

LOWER PAXTON TOWNSHIP
BOARD OF SUPERVISORS

Minutes of Board Meeting held December 17, 2013

The business meeting of the Board of Supervisors of Lower Paxton Township was called to order at 7:29 p.m. by Chairman William B. Hawk, on the above date, in the Lower Paxton Township Municipal Center, 425 Prince Street, Harrisburg, Pennsylvania.

Supervisors present in addition to Mr. Hawk were: William C. Seeds, Sr., William L. Hornung, Gary A. Crissman, and David B. Blain.

Also in attendance were George Wolfe, Township Manager; Steve Stine, Township Solicitor; William Weaver, Authority Director; Jeff Wendle, GHD; and Watson Fisher, SWAN.

Pledge of Allegiance

Mr. Blain led in recitation of the Pledge of Allegiance.

At this time, Mr. Seeds convened the Lower Paxton Sewer Authority meeting. Mr. Hawk reconvened the Township Business meeting at 7:58 p.m.

Approval of Minutes

Mr. Crissman made a motion to approve the minutes from the October 22, 2013 and November 4, 2013 workshop meetings and the December 3, 2013 business meeting. Mr. Blain seconded the motion, and a unanimous vote followed.

Public Comment

No comments were provided.

Chairman and Board Member's Comments

Mr. Seeds noted that the Township recently experienced two or three snowfalls and he wanted to commend the Public Works staff for the fine job they have done in clearing the roads. Mr. Hawk noted that he received one phone call but it was reconciled earlier this afternoon.

Presentation to Supervisor David Blain

Mr. Hawk and the members of the Board of Supervisors presented a plaque to Supervisor David Blain thanking him for his years of service from 1998 through 2013, as a past member of the Planning Commission and the Board of Supervisors. He noted that the Board members have established a good working relationship and he wanted to thank Mr. Blain for all his hard work. He noted that his insight and recommendations benefited the Township and will serve as a legacy long after Mr. Blain goes on to greater things with McKonly and Asbury. He noted that Mr. Blain will continue to serve as a member of the Lower Paxton Sewer Authority.

Mr. Blain thanked his fellow Board members, Mr. Wolfe, Mrs. Heberle and Mr. Stine as it has been an honor and pleasure to serve over the past 12 years. He noted that it did not hit him until this past Sunday that this would be his last Board meeting and he started to reflect on the issues that the Board has tackled in the past 12 years. He appreciates, in almost every occasion, that each Board member checked their ego at the door and put politics aside to do what was best for the Township. He thanked the Board members for this working experience as it showed that taking care of the Township business and the citizens of the Township was the most important thing to do. He noted that this occurred all the time. He noted that the Board members may not have always agreed on issues, but at the end of the day, they all respected each other and could leave the room and feel good that they did what was needed to be done. He noted that he has learned a lot over the past 12 years and would never trade his experience for anything. He thanked the citizens for voting him into office for two terms as it is something that he will always cherish. He noted that the Township is in a good position to prosper in the future and with that he stated, "Mission Accomplished".

Manager's Report

Mr. Wolfe noted that the Compost Facility is closed for the year and will remain closed until April of 2014. He explained that Christmas trees can be dropped off at the Public Works Facility located off of Locust Lane or at Koons Park until the end of January. He noted that additional information is available on the Township's web page.

Mr. Wolfe noted that the next meeting of the Board of Supervisors will be held on Monday, January 6, 2014 at 7:30 p.m. He noted that the annual reorganization meeting for the Township, by law, must be held on the first Monday of the new year. He noted that the Board's regular business meeting will be held after the reorganization meeting and all other meetings will be held on the 1st, 2nd and 3rd Tuesday of the year.

Mr. Wolfe noted that the Merchants Association and Civic Association for the Village of Linglestown will conduct a New Year's Eve party beginning on December 31, 2013 at 10 p.m. and continue into New Year's Day. He noted the Jingle Linglestown event will start at the square.

OLD BUSINESS

Resolution 13-47; Adoption of the 2014 fiscal year budgets

Mr. Wolfe explained the budget preparation begins in September of every year and it is roughly a five-month process that requires significant additional work on behalf of the Board and staff culminating in the adoption of the budget at tonight's meeting.

Mr. Wolfe noted that Lower Paxton Township is a Township of the Second Class by a code established by the Pennsylvania Legislature that is a form of government that has specific parameters for budget preparation. He noted that the Township has 47,000 plus residents, is the 17th largest municipality in the State with 28 square miles, owning 200 miles of road, 275 miles

of sanitary sewers and 320 acres of parkland. He noted that the Township employs 140 full-time employee and nearly 400 part-time and seasonable workers.

