

LOWER PAXTON TOWNSHIP  
BOARD OF SUPERVISORS

Minutes of Workshop Meeting held November 3, 2014

A budget workshop meeting of the Board of Supervisors of Lower Paxton Township was called to order at 7:20 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 Robin Lindsey.

Also in attendance was George Wolfe, Township Manager; Brian Luetchford, Parks and Recreation Director, John Dougherty, Chairman, Friendship Center Operating Board; and Watson Fisher, SWAN.

**Pledge of Allegiance**

Ms. Lindsey led in the recitation of the Pledge of Allegiance.

**Public Comment**

No public comment was provided.

**2015 Budget Preparation**

Friendship Center Operating Board

Mr. Brian Luetchford, Parks and Recreation Director noted that his 2015 narrative budget shows a balance budget with revenues in excess of \$38 of expenditures. He noted that the revenues are projected to be \$2,191,893.

Mr. Luetchford explained that he would highlight the changes in the budget only starting with the Swim Team Rental that decreased due to fewer swimmers in the club and the fact that they are cutting back their total rental hours. He reminded the Board that the debt service was changed in 2015 to a FC Debt Smoothing loan that added revenues in the amount of \$171,743. He noted that it will extend the FC debt for an additional eight years until 2023.

Mr. Luetchford noted that other changes in the revenue under the Fitness Programs shows a decrease from last years as a result of the free programs that are included under memberships. He noted that the consultants Ballard King and the Brailsford Report both suggested that free select programs should be offered under memberships. He noted that the FC will lose revenues early on for those programs but in the long run up end up with more memberships as people may be encouraged to join. He noted that under the Aquatics Program the same thing is occurring as there is an Aquatic exercise program that is being offered as a free program. He noted that the program began a couple of years ago and will continue into next year and year-to-year thereafter.

Mr. Luetchford noted that the Day Camp program was transferred from the Parks and Recreation budget to the FC budget as it is now a FC facility run program. He noted that it is due to the lack of space available at the school district. He noted that the program was moved to the FC this past year and it provides for a revenue increase of \$125,000. He noted that he has increased the amount for annual memberships as we expect to see a 10% increase due to the inclusion of programs with memberships. He noted that it also includes a 2% rate increase as well.

Mr. Luetchford noted that for the insurance memberships, as of January 2015, the Silver Sneakers will be added to the group of insurance memberships. He noted that he increased this line item by \$63,000.

Mr. Luetchford noted for expenses, a veteran duty manager took a job as a Township Codes Officer and it will lower the administrative personnel expenses slightly. He noted that facility personnel hours have been reduced providing a lower amount and the maintenance personnel was replaced resulting in a lower salary cost.

Mr. Luetchford noted that benefits have changed since the costs for the Day Camp personnel will be added to the part-time line item, and this has provided an increase for this line item. He noted that the 1099 list for instructors has fewer contractors.

Mr. Luetchford noted a change in some of the utility costs as they are going down since they have completed some energy saving projects including insulation in the gymnasium and fitness center and a re-lamping of a variety of areas in the building and he intends to do more next year in the natatorium.

Mr. Luetchford noted that the last item under expense, Equipment Replacement for Capital Improvement Fund is listed as zero as he intends to use the remaining capital improvement fund cash that has been on hand for some time. He noted that there is roughly \$60,000 left in that fund and he expects to use \$42,000 to pay for leasing costs of fitness equipment. He noted that total expenses in the budget are \$2,191,855.

He noted that the General Improvement Fund included various projects such as grants for natatorium lighting, East Annex Flooring Replacement, and a fitness center re-lamping. He noted that these projects will be undertaken in 2015 along with resealing the parking lot, a replacement of various pumps in the building, fixing natatorium doors, and replacing the two locker room HVAC units.

Mr. Wolfe noted that the chairman of the Friendship Center Operating Board, Jack Dougherty is present to answer any questions that you may have. Mr. Dougherty noted that he had nothing to add to Mr. Luetchford's comments.

Mr. Seeds noted under line item 367.21, Fitness Trainer/Massage Therapy Income, do they pay a fee for the use of the facility. Mr. Luetchford answered that we split the income on a percentage basis between the trainer and the FC. He noted that we discuss fees on an annual basis for the customer to pay. Ms. Lindsey questioned if the FC gets a certain percentage for the service. Mr. Luetchford answered that it is 75% for the instructor and 25% for the FC.

