

BOARD OF SUPERVISORS

Minutes of Budget Workshop Meeting held November 18, 2008

An administrative budget workshop meeting of the Board of Supervisors of Lower Paxton Township was called to order at 4:30 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; Tim Houck, Finance Director; Sam Robbins, Public Works Director; Brian Luetchford, Parks and Recreation Director; William Weaver, Sewer Authority Director; and Daniel Bair, Chief of Police.

Pledge of Allegiance

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

Public Comment

There was no public comment.

2009 Fiscal Year Budget

Mr. Wolfe noted that staff is present to present their initial draft of the 2009 fiscal year budget. He noted that the budget document begins with an adopting resolution to be placed on the agenda for the December 16, 2008 business meeting. He noted that the budget has been advertised for public inspection.

Mr. Wolfe noted that the budget documents begin with a summary, followed by the Strategic Plan for capital projects, the Third Quarter Key Indicator Report, which lists the current financial standing as of September 30, 2008, the General Fund Budget, as well as the General Improvement Fund Budget, the Friendship Center Operating Capital Funds, and Authority Operating Capital Fund Budget. He noted that the Authority Operating Capital Fund Budget was discussed at a previous meeting, and would be on the agenda for adoption at the Authority's November 25th meeting.

Mr. Wolfe noted that the purpose of the budget summary is to describe the current financial status of the Township, and attempt to set the tone for the overall budget discussion. He noted that it is important to note that the Township lost Emergency and Municipal Services Tax (EMST) revenues in the amount of \$400,000. He noted that the loss was offset with a tax increase in 2008, although it only made up roughly 50% of the loss amount. He noted that there has been a temporary loss of revenues due to economic conditions affecting the financial markets in the housing construction industry. He noted that the Board reviewed the Key Indicator Budget at the end of July, and since then, much has changed over the past three months looking at the projection for the 2009 budget year. He noted that the financial standing and expectations have changed dramatically.

Mr. Wolfe noted that the General Fund for the year 2008 for operating revenues and expenditures is expected to net a deficit of roughly \$850,000.00. Mr. Hornung questioned why the figure was originally \$1.4 million. Mr. Wolfe noted that some of the numbers that were included in that estimate were taken from old worksheets budget documents. He noted that the General Improvement Fund would expend roughly \$2.5 million in capital projects in 2008, noting that \$1.5 million would be a transfer from the General Fund. He noted that the budget is dipping into the savings account by roughly \$2.3 million, mostly for capital projects, but also to finish the current fiscal year.

Mr. Wolfe noted the Friendship Center (FC) Operating Fund is expecting revenues of a little over \$2 million and expenses of a little less than \$2.1million, producing a deficit of roughly \$85,000.00. He noted that the Authority's revenues would greatly exceed expenditures, and this was done to fund upcoming capital improvements, and to prepare amortizing future bond issues. He noted that the expected year-end balance is \$750,000.00. He noted that the Authority's Capital Fund is expected to spend roughly \$7 million this year.

Mr. Wolfe noted that it is uncertain what the next three months would bring. He noted that the Township has not received any new subdivision plans in the past three months. He noted that this has never happened before, noting that everything has slowed. He noted that the five biggest builders in the Township are local builders, and they are invested in the community. He noted that the 2009 Operations Budget has expenditures projected at \$17.8 million, and revenues of \$17,350,000 producing a \$426,000 deficit. He noted that the General Improvement Fund is

made up of \$4.2 million in capital projects, noting a transfer of \$965,000.00 from the General Fund for those projects, which will be significant as the Township moves into the future.

Mr. Wolfe noted that the FC Operating Fund is balanced at \$2.24 million; the Authority has revenues of \$12.4 million with expenditures of \$10.7 million. He noted that the Authority's Capital budget is nearly \$18 million for the fiscal year 2009.

Mr. Wolfe noted that the Police and Non-Uniformed pension plans reports are not available at this time. He noted that both plans have taken significant financial hits during the third quarter of this year.

Mr. Wolfe noted that the total General Fund Budget, to include operating and capital transfers is \$18,754,692.00. He noted that this budget is less than last year's budget due to fewer funds being transferred to the General Improvement Fund for capital projects. He noted that that amount is \$965,000.00. He noted that the potential use of \$1.4 million from the savings account is necessary to cover the \$965,000.00 for capital projects and to fund the \$425,000 for operations.

Mr. Wolfe noted that the Fund Balance on January 1, 2009 is expected to be \$7.25 million.