Mr. Wolfe noted that the Township provides public safety for police, fire, emergency medical services and an emergency preparedness operation center. He noted that public works duties includes the roads, storm sewers, municipal properties and compost facility as well as the maintenance of the municipal fleet. He noted that sanitary sewers program maintains the facility and pumping stations but also conducts an extensive sanitary sewer infiltration and inflow program. He noted that it is a multi-million dollar project that is designed to replace the vast majority of the Township's infrastructure. He noted the Parks and Recreation Department undertakes program activities at four regional parks, ten neighborhood park facilities and the Friendship Center. He noted that the Community Development Department issues building permits, undertakes land development and subdivision plan reviews, and enforces the Township's Zoning Ordinance. He noted that the Sanitation and Health Department conducts maintenance activities for abandoned properties and those that do not meet the conditions of the Township's Property Maintenance Code. He noted that all these activities are supported by the Administration, Finance and Personnel Departments.

Mr. Wolfe noted in 2014, the General Fund is balanced at \$19,662,475. He noted that there is no increase in taxation planned for 2014. He noted that the Liquid Fuels Fund received from the Commonwealth of Pennsylvania total \$1,007,280 for the maintenance of Township roads. He noted for capital improvements for municipal operations, \$1,732,000 is budgeted. He noted that the Fire Equipment Fund will receive revenues of \$204,000 and the Length of Service Awards Program for firefighter volunteers will have revenues of \$77,250 with expenditures of \$30,000. He noted that the Friendship Center Operating Fund expects revenues of \$2,250,904 with expenditures of \$2,265,455. He noted that the Lower Paxton Township Authority

Operating Fund is listed as it was prepared during the previous workshop session; however, the budget adopted at the previously held Authority meeting is slightly different. He noted that the revenues generated by the Authority in 2014 will exceed \$14 million with expenditures of \$12,403,888. He noted that the Authority Capital Fund has expenditures of \$14,746,500 for sanitary sewer improvements. He noted that the total spending plan for the Township is \$52 million.

Mr. Wolfe noted that the 2014 General Fund is the operating fund for municipal finances based on the calendar year and it is balanced at \$19,662,475. He noted that it is the primary source of revenue for the General Improvement Fund, Fire Equipment Capital Fund, Police and Non-Uniformed Employee Pension Funds.

Mr. Wolfe noted that the pie charts for revenues show that the major source for the General Fund is the Earned Income Tax followed by the Real Estate Tax. Mr. Hornung noted that he has many people come into his store lamenting about where all their real estate taxes are going to. He noted that they are totally surprised at what percentage of real estate taxes that they pay ends up in the Township's hand. Mr. Wolfe noted that is included in a slide later in the presentation.

Mr. Wolfe noted for the expenditures in 2014, the largest amount goes to public safety followed by public works, fire, with ambulance, sanitary sewer services and administration being relatively equal in amount.

Mr. Wolfe noted that the Township receives State Aid on an annual basis that is authorize by the Pennsylvania Liquid Fuels Tax Act 655 of 1956, and until recently the amount of that allocation has remained unchanged for many years. He noted that the new legislation by the State of Pennsylvania will increase those allocations over time in the near future. He explained that the Township is required to expend the funds only on roads, and in 2014, the

Township will receive about \$1 million for maintenance of the road system. He noted that additional road funding comes from the Township's budget.

Mr. Wolfe noted that the Capital Fire Equipment Fund has purchased nine pieces of primary apparatus used by the Township's three volunteer fire companies since its inception in 1996 at a total cost of approximately \$4 million. He noted that the Township will deposit into this fund \$204,000 to provide a total amount of \$988,000 as the Board is working on Phase IV of the Plan with the volunteer fire chiefs to determine future purchases.

Mr. Wolfe noted that the Length Of Service Awards Program (LOSAP) provides a stipend to volunteer fire fighters and fire police officers who meet certain criteria with the maximum award reached at age 65 having 25 or more years of service. He noted that the fund currently has \$350,000 with a deposit of \$77,520 in 2014 with benefit payments totaling \$30,000.

Mr. Wolfe noted that the General Improvement Fund is for one-time capital projects and in 2014 \$1,732,000 is budgeted. He noted that the vast majority of these projects will be storm sewer projects. He noted that the Board is embarking on an aggressive project to replace antiquate storm water facilities Township-wide. He noted that these projects have been ongoing for the past three years and the Township has borrowed funds to undertake those projects.

