

MINUTES

NOVEMBER 7, 2012 WORKSHOP MEETING

LOWER SWATARA TOWNSHIP BOARD OF COMMISSIONERS

The November 7, 2012 Workshop Meeting of the Lower Swatara Township Board of Commissioners was called to order at 7:00 P.M. by President Frank Linn, Sr. President Linn called for the pledge of allegiance followed by a moment of silence.

Roll call was then 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
- Brenda K. Wick, Planning & Zoning Director
- Richard D. Brandt, Police Chief
- Steven W. Anderson, Public Works Director
- Marylou M. Rittner, Financial Administrator
- Peter R. Henninger, Solicitor
- Jean R. Arroyo, Recording Secretary

Residents and visitors in attendance:

- Troy White (Public Works Department)
- Ronald S. Keeney (310 Dauphin Street)
- Steve Severin (465 Brunswick Road)
- Daniel Wagner (Public Works Department)
- Julie A. Wilt (1257 Longview Drive)
- Chris DeHart, Dale Rider, Mike McKillip (LST Fire Department)
- Peggy Ginnovan (535 N. Lawrence St.)
- Noelle Barrett (Press & Journal)
- Michelle Wagner (Longview Drive)
- Eric Breon (Old Reliance Road)

President Linn welcomed the visitors to the meeting. He explained that the format of the workshop meeting will be a bit different this evening, since discussion will be devoted almost entirely to budgetary items.

The floor was then opened for public comment.

PUBLIC COMMENT:

Ronald Keeney, 310 Dauphin Street, asked when lighting would be addressed in the area of Lawrence Street and Wood Street, extending up to the campus. He stated that his daughter almost hit someone due to the lack of lighting. He added that the students should not even be walking up that way. GreenWorks had indicated that it would fence off the area, but apparently this is being put off until the Township approves its next building project; Mr. Keeney noted that he is opposed to any additional student housing projects here. He and his neighbors are slowly being squeezed out of the neighborhood by the student housing. He added that he had attended the recent Planning Commission meeting at which time a variance for KGH was discussed to allow the entrance on Wood Street to become a public entrance. He stated that the emergency exit sign has now been taken down. Apparently the variance was approved, without a traffic study being done first. He asked that the Township check into this. Mr. Keeney also suggested that the signal at Wood Street and Route 230 be made “no turn on red” for safety reasons. President Linn explained that since Route 230 is a state road, this would need to be approved by PennDOT. Mr. Keeney again expressed concern with the students walking in the middle of Lawrence Street. He stated that it seems stupid for the neighbors to have to call the police every time that they see this happen.

Vice President Leonard asked Mr. Keeney for the exact location of the lighting he is requesting. Mr. Keeney responded that GreenWorks had suggested that when it developed this new plan, it would put street lights and sidewalk all the way up Lawrence Street to the existing campus. GreenWorks does have an entrance in front of the property, but the students won't use it since they prefer to take the shortest distance. Until it is closed off, they won't stop going up there. Ms. Wick explained that the new portion of Lawrence Street will have lighting which will extend from Route 230 up to where it connects with the existing Lawrence Street. This is a joint effort of both developers, and is part of the developer's agreement. Construction is controlled by KGH. Mr. Keeney stated that there is actually plenty of light in this area. This is not the area he is concerned about.

Vice President Leonard also observed that the deceleration lane remains unfinished. After the rains this week, there was over a foot of water sitting in there. He expressed concern with the possibility of the weather turning cold and this water freezing. This could create some serious problems for drivers. He inquired if there are still things that are outstanding and need

completed by the two developers. Ms. Wick explained that there was a meeting on October 22 with the PennDOT inspector. Both developers were invited to the site. That work has been approved by PennDOT and can move forward.

