township Board of Commissioners was called to order at 6:00 P.M. by President Thomas L. Mehaffie III. President Mehaffie called for the pledge of allegiance followed by a moment of silence.

Roll call was taken with the following officials in attendance:

- Thomas L. Mehaffie III, President
- Jon G. Wilt, Vice President
- Laddie J. Springer, Assistant Secretary
- Michael J. Davies
- Todd F. Truntz, Commissioner
- Frank E. Williamson, Public Safety Director/Assistant Manager
- Terry L. Kauffman, Interim Manager
- Jean R. Arroyo, Secretary
- Peter R. Henninger, Solicitor

Residents and visitors in attendance:

PLEASE SEE ATTACHED SIGN-IN SHEET

President Mehaffie welcomed everyone to this evening's Special Meeting, which is to publicly review a preliminary draft of the 2017 General Fund Budget document. He turned the floor over to Commissioner Davies, Budget & Finance Chairman.

Commissioner Davies stated that he will be going over the executive summary of the 2017. The proposed budget is a balanced one that utilizes grants, Capital Improvement Funds, and Liquid Fuels Funds to supplement the various taxes and fees. The good news is that the Board is not looking at any tax increases.

Revenues were reviewed. The first section, Real Estate Taxes, shows a 4.12 increase over 2016. This is based on an increase in the valuation of properties in the Township. Estimated income is also based on about a 94% collection rate. The Earned Income Taxes are around \$680,000. Local Services Taxes are listed a bit differently this year; the Township should be seeing about \$425,000. Parking Taxes are broken out into three segments because three different entities

are collected from: the Airport Authority patron parking tax, the PSU patron parking tax, and the Cramer patron parking tax. These parking taxes are expected to total about \$175,000.

There is a notable increase in income from grants applied for this year. The Township expects to receive a projected \$190,000 grant for completion of the ongoing projects at the Old Reliance and Shopes Garden parks. The Township also expects \$299,600 from a DCNR grant for expansion of the parks by investing in a property referred to as the Shireman property, and also for more of the Old Reliance and Shope Gardens park improvement project. Other notable income is \$55,000 from the Middletown Area School District for the school resource officer.

There are some fund transfers. The Township will be bringing in money from Capital Reserve to cover some costs associated with long term debt and projects planned in 2017, about \$440,000 in the form of long term debt for leases, bonds and loans. Other capital is to cover expenses associated with capital requests that are in the general fund budget for a police vehicle, a security system and access controls and cameras for the municipal building, and in-car cameras for about half of the police vehicles. The other half of the fleet will be done the following year. There is a transfer from the Recreation Fund that pertains to a Greenways Trail and DCNR grant for matching funds. There are also transfers coming in from the OPED fund to cover costs of post-retirement benefits. There is a Highway Aid Fund transfer to assist in a number of projects this year and that will be covered with liquid fuels funds that come in from the state. A portion of that is \$190,000 which will be used for stormwater management (otherwise known as MS4) projects, a snow plow, and a survey of Township roadways to assist with long-term planning and repairs and improvements.

Commissioner Davies stated that these are the notable changes in revenues this year. Total revenues are projected at \$6,904,147.

Expenditures were reviewed next. Commissioner Davies explained that these are not necessarily set in stone, but are a plan of what the Township intends to do. The Township code does permit the transfer from one fund to another as needed. He then reviewed the notable changes.

Employee salaries are anticipated to be increased by 3% this year. The police are also slated for a 3% increase as per the collective bargaining agreement. Legislative costs are down for this year, and much of that is due to decreased costs associated with the solicitor and engineer. In the past, the legislative category was pretty much the catch-all for these costs. This

year's budget will actually assigns these costs to the departments and projects they are specifically associated with. The 2016 projections are well over \$200,000, and this budget reduces this amount to \$108,926.