Mr. Wolfe noted that the Friendship Center (FC) fund is not balanced with revenues of \$2,250,904 and expenditures of \$2,265,454. He noted that the FC Capital Fund is expected to possess a balance of \$94,700 on January 1, 2014. He noted that the Board has had significant discussions regarding the FC over the 2013 budget process but one item on the agenda for this evening is a resolution affecting the FC debt service and FC reimbursement for the senior center activities. He noted that those actions taken by the Board of Supervisors will basically provide

for a balanced budget for the FC this year and should provide for the financial stability of the FC in years to come.

Mr. Wolfe noted that the Lower Paxton Township Authority (LPTA) is undertaking a significant capital improvement project throughout the municipality. He noted that this was discussed earlier by Mr. Weaver during the Authority meeting.

Mr. Wolfe noted that the annual expenditures for operations from 2007 through 2014 have increased by 1.6% per year. He noted that the Consumer Price Index (CPI) for the northeast urban areas rate is 2.2% per year. He explained that the Board has operated the municipal finances in a very judicious fashion. He noted a comparison for the 2013 year-end estimate as compared to 2014 for revenues and expenditures shows that the 2013 budget revenue is \$18,340,073 as compared to the year-end estimate of \$18,976,922 with the 2014 budget being \$19,662,475. He noted for expenditures the 2013 budget was \$18,340,073 with a year-end estimate of \$18,062,413 and the 2014 budget being \$19,662,475. He noted that the Community Development as well as the Parks and Recreation programs are rebounding from the 2008 recession. Mr. Hornung questioned when was the last time that the Township exceeded its expenses for the budgeted amount. Mr. Wolfe answered that staff takes to heart what the Board has preached over the years in that the money that has been allocated is what it can spend and it is not to exceed the level of expenditure unless the Board approves it. He noted in the 24 years that he has been the manager he can't image that happening more than a handful of times. Mr. Hornung noted that staff typically beats the budget. He noted that you often hear where government activities spend all the money before the end of the year so they don't receive a cutback for the next year but that is not the case for the Township. He noted that staff tends to have money left over that they give back. Mr. Wolfe noted that staff does not look at it as giving

back funds, the Township is nearly \$300,000 to the good for expenditures in 2013 but staff takes great pride in providing municipal services in the most cost efficient manner possible.

Mr. Wolfe noted that the General Fund balance provides for a Board mandate that it must have 25% of the budgeted General Fund expenditures for operations in a savings account for a rainy day activity or for future capital projects. He noted in 2014, the General Fund budget is proposed to have \$19,662,475 in that account. He noted that the current General Fund balance for the end of 2013 is estimated to be \$6,912,764. He noted that the balance for 2014 is estimated to be \$1,997,145 more than the 25% threshold.

Mr. Wolfe noted for the 2014 Municipal Tax Base, the Earned Income Tax is the largest source of revenues and is expected to be \$7,200,000. He noted that the Real Estate Tax is projected to be \$3,960,685. He noted that the Local Service Tax of \$2 collected over 52 weeks is expected to generate \$1,050,000. He noted that these are the only taxes that the Township levies on residents on an annual basis. He noted that the Real Estate Tax is the only significant source of General Fund revenue that the Board can adjust. He noted that it can't adjust the Earned Income, Local Services or Real Estate Transfer Taxes. He noted that the Real Estate Tax rate will remain at 1.3 mills and is expected to generate \$3,960,685, accounting for only 20% of the General Fund. He noted that 26% of the Real Estate Tax, over \$1 million, funds volunteer fire services. Mr. Hornung noted that the Township only receives about 5% of the total Real Estate Tax paid by the residents. Mr. Wolfe noted that \$2.9 million in Real Estate Tax revenues are available for municipal operations in 2014 making up 15% of the General Fund.

Mr. Wolfe noted in 2012, the Municipal Real Estate Tax millage rate in Dauphin County was 2.648 mills with the Township's rate being 1.3 mills. He noted for a home assessed at \$200,000, with the 2014 Real Estate Tax rate of 1.3 mills, .937 is for general purposes amounting to \$187.40; .322 mills is for fire protection amounting to \$64.40; and .41 mills is for

the library tax amounting to \$8.20. He noted that the total tax collected is \$260.00. He noted in 2013, property owners paid Real Estate Taxes at the rate of 22.843 mills; Central Dauphin School District's rate was 14.317 mills, Dauphin County's rate was 7.226 mills, and the Township's rate was only 1.3 mills. He noted that that completes his budget presentation and he requests that the Board act upon the budget resolution affirmatively at this time.

Mr. Hawk noted that there will be no tax increase this year.

Mr. Crissman thanked staff for the hours of time that it takes to prepare the budget. He noted that he wanted to thank the Department Heads for keeping their spending within the budget to avoid a tax increase for the constituents.