Commissioner Mehaffie stated that he had spoken to Matt Genesio of KGH. The lighting is on the GreenWorks side. GreenWorks will be using PPL for the lighting. Commissioner Mehaffie added that the developer is planning to put a gate in there, and is in discussions with Penn State to solidify this. As far as Penn DOT, it is okay with everything except Wood Street. The engineer will be doing surveying work to try to finish the Wood Street items. Everything ties in together. Commissioner Mehaffie also reported that the culvert was ordered two weeks ago. He noted that there are PennDOT standards to get things done. Depending on weather conditions, six weeks of work could take six months. Vice President Leonard stated that even if the weather is not suitable, the deceleration lane really needs to be filled in. Ms. Wick agreed that Penn DOT wants the western stormwater crossing built as soon as possible, which should help that problem. Commissioner Mehaffie stated that he will also be contacting Bobbie Van Buskirk of GreenWorks for an update on the lighting. He will relay this information to Mr. Krot.

ITEMS FOR FORMAL ACTION:

The Board acknowledged receipt of the department reports.

Mr. Krot noted that the first item for action is the Final Plat, Minor Subdivision Plan for Jon G. and Julie A. Wilt. The plan was recommended for approval by the Planning Commission on October 25, 2012 and is due to expire on December 26, 2012. Prior to taking action on the plan, the Board needs to act on the three waiver requests that are associated with the plan. A motion was made by Commissioner Mehaffie, seconded by Vice President Leonard, to grant the following requests for "Alteration of Requirements" for a waiver of the following requirements of the Code of Ordinances, Chapter 22, Subdivision and Land Development (Planning Commission recommended granting all three waivers): (1) A waiver of Section 22-404 of the Lower Swatara Township Subdivision and Land Development Ordinance regarding Preliminary Plat submission in accordance with Section 22-403; (2) a waiver of Section 22-606 of the Lower Swatara Township Subdivision and Land Development Ordinance regarding installation of curbs in accordance with Section 22-901.2 (alteration of requirements); (3) A waiver of section 22-607

of the Lower Swatara Township Subdivision and Land Development Ordinance regarding installation of sidewalks in accordance with Section 22-901.2 (alteration of requirements). The motion was approved by a 4 – 0 margin, with Commissioner Wilt abstaining due to a conflict of interest. With the waiver requests approved, a motion was then made by Vice President Leonard, seconded by Commissioner Mehaffie, to approve the Final Plat, Minor Subdivision Plan for Jon G. and Julie A. Wilt. The motion was approved by a 4 – 0 margin, with Commissioner Wilt abstaining due to a conflict of interest.

The Board acknowledged receipt of the revised Minimum Municipal Obligation (MMO) for 2013.

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

BUDGET DISCUSSIONS:

Commissioner Davies, Budget and Finance Chairman, stated that each Board member has been provided with a spreadsheet of a proposed budget. Last year, significant reductions had to be made. Things were cut to the bone, and there is not much more that can be carved off. This budget shows a deficit of \$323,544. The Board must now look at options to deal with this. He referenced a list of current budgetary shortfalls. The MMO (Minimum Municipal Obligation) for the two pension plans (Police and Non-Uniformed) this year is \$249,176. This is a big increase from 2012 due to changes in actuarial assumptions, some investment losses, and some asset smoothing that was done in 2010 and 2011. This is a non-negotiable item. Negotiable items in the budget include the MS4-Chesapeake Bay remediation efforts recommended by the Township engineer (\$50,000), a part-time receptionist position being considered to make up for a personnel change, a Human Resource system review and design, and a 2% wage increase for non-uniformed employees. Also included is backfilling of a police officer vacancy from 2010 to bring at least one officer on Board, although the Department is technically short three officers. Backfilling would reduce police overtime. Other negotiable items include two squad cars with in car computers, a freightliner truck for the Public Works Department, and a \$50,000 capital request from the Lower Swatara Fire Department for future purchases. Total of all these negotiable items is \$279,739.