There is a decrease in the manager's salary line to about 75% of current costs since the Board does not foresee hiring a new manager the first of the year. Consulting work is being done at present time to make sure the Township gets the right individual in this position. Therefore, the budget reflects a salary of \$75,000. The 25% in the executive account deals with contracted services for consultants and also a 40% match for a DCED EIP (Early Intervention Program). This is a state program that offers consulting services to municipal governments. The Township is interested in improving its administrative processes and doing some planning for coming years. These services will assist with long range strategic and financial planning. The budget also includes a part time position in the executive category that will help to develop a records storage and retrieval program. Presently there is no real centralized system, and the goal is to achieve more coherence in record storage and retrieval while also working to get things digitized. This person will work with the Director of Administration to develop and implement these projects. The position of Financial Director was zeroed out and replaced by a lower figure of \$63,900 for contracted services. The Township will retain the accounting firm of Zelenkofske Axelrod for a full year to fulfill the necessary functions of this position. The firm has worked out well so far in 2016 in regards to addressing some of the issues that were mentioned in the audit, and it has offered a reduced rate from its standard rate. The Director of Administrations position, formerly listed under Secretaries and Clerks, is a title change to reflect a new position. It will carry a slightly higher pay rate than the previous Secretary position, and will work to centralize some of the administrative responsibilities including record keeping into one position.

There are a few changes in the Business Technology category, including replacement of the server which needs to be done every five to seven years. Expenses in this category include Wi-Fi coverage in the building, licensing agreements, contracted services, and hardware and software. A full-time Receptionist is budgeted. Staffing and position reviews are underway and should be completed early next year. The Board can then make a decision on how best to fill these staffing needs.

The Police Department reflects current staffing without an increase in budgeting for 2017. There is a staffing study ongoing which will be completed the first quarter of next year to see if there is a need for an additional officer. If that need is indicated, it will be addressed at that time. Commissioner Davies noted that Mr. Williamson, the Public Safety Director is shifting around some line items in order to make more sense accounting wise. For example, some are moved into contracted services where they belong. Major purchases in the police category include a new vehicle to replace the 2009 Dodge Charger and in-car cameras for four of the police vehicles, which is essentially half the fleet. The other four will be addressed the following year. Other minor purchases include Knox boxes, a computer modem, and laser printers.

This year, the Fire Department category breaks out costs for gasoline and diesel fuel which is used by the fire department and then reimbursed to the Township. A Capital Expense is listed under this category, since the Township will be paying off the Department's \$56,000 debt for the Chief's command vehicle. That coincides with a gaming grant application to pay off some debt on some of the other apparatus this year. The idea is to get the Fire Department in a favorable position so that it can purchase a pumper tanker to replace two older pieces of fire apparatus. President Mehaffie interjected that he just got word from one of the trustees that the final payout for that vehicle is about \$47,000, so that figure will need to be adjusted.

In the Emergency Services category, the EMS contract with Life Lion EMS will continue at \$70,000. The budget for this category also now shows a breakdown for gasoline and diesel fuel that is used and reimbursed by Life Lion EMS.

The Codes and Inspections category also lists costs for gas and fuels separately. Small equipment is up this year, and includes the purchase of computer monitors to view documents and plans which are now in electronic format.

Under Emergency Management, the stipend for the EMA Director has been eliminated since that duty now falls under the Public Safety Director position.

The Public Works Department shows no major purchases, but does include some minor equipment such as a plate tamper, tire changing machine, road saw, safety platform for the loader, manhole ladder, several portable radios, and a tablet.

Maintenance of bridges is slightly higher. There is also an expenditure of \$60,000 included to complete a survey of all Township roadways to aid in the development of long term

planning and repair. A contractor will use technology to assess the condition of the roads so that the Township can plan road projects in the future.

MS4, or stormwater management, is another big expense that increases every year. There are four major stormwater system projects planned in 2017: Woodridge, Swatara Drive, Greenplains and Cockley Road. Liquid fuels money can be used to cover some of the expenses. \$220,000 is budgeted in the MS4 category.

In the Parks category, two major initiatives in 2017 will include completion of the Shopes Garden and Old Reliance park renovations. It also includes a possible grant to purchase the Shireman Property for future park development at \$375,200. The park category also includes minor equipment to maintain the parks.

A Debt Service line is also listed this year to show long term debt which includes payment on the phone system, municipal building debt, DCIB debt, and general obligation bonds.

Interfund transfers are also shown including an \$81,000 transfer for the Township's portion of the fire station payment, which is an annual debt.

Commissioner Davies noted that expenditures total \$6,904,147. Total revenues and beginning cash balance also total \$6,904,147.

President Mehaffie asked if the public had any questions or comments.