Mr. Crissman made a motion to approve Resolution 13-47, adopting the 2014 fiscal's year budgets for the various operating and capital budgets and establishing the rate of taxation for the Township. Mr. Blain seconded the motion. Mr. Hawk called for a roll call vote: Mr. Crissman, aye; Mr. Hornung, aye; Mr. Seeds, aye; Mr. Blain, aye; and Mr. Hawk, aye.

Resolution 13-48; Smoothing Friendship Center debt from
12 years to 20 years through a General Fund loan

Mr. Hawk noted that this resolution will smooth the Friendship Center (FC) debt from 12 years to 20 years through a general fund loan. He thanked Mr. Blain for taking a hard look at the financing and the debt.

Mr. Wolfe noted that this Board action accomplished two things, it will take the annual debt service of the FC which is currently \$395,000 and reduce it to \$231,000 annually, extending it out from its current terminus of 12 years to 20 years and that will be accomplished by a loan from the General Fund with the FC paying the loan to the General Fund over that 20 year period, with a 1% service fee taking the total debt service for the FC to \$4,622,974 from what is currently a little less than \$4.2 million. He noted that it will also require that the General Fund provide payment for FC Senior Center costs occurred by the FC. He noted that the Senior Center

is a separate and distinct operation, primarily of Dauphin County, that serves as a tenant to the East Annex and costs are associated with its operation. He noted that those costs were being absorbed by the FC Operating Fund of the FC and by this resolution, those costs will be transferred to the Township General Fund.

Mr. Crissman made a motion to approve Resolution 13-48 smoothing the Friendship Center debt from 12 years to 20 years through a General Fund loan with the Township. Mr. Blain seconded the motion. Mr. Blain explained, what the Board has done is that the current debt that is already established through the bond offering and extend it from 12 years that is currently in place to pay the bond to 20 years. He noted that we will do it through a Township inter-fund loan but the Township will be charging a 1% service fee to the FC each year to service the loan. He noted that it will lower the current debt payment of \$395,000 to \$231,000 but the full debt service cost over a 20 year period is higher than what the current debt balance is today.

Mr. Hawk noted that it is a good explanation.

Mr. Seeds noted that he and Mr. Blain had a discussion about this today along with Mr. Wolfe, noting if things turn around at the FC, it could be paid off on a normal schedule. Mr. Wolfe noted that the inter-fund loan could be paid off early or it could revert back to the original payment schedule. Mr. Seeds noted that it would be great if that would occur and we could change the resolution.

Mr. Hawk called for a voice vote and a unanimous vote followed.

Action to accept a PA DCED grant in support of
the Heroes Grove Memorial Amphitheater

Mr. Hawk noted that the action is asked to accept a grant from the Pennsylvania Department of Community and Economic Development (DCED) in support of the Heroes Grove Memorial Amphitheater.

Mr. Wolfe noted that the grant is in the amount of \$200,000 and it will provide for initial phase one development of the Heroes Grove Amphitheater.

Mr. Crissman made a motion to accept a Pennsylvania Department of Community and Economic Development (DCED) Grant in support of the Heroes Grove Memorial Amphitheater in the amount of \$200,000. Mr. Blain seconded the motion. Mr. Hawk called for a voice vote and a unanimous vote followed.

NEW BUSINESS

Resolution 13-46; Adoption of an amendment to the Township's Act 157 sanitary sewer facilities plan

Mr. Hawk noted that Resolution 13-46 will adopt an amendment to the Townships' Act 537 Sanitary Sewer Facilities Plan.

Mr. Weaver noted that the Act 537 Plan is required to be amended as part of the consent order with the State. He noted that the Township has a 20-year agreement with the Commonwealth to do the corrective action plans in Beaver Creek and Paxton Creek. He noted with the correction to the Beaver Creek Plan to eliminate the Wet Weather Treatment Plant in the Beaver Creek basin and replace it with the sewer replacement program for 15 years looking to do storage down the road. He noted that is the scope of the plan to eliminate the plant and replace it with sewer replacement program. He noted that Mr. Wendle has a few comments and a correction. He noted as part of the process of eliminating the wet weather treatment plant it was discovered a reduction in flow was needed for the Beaver Creek Pump Station in order to decrease the capacity of the pump station, staff needed to get a permit to do this and it is also required to be as part of this plan and it initially was not included but Mr. Wendle has added it.