Mr. Wolfe noted that some of the items of concern for the fiscal year 2009 include the EMST, in that the manner of collection has resulted in a loss of \$400,000.00. He explained that this is a permanent loss. He noted that taxes were raised to make up half of that amount, but this would continue to be an ongoing situation. He noted that there have been deductions due to real estate related items, noting that the real estate transfer tax is down \$300,000.00; building permits are expected to be down \$100,000.00; and Fee-in-Lieu for Recreation would be down \$300,000.00. He explained that there are increased costs for operations, especially for vehicle fuels and asphalt, in the amount of \$100,000.00. He noted that the State Aid Fund would be roughly \$50,000 less than last year.

Mr. Hawk noted that all these real estate funds feed into the cost estimates. Mr. Wolfe noted that the Township issues roughly 150 annual permits on an annual basis, and he suggested that the Township would be lucky if 100 permits are issued in 2009.

Mr. Wolfe noted that the Township has taken on a large amount of capital projects since 2001. He noted that much of the funding came through the use of the savings account, and year-end surpluses, and some through the use of bond funds and other revenue sources such as State

grants for the Village of Linglestown project. He noted that the peak in capital projects occurred in 2002 to 2003, for the construction of the municipal center. He noted that a peak for capital projects in 2009 through 2010 is mainly for the Village of Linglestown project weighing in at \$5 million. He noted that by 2011, the savings account would be less than \$1 million as the majority of strategic plan projects would be completed.

Mr. Wolfe explained that he projected where the Township would be for the fund balance over the next five years from the end of 2008 up to the end of 2012. He noted that staff found some errors that needed to be corrected, and in 2008, the Fund balance was \$9,648,000.00; expecting to carry a fund balance forward to include the current capital projects and needs and still have a Fund balance of \$1.4 in 2012. He noted that this amount would be less than the Board's 25% reserve requirement.

Mr. Wolfe noted that there are capital projects in the Strategic Plan that could be delayed or eliminated, such as the Commons Drive Traffic Signal included in the 2009 General Improvement Fund at roughly \$250,000.00, and the relocation of Conway Road, estimated to cost \$1 million. Mr. Seeds noted that the Township has an agreement with the developer to do the Conway Road work. Mr. Wolfe questioned if the Township was required to build the road. Mr. Seeds noted that he did not see a problem if the road was not built. Mr. Wolfe noted that the Hodges Heights Development wants the new road to be built. Mr. Wolfe noted, if this item was removed from the budget, it would produce a surplus in 2010 of \$2.5 million. Mr. Seeds questioned if the economy turned around and produced some surpluses, then it could be done at a later date. Mr. Wolfe noted that the basis on doing this work in 2010 is based upon Mr. Robbins contact with Mr. Stolfus who suggests that they will be at Phase V in 2010. He noted that they may not be that far along given the current economy. Mr. Hawk noted that everyone is cutting back due to the economy, and it all filters down.

Mr. Wolfe noted that the actual revenues and expenditures in 2007 and 2006, a 2008 budget, estimate of year end budget for 2009, and the proposed 2009 budget items are listed on the first page. He noted that there is a more detailed analysis for the 2009 budget on the second page showing the deviations of percentage change from the estimate of year-end 2008 to the proposed 2009 budget on a percentage basis.

Mr. Wolfe noted that the Township is financially solvent even though the financial conditions have changed, and the budget could be adopted in its current format, and the

Township would still have a sizable General Fund Savings Account, but without some changes, either a reduction in capital projects or operations or a tax increase, there would be a dwindling of the savings account over time. He noted that it would not be exhausted over a five-year time period.

Mr. Seeds noted that a 10% tax increase would only amount to roughly \$250,000.00 in income. Mr. Wolfe suggested that the Township should not try to make up the temporary economic downturn in one year. He suggested that the real estate transfer tax would come back, as well as the building permits, and the price of vehicle fuels is declining. He noted if oil costs remain low during the 2009 paving season, it would result in lower paving costs. He noted that his more significant concern is the loss of the \$250,000 in revenues from the EMST that would be seen each and every year, which amounts to a 10% increase in taxes. Mr. Seeds noted that the Township residents need to be made aware of this.

Mr. Seeds noted that the Township spent a large amount of funds to move the Compost Facility from the nearby homes even though those residents were aware of the land fill when they moved to that area. Mr. Wolfe noted that the Township had to move the Compost Facility to be compliant with the Department of Environmental Protection (DEP) Permit that requires it to be a certain distance from a home. Mr. Robbins noted that the facility had to be 300 feet from the residents' back property line along Conway Road. Mr. Wolfe noted that this has always been a DEP standard, but DEP never permitted the facility, and just allowed it to exist, however, now they did permit the facility, and the Township has to meet the regulations.