PUBLIC COMMENTS:

Theresa Fink, 99 Bradford Avenue, stated her question does not deal with the budget, but she would like to speak now since she cannot attend the November 16 meeting. The news announced that Housing and Urban Development has 8.5 million dollars for buy-outs of flood properties. It appears that there will be 120 homes eligible for buys out from what she has seen on line. Ms. Fink noted that she talked to a lady today from Urban Development, who asked if the Township has a letter of intent that can be submitted to PEMA to get on the list for buy-outs. She asked if the Township can check into this and let her know, as she plans to call PEMA tomorrow. Ms. Fink explained that she is trying to sell her home, and realtors are discouraging potential buyers from purchasing it since it is in the flood zone. She noted that she would like to be on the list for buy-outs. Mr. Williamson agreed to look into this and call her back.

FINAL COMMENTS:

Mr. Williamson noted that the 3% salary increase mentioned is not set in stone but was used as a figure to develop the budget. Other options are being looked at before it goes on the table. He thanked the Board for its patience while he developed the budget document with the assistance of Mr. Kauffman.

Commissioner Davies agreed that other factors are being looked at which could change the draft document.

President Mehaffie explained that this year's budget shows "pass through" expenses – what is transferred in and what comes out. He stated that it was a great recommendation to show everything. He also referenced the codes category, and noted that included in this budget is a redo of the code of ordinances. It will require an attorney to go through and recodify the book. This needs to be done, since it has not been addressed for years. Commissioner Davies agreed that it is important to have one current ordinance book that can also be accessed on-line.

President Mehaffie also referenced comments about in-car cameras for half of the police vehicles. He stated that he fees with the liability factor and for the safety of the police and the citizens, it would be best to equip all the cars. Mr. Williamson agreed that the technology is exceptional and these will reduce the Township's liability. President Mehaffie suggested this be addressed at the next meeting. He noted that the Board is also looking at a camera and security system, including keyless building access, for the Township building. This will help with the accreditation, security and convenience.

President Mehaffie also noted that last year, the Township had planned to pay off the building. However, during the process the loan was sold, and the Township was advised there would be a prepayment penalty. He thanked Mr. Kauffman for reaching out to the new agency that has the loan to see what can be done. If prepayment can be done, it will be done in 2017. If it is not worthwhile, the Township will continue with its debt payments.

President Mehaffie thanked Commissioner Davies and the staff for its work on this document. A motion to advertise the budget will be made at the November 16 meeting, and the draft budget will then be posted. He noted that the document discussed tonight will also be available for review.

President Mehaffie referenced the Right to Know requests that the Township receives, and explained they take significant staff hours to complete, and also cost considerable tax dollars

since they must be reviewed by the solicitor. He encouraged individuals having questions to come in and meet with staff when possible.

Commissioner Truntz thanked President Mehaffie for his assistance in pulling this draft budget together. President Mehaffie stated that he enjoys this, as his background is in accounting. He added that this is the most detailed budget he has seen in his seven years on the Board, and is proud to say that it is a good, solid budget.

ADJOURN:

With no further business to discuss, a motion was made by Commissioner Davies, seconded by Commissioner Truntz, to adjourn the meeting. The meeting adjourned at 6::55 P.M.

ATTEST:

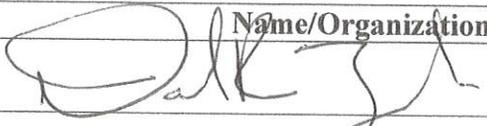
Jean R. Arroyo, Township Secretary

PLEASE **PRINT** NAME CLEARLY

November 2, 2016

Special Budget Mtg. at 6:00 P.M. &

Public Hearing at 7:00 P.M. immediately followed by Workshop Mtg.

Name/Organization	Address
 Eric Wise	25 DAVIS Drive
Eric Wise	Press And Journal
John Weikle	1264 Overlook Rd Middletown
Theresa Kuntz	99 BRADFORD Ave
Linda Raphael	62 Wayne Ave. M-town.
Sheryl Cyphert	1435 Andlewycke Dr
Ben & Melissa Hall	520 Constitution PR.
T PENDERGRASS	BRIARCREEK LN
BRUCE HARTER	STRITES RD.
Linda Mehaffey	921 Ebenezer Rd.
ROY PAUL	2 RICHARD AVE.
DAVID Klingeman	241 Keystone Dr.
NORM FREY	
Michelle Wagner	644 Longview Dr.
Chris DeWitt	LST
Dan Nagano	LST - Pheasant Run Rd