Mr. Wendle noted that the plan has been duly advertised for 30 days and no comments were provided by the Lower Paxton or Dauphin County Planning Commissions. He noted that this basically removes the wet weather treatment plant from the Act 537 Plan and replace it with

the Beaver Creek Corrective Action Plan which is part of the second amendment to the Second Consent Decree. He noted that it is required to be submitted to DEP within 90 days of the signing of the second amendment to the Second Consent Decree which is tomorrow morning. He noted since it was approved and signed by the courts and no one told anyone of the deadline until a couple of months into the process, it needs to be approved this evening and submitted tomorrow. He noted that he added an executive summary that simply discusses the comment period and the reasons for it. He noted that he added a paragraph to allow for the Beaver Creek Pumping Station to be reduced in size so we don't have to go back to do additional planning. He noted that it was a comment provided by a DEP staff person in regards to the changing of the pumps in the pumping station. He noted that there are also provisions to allow the Authority to make pipe size changes if that is what is going to be required to eliminate a sanitary sewer overflow. He noted that staff will not have to go back for planning approval every time that is done. He noted if the Board acts favorably on this then it will be submitted to DEP in the morning.

Mr. Crissman made a motion to approve Resolution 13-46 adopting an amendment to the Township's Act 157 sanitary sewer facilities plan. Mr. Blain seconded the motion. Mr. Wendle noted that it is a misprint on the agenda and it should state that it is the Act 537 Plan. Mr. Hawk called for a roll call vote and a unanimous vote followed.

Action on bids the PC5D/5E, and BC-6B(N) sanitary
sewer mini-basin replacement project

Mr. Hawk noted that Mr. Weaver will explain the bid process for this replacement project.

Mr. Weaver noted that Mr. Wendle and his staff prepared a bid tabulation and recommendation for the Board's review to approve the PC-5D, PC-5E and BC-6B(N) Sanitary

Sewer Replacement Project. He noted that the 5D-5E Project is the second mini-basin group in the 2012 to 2017 phase of the second consent decree. He noted that the approval of this bid would allow staff to stay on schedule for the Paxton Creek Corrective Action Plan. He explained that he added in BC-6B(N) as he wanted to finish one sub-basin totally to get some good data. He noted that since 5D and 5E are so close to 6B(N) it was in the Authorities best interest economically to include it with this project.

Mr. Weaver noted that he opened ten bids on October 29th and the low bid was submitted from Joao Bradley Construction Co., Inc. in the amount of \$3,860,665. He noted that he did not include the engineer's estimate in the memo but noted that it is \$4,600,000. He explained that the bid is \$700,000 under the engineer's estimate. He noted that staff and GHD recommend the Board take action this evening to award the bid to Joao Bradley Construction Co., Inc. in the amount of \$3,860,665.

Mr. Seeds made a motion to award the bid for the PC5D/5E, and BC-6B(N) sanitary sewer mini-basin replacement project to Joao Bradley Construction Co., Inc. in the amount of \$3,860,665 pending approval of the bid documents and the bid bond by the solicitor and also that the successful bidder's waiving the right for a delay of work claim due to any outstanding easements. Mr. Crissman seconded the motion. Mr. Hawk called for a voice vote and a unanimous vote followed.

Action on a settlement agreement with the City of Harrisburg,
Harrisburg Authority and Suburban Municipalities

Mr. Hawk noted that the Authority approved this settlement agreement during the previously held Authority meeting and now must approve it as the Township Board of Supervisors.

Mr. Crissman made a motion to approve the settlement agreement with Harrisburg City and Harrisburg Authority subject to approval by all other participants in the agreement. Mr. Blain seconded the motion. Mr. Hawk called for a voice vote and a unanimous vote followed.

Improvement Guarantee

Mr. Hawk noted that there was one Improvement Guarantee.

Charleston Riding

A new letter of credit with Susquehanna Bank, in the amount of \$597,100, with an expiration date of December 17, 2014.

Mr. Blain made a motion to approve the one improvement guarantee. Mr. Crissman seconded the motion. Mr. Hawk called for a voice vote and a unanimous vote followed.

Payment of Bills

Mr. Seeds made a motion to pay the bills of Lower Paxton Township and Lower Paxton Township Authority and the Purchase Cards for Lower Paxton Township and the Lower Paxton Township Authority. Mr. Crissman seconded the motion. Mr. Hawk called for a voice vote, and a unanimous vote followed.

Announcement

Mr. Seeds thanked Mr. Blain for all his hard work over the past years as a Board member.

Adjournment

There being no further business, Mr. Blain made a motion to adjourn the meeting. Mr. Crissman seconded the motion, and the meeting adjourned at 8:50 p.m.

Respectfully submitted,

Approved by,

Maureen Heberle
Recording Secretary

Gary A. Crissman
Township Secretary