Commissioner Mehaffie inquired if the MS4 item is a recurring expense. Mr. Krot agreed that the engineer suggested this be made a place-marker in the budget going forward. Commissioner Davies added that a portion of this should be invested in getting a plan on record that addresses stormwater mitigation; EPA will be looking for this. Mr. Krot stated that HRG had just provided an estimated cost for this plan, and has agreed to attend a workshop meeting to explain this plan and the associated costs. Ms. Wick further explained that in this first year, DEP will require that a plan be established. EPA then has milestones for actually putting improvements into place. In response to question from Commissioner Mehaffie, Ms. Wick stated that DEP would like to have all the stormsewer systems mapped. The proposal that the Township submitted to DEP is requesting that only the outlets be required to be mapped. The mapping of the outlets has already been completed.

Mr. Krot stated that Marylou Rittner, Financial Administrator, is here to answer any in-depth questions about items presented tonight.

Mr. Krot presented the requested budgetary needs for the administrative department. He explained that he has budgeted for a part-time receptionist. At the end of last year, there was a retirement in the Municipal Authority's billing office, and the Township's receptionist, Tracey Bechtel, moved into that position. Ms. Bechtel, with the assistance of other staff members, has been maintaining the duties of both positions. Mr. Krot stated that he feels that this is sometimes less than an ideal situation, and added that the Authority's billing operations is also in need of some attention. The Authority has also talked about new software to upgrade the billing system; the hiring of a part-time receptionist would allow Ms. Bechtel to focus on this. President Linn agreed that the receptionist is a key position, since that person meets and greets the visitors to the office. Mr. Krot added that he also budgeted for Human Resource system work, as the Township has a real need for update of its current system. The original request of \$20,000 has been pared down to \$12,000 in order for the Township to at least get a start on job descriptions and policies. In response to a question from Commissioner Mehaffie, Mr. Krot confirmed that this does not include the Police Department. The Police Department, as an accredited department, already has extensive and up-to-date policies and review procedures. Mr. Krot stated that the budget also includes a 2% wage increase for non-uniformed employees.

Police Chief Brandt presented his budgetary needs for 2013. He summarized that these needs fall under vehicles and personnel. Chief Brandt added that in the last 14 months, the

Police Department lost three officers that were not replaced. He is asking that these three officers be replaced to bring numbers back to 2008 staffing levels. According to a formula used by the International Association of Chiefs of Police (IACP), the department, based on population, should have 18 total sworn-officers (this includes a Chief, Sergeants, Detectives, School Resource Officer). It now has a total of 13, although in reality it is only 12, since the School Resource Officer is devoted to the school. Chief Brandt explained that he is only asking for three more officers, which would bring the Department back to 16. He noted that the department's budget for salaries in 2012 was \$842,230 and the proposed 2013 budget is \$863,000. Basically, he is asking for \$20,770 to add three officers. Chief Brandt noted that with the lower starting salaries in the present contract, there will never be a better time to hire police officers. He added that his budget also includes replacement police vehicles and the associated computer equipment for the vehicles. Over half the Department's fleet now has over 80,000 miles. Chief Brandt summarized that there is a proposed \$66,000 increase in the total police budget overall, but this is due to pension costs. If the \$89,000 pension obligation is factored out, the overall budget is actually \$23,000 less.

Commissioner Mehaffie questioned the report of negotiable items presented by Commissioner Davies, and stated that it appears to include backfilling only one officer vacancy. Chief Brandt explained that he is proposed three in this budget. Commissioner Mehaffie inquired if this would mean a total of \$165,000 for three officers, rather than \$65,000 for one officer. Chief Brandt confirmed this is correct. Commissioner Mehaffie also questioned why the leases for the vehicles cannot be placed in the proper budget department category rather than being bundled together. He stated that he would like to see them broken down in order to differentiate the leases for each department. Ms. Rittner explained that they are combined for GASB purposes, but can be separated for in-house purposes. Commissioner Mehaffie also stated it would be helpful to include the breakdown of reimbursement for the School Resource Officer in the police budget.

Steve Anderson, Public Works Director, stated that his budget only includes one additional major piece of equipment which has been pushed off for three years. This would be a five-year lease on a dump truck, which would be used primarily for snow removal. The lease would be approximately \$25,000 per year. Mr. Anderson explained that the 1988 dump truck needs replaced; the Township has a hard time even getting parts for it. He added that the

equipment has been maintained well by the maintenance personnel and employees, which is why it has lasted so long.