Mr. Seeds questioned for line item 367.24, Swim Team Rental, was there really a 47% increase in 2012. Mr. Luetchford answered that it was a negotiated fee increase between LPAC and the Operating Board in 2012.

Mr. Seeds questioned for line item 367.39, Day Passes, are they \$13 a day. Mr. Luetchford answered that a weekly day pass is \$13 and a weekend day pass is \$15.

Mr. Seeds questioned for line item 452.16, Program Guide, is that the quarterly newsletter put out by the Township and Parks and Recreation. Mr. Luetchford answered yes. Mr. Seeds noted that the FC pays 56% of the cost. Mr. Wolfe noted that it is based upon the amount of pages that both entities have in the newsletter. He noted that the Township usually has 12 pages and Parks and Recreation and the FC have 12 to 16 pages.

Mr. Crissman questioned if the debt service for principal and interest for 2015 is \$400,000. He questioned how that compares to what we are paying this year. Mr. Wolfe noted that is what the debt service is but you have smoothed the payments so the actual debt service payment is much less. Mr. Crissman questioned if it was an increase from the 2014 budget. Mr. Wolfe suggested that in 2014 it was \$391,000. Mr. Crissman noted that it has leveled its payments noting that there was a spike in the payments. Mr. Wolfe noted that we are at a level debt service rate. He noted that the payment number is locked in unto 2031 by the resolution adopted by the Board last year. Mr. Crissman noted that he wanted to make sure that they won't be faced with a spike in the debt service. Mr. Wolfe explained that they never will due to the resolution the Board passed to smooth the debt service. He noted that the Township has absorbed the spike noting that the FC will pay the Township back. He noted when the debt is paid off, the FC will continue to owe the Township the remaining debt service amount.

Mr. Hornung noted that he is very optimistic and pleased with all that has been done and looking forward to the year coming up.

Mr. Hawk noted that the budget is as balanced as you can get.

### Community Development

Mr. Wolfe suggested that due to the lack of time, the Board should discuss the Community Development budget and schedule an additional budget meeting for November 18<sup>th</sup> at 6 p.m. at which time it can discuss the Township Administration items and the fees for Township services.

Mr. Wolfe noted for Community Development, staff has seen an uptake in the construction market as we are seeing more interest from builders in the community. He noted that he increased the permits not to post-recession levels but he has increased them by 25% providing a total revenue of \$521,500. He noted for the Planning and Zoning line items, there has not been a significant rebound in the land development operations. He noted that there is a demand for vacant land in the community; however, the Township has a significant backlog of undeveloped lots. He noted that we have the Stray Winds Farm, Shadebrook, and the Estates at Autumn Oaks that have yet to build out resulting in roughly 1,500 to 2,000 plotted lots ready for

development. He noted that it may be a while until the Township sees new land development plans in the community, but we should see a rebound in the development of the building industry in 2015.

Mr. Wolfe noted for expenses for the paid boards, staff and operations activity, recording of plans, profession fees for plan review and other items are relatively the same. He noted that the third party inspections spiked in 2013 due to the Bishop McDevitt High School Plan but that has leveled out for this year. He noted that he is looking at a total Department expenditures of \$438,002 with revenues of \$655,000 providing a net of \$133,502.

Mr. Seeds noted for line item 320.25, it shows \$450 on the end of the narrative with no explanation. Mr. Wolfe noted that he would look into that and make the necessary corrections.

Mr. Wolfe noted that he would schedule a budget workshop at 6 p.m. on November 18<sup>th</sup>. He noted that we can review the municipal fees at any time and he is not proposing any significant changes to it, other than the Compost Facility fees. He noted that it will take significant time to go over the Administrative budget.

### **Adjournment**

There being no further business, Mr. Seeds made a motion to recess the meeting until the next meeting. Ms. Lindsey seconded the motion and the meeting recessed at 7:40 p.m.

Respectfully submitted,

Maureen Heberle  
Recording Secretary

Approved by,

William L. Hornung  
Township Secretary