Mr. Crissman questioned if the object was to try to resolve the shortage at this time, or to wait until the individual budgets are reviewed. Mr. Wolfe suggested that it would be good to talk to the individual Department heads as they discuss their individual budgets. He noted that each Department had pretty much maintained its spending with less than the rate of inflation. He noted that the State took money away from the Townships in the changes it made to the EMST in the amount of \$500,000.00, noting that half of it was made up in one tax increase, and the remainder should be made up in the next tax increase.

Mr. Seeds noted that Mr. Wolfe originally proposed a 5% increase a year for four years, but instead created a 15% increase proposal. Mr. Wolfe noted that he was looking for directions from the Board as to what to do, for instance, to come up with options, and then he could prepare numbers to show the results. Mr. Crissman noted he would like to look at what options are

available, and also see what staff has to share with the Board to shave funds. He noted that since staff spent the time to shave their budgets he would like to review those budgets with them, and look for some means to come up with the loss of revenues. Mr. Hawk noted that he would like to hold the line on taxes since everyone is in a state of flux with the current economic conditions. He noted that the federal government is looking to add a \$2 tax on gasoline, and to bail out the auto industry. He noted if General Motors files for bankruptcy, people would stop buying cars.

Mr. Crissman noted that a deficit of \$1.4 million must be made up, noting that the total amount could be taken from savings, or cuts could be made. Mr. Wolfe noted that the deficit is not really \$1.4 million, as it includes the use of prior year's revenues. He noted that parts of the expenditures are a transfer to the General Improvement Fund for capital projects. He noted for Operations, the deficit is roughly \$426,000.00. He noted that the Board could decide not to do capital projects. He noted that the \$1.4 million figure is the total use of the savings account, but roughly \$1 million is for projects for which the savings account was intended.

Mr. Seeds questioned what percent of the overall budget is fixed costs. Mr. Wolfe suggested that it would take up two-thirds of the budget. He noted that Mr. Robbins' budget included storm drainage work for repairs, noting that this was the only area that could be cut. He did not know if the Parks and Recreation Budget could be cut. Mr. Seeds noted that the Conway Road project could be postponed. Mr. Wolfe explained that it is projected for an out-year project, not for 2009. He explained that he was showing the results of the Strategic Plan and what had been funded, and what needs to be funded. He noted, at a point in time, all the projects on that list would be completed with some saved funds left over. He noted that Conway Road does not have to be done right away. Mr. Hawk noted that both the Conway Road project and the traffic light at Commons Drive could be delayed to another year.

Mr. Crissman noted that the Board must decrease the budget by \$426,000 in order to develop a balanced budget. He noted that he would like to see various proposals, from the extreme of using the savings account to balance the budget, to the other extreme of raising taxes. Mr. Wolfe suggested that each Department Head could share their budget with the Board to determine if additional cuts could be made.

Police Department

Chief Bair noted that the 2009 revenues are estimated to decrease by 11%, however, the revenue that would be reduced are in the grant category, and that would have been earmarked for

specific spending, and it would not impact the budget. He noted that two potential revenues do not appear in the budget. He explained that the Police Department confiscated \$148,000.00, and are applying for federal forfeiture as a result of a semi-drug arrest during a traffic stop. He noted that the forfeiture is on the fast-track and after the federal government takes its 20%, the Township expects to get \$115,000.00. He noted, if the money is received, the vast majority of it would be used to purchase items that are included in the budget. Mr. Crissman noted that this revenue is not shown in the budget.

Mr. Wolfe explained that the budget is written in two formats, the first list is the spread sheet with the numbers, followed by the narrative for each individual Department. He noted that Chief Bair just provided notice that there is a potential for an additional \$115,000.00 that could be received in 2009 that is not included in the budget document. Chief Bair noted that the Drug Alcohol and Tobacco Agency, (DEA) tested the money today, and it met the criteria for drug residue, and qualifies for drug forfeiture. He noted that the federal government maintains 20% of the take to cover the processing fees. Mr. Crissman noted that the deficit of \$426,000.00 has now been reduced to \$326,000.00.