Commissioner Mehaffie questioned how much time is left on the lease on the backhoe. Ms. Rittner agreed to email this information to him. He also asked Mr. Anderson if a power washer is still included in this budget. Mr. Anderson confirmed that this, as well as an in-house scanner to read vehicle code repairs, is included in the minor equipment category. The redo of the backhoe as far as lines and bucket is included under general maintenance. Commissioner Davies stated that points of interest in the Public Works budget include the fact that workers compensation rates have decreased significantly due to a better rating, and retirement costs have dramatically increased. In response to a question from Vice President Leonard, Mr. Anderson stated that there is no additional staffing being requested. In fact, the Department cut out two part time employees from last year's budget, and is not asking these positions to be backfilled. Vice President summarized that the 2012 budget for the Public Works totaled \$1,040,000 and the proposed 2013 budget totals \$1,156,208.

Commissioner Mehaffie stated that he had an additional question for Chief Brandt. If the Department has the optimal number of officers, he questioned whether the \$135,000 police overtime budget would be needed. He asked if this figure would decrease dramatically by hiring these officers. Chief Brandt stated that unfortunately, there will always be overtime necessary in the police department. He stated, however, that it would certainly decrease if additional officers are hired.

Chris DeHart, Fire Chief for the Lower Swatara Fire Department, highlighted trend data with the Board. For the period 2009 through 2011, the number of people per call has dropped 12.5%. The number of people hours spent annually has increased 17%. Total calls per year have increased 37%, and total active members have decreased 28%. Basically, the Fire Department is having less volunteers responding to more calls and performing more fundraising efforts. It is relying on these same individuals over and over again, which is causing burnout. Dale Rider, Treasurer for the Department, addressed millage support provided by the Township, revenue generated from this millage, and estimated capital expenses. Over the course of last year and going into the next year, it will be replacing a million dollars' worth of apparatus (rescue and engine). The \$400,000 gaming grant represents about 40% of the cost of putting these two pieces of equipment into service. Future expenses will include replacing expiring

airpacks (\$136,000). Further down the road, expenses will include the replacement of a rescue boat, replacement of command vehicles and eventually replacement of an engine and tanker. Over the next 25 years, there will be approximately \$2,500,000 in capital expenditures. Challenges the Fire Department is facing includes increased call volume, decline in volunteers, increase in operating costs, stringent requirements in training, and rising cost of equipment. The Township's contribution has essentially remained the same for the past twenty years. It will be about \$158,000 this year. Starting in 2008, the Department returns \$81,000 of this amount back to the Township for lease payments on the fire station. The Fire Department also pays for its own workers compensation, which could drastically increase due to possible mandates for inclusion of cancer coverage. This premium could possibly go up 100%, and approach the range of \$40,000.

The Fire Department is asking the Board to consider establishing a capital expenditure fund for the department. Fire apparatus is the most expensive equipment the Township is involved with, and it would be prudent to set up a fund and make regular contributions to it. Vice President Leonard noted that \$50,000 has been put in the proposed budget for this item.

Chief DeHart referenced the ISO insurance rating. The rating, through the continual efforts of the Fire Department, is at a 4. This favorable rating allows the residents and businesses to get a lower rate on their fire insurance. If the Fire Department is forced to cut items, things like hose testing may need to be cut. This could impact the rating and ultimately impact these rates. Mr. Rider added that the fundraising efforts, such as the Biker Breakfasts, also lead to volunteer burnout. Revenue from hall rentals is down, as is revenue from bingo and small games of chances.

Commissioner Davies explained to the Board that the Fire Department is also requesting a .22 increase in the fire tax, which comes to a \$130,000 increase, to offset some of the operating expenses.

Commissioner Davies stated that the Board has now heard from all the department heads and needs to decide on a direction for the budget. If the Township only uses its reserves to balance the budget, there would be only about \$175,000 left in the bank. Right now, there is \$498,000. Most financial experts recommend a standard of at least two months worth of revenue in reserves. Based on the current budget level, the Township should have \$840,000 worth of reserves; it is already below suggested levels. In order to balance the budget, the

Township can look at obtaining additional revenue by increasing the millage rate, spending down its reserves, or doing a combination of both. Commissioner Davies explained that a mill in Lower Swatara Township equates to about \$608,000. The Board could opt for a .55 mill increase which would give it additional revenue to carry this budget through. If the Board wants more breathing room and the ability to build its reserves at a modest level each year, it could consider a .75 mill increase. The Board will also need to determine what it wishes to do about the requested fire tax increase. He asked the Board members to think about this, as he would like each of them to provide him with a specific recommendation as to what direction they would like to see based on their comfort level. Commissioner Davies asked that this information be provided to him sometime next week

President Linn suggested all five Commissioners meet to hash things out. Solicitor Henninger explained that if the entire Board wishes to meet to discuss this at a non-scheduled meeting, the meeting must be advertised twenty-four hours in advance.

Vice President Leonard noted that time is of the essence, and suggested the Board discuss this now, since each Commissioner has had ample time to review the proposed budget and discuss their respective budgets with the department heads.

Commissioner Davies stated that he would support the budget items presented tonight by the department heads, but is not certain he can support both a .22 millage increase for the Fire Department as well as a \$50,000 capital contribution. He added that this is the second year the Township has had a significant shortfall. It would be nice to have some flexibility in building the reserves. If a tax increase is necessary, he would favor a .75 millage increase. On a home assessed at \$100,000, this would equate to an additional \$75.00 a year, or \$6.25 a month. The Township does need to meet its obligations. He noted that the only other option he can see to a tax increase is the cutting of personnel, and the Township is not personnel-heavy. Commissioner Davies stated that he really isn't comfortable with one mill, but would choose .75 mill increase.

Commissioner Wilt stated that the taxes paid by residents could really balloon if the Board implements a tax increase and supports an additional fire tax increase as well.

Vice President Leonard stated that he is not promoting a tax increase. However, there was a lot of belt tightening in 2011, which restricts similar belt tightening in 2012. One big issue is the \$250,000 pension mandate. Staffing levels are already low. He noted that

everything presented in the budget by the department heads appears reasonable, and commended them for a good job putting it together. Taking the pension contribution out of the equation, the proposed 2013 budget comes in lower than the 2012 budget. First Class Townships are required to provide for emergency services and infrastructure. The Township has not given the Fire Department an increase for two decades. Half of the \$160,000 millage contribution is returned by the Fire Department for its building payment, and it must pay its workers compensation out of this amount too. These volunteers cannot be expected to do more and more fund raising for these expenses. Vice President Leonard stated that he favors both the capital contribution and the increase in the fire tax. He favors trying to do the budget that was presented this evening, as is.

Commissioner Wilt agreed that all the departments are doing what they can, but expressed concern about putting a large burden on the tax payers if the budget presented tonight is approved as is. He suggested the Board look at ways to potentially lessen this burden on the taxpayers.

Commissioner Mehaffie stated that he cannot commit to any action until he has had the opportunity to look over the figures. He also asked Ms. Rittner to send him a copy of the final 2011 budget.

President Linn stated that if the Board had taken his suggestions last year, it would not be in the same predicament this year. No one likes a tax increase, but the Township has an obligation to provide services to the public. He suggested the entire Board meet next Wednesday to make a final decision on the budget document that needs to be advertised. A motion was made by Commissioner Davies, seconded by Vice President Leonard, to schedule a meeting for Wednesday, November 14, at 7:00 P.M., to finalize the budget document for advertisement.

FINAL COMMENTS:

Solicitor Henninger stated that the Winter Maintenance Agreement with KGH and GreenWorks has been executed by all parties.

ADJOURN:

With no further business to discuss, a motion was made by Vice President Leonard, seconded by Commissioner Wilt, to adjourn the meeting. The motion was unanimously approved, and the meeting adjourned at 9:00 P.M.

ATTEST:

Harry N. Krot
Township Manager