Chief Bair noted that a bill was passed that allows booking centers to charge a fee for the processing of prisoners. He noted that the Township runs a regional booking center, and he would try to work with the County to ensure that the prisoners that are processed by the Township are charged a fee, noting that a standard of \$250.00 is the suggested rate. He suggested that it could generate potential revenue of \$5,000 to \$10,000 that is not included in the budget, and would take affect February 2009. Mr. Seeds questioned how that would be paid. Chief Bair explained that once the case goes to court, Dauphin County would include it in the costs. Mr. Crissman questioned if this bill is waiting for an implementation date. Chief Bair answered that he was trying to find a copy of the bill, as he was told that it was included in the recent corrections bill that passed, with a target date in 2009. Mr. Crissman noted that it would result in a total Police Department savings of \$105,000.00.

Chief Bair noted that the expenses for personnel increased 10.6%, and all other major categories were reduced by 4.2%. He noted that the costs for the patrol division was reduced by 14%, traffic by 24%, criminal investigation 18%, and staff services 5.49%. He stated that he doubted that he would spend all the budgeted funds by the end of 2009, but the potential is there.

He noted that this is the second year in a row that he cut costs dramatically over the previous budget. He noted that there are no new expenditures for next year, or equipment purchases.

Mr. Seeds questioned if the revenues for traffic enforcement are down due to people driving less. Chief Bair noted that the 2009 estimate is higher than the 2008 final estimate. He noted that the figure of \$333,600 is lower than what was received in the year 2007, but every year he conservatively estimates this line item. He noted that he ends up with a larger number than what was budgeted, however, he would not want to over estimate that number.

Mr. Seeds questioned why the Dauphin County Technical School (DCTS) pays \$17,500 for its School Resource Officer (SRO), while the Central Dauphin East High School (CDEHS) pay \$25,000. Chief Bair noted that the DCTS was the first school to have a SRO, free of charge, when the program started. He noted that DCTS started to contribute funds towards the SRO's salary, however, when CDEHS joined the program, they were told that it would cost them \$25,000. Mr. Seeds questioned if the fee pays for half the police officer's salary. Chief Bair suggested that it would be closer to one-third of the salary. He noted that DCTS provided an additional \$1,500 to the Police Department that would carry over in the next year, as well as a commitment to increase the payment. He noted that the intent is to have both schools pay the same amount for the SRO.

Mr. Crissman noted that the overall increase is roughly 7%, and he assumed that it was for salaries. Chief Bair agreed.

Mr. Hornung questioned if there were any open positions in the Police Department. Chief Bair answered that there is one vacant position, due to an officer leaving the Department. He noted that the 2006 Police Plan included the additional officer for 2008. He noted that he hired that officer, and he is now in recruit school. Mr. Hornung questioned if the replacement position is included in the budget, and if it was possible not to fill that position. He questioned what impact it would have on the Police Department. Chief Bair noted that the Department could perform the same job that it does now; however, the Directed Patrol Platoon was created this year to be manned by four officers. He noted that he would hire one additional officer for this year to put a Corporal in charge of the Directed Patrol Platoon. Mr. Hornung noted that the plan is great and has had great results, and it is not someone he wants to disband, but he questioned if it could be delayed a year due to the tough economic times. He noted that it would be a savings of \$50,000 to \$60,000. Chief Bair recommended that he could fill all the positions and perform

the work to provide the same services, however, he would not man the Drug Task Force. He noted that if the Department does not go to full strength, he would not put that person on the Drug Task Force. Mr. Hornung stated that he did not like the idea of delaying the assignment to the Drug Task Force since drugs are the number one problem in the United States. He questioned, since the hiring of the additional officers, has it make an impact in the Township in the area of drug enforcement. He questioned if it has been offset due to more officers working in the Department. Chief Bair answered that the Department has been making more in-house drug arrests. Mr. Hornung noted that even though the officers are not working with the Drug Task Force, more arrests were made on the local level. Mr. Hornung questioned if there would be any political ramifications from the District Attorneys' Office if the officer was not replaced. Chief Bair answered that he did not know, but he suggested that the District Attorney may contact the Board of Supervisors. Mr. Hornung questioned if that occurs, it would be good to show the statistics that the Township has continued to make drug arrests within the Township. Chief Bair noted that the Department is making more arrests in the Township, more low level possession arrests. He noted that the Drug Task Force is much better at making large quantity arrests, arresting dealers, whereas, the Township may arrest more local users or small time dealers.

Mr. Seeds suggested that he would sooner cut the purchase of new police cars than the hiring of new police officers. Mr. Wolfe noted that it would be a very bad choice, as the cars would fall apart. He noted that the Police Department has two cars down with transmission problems at this time. He noted that the Police Department has not increased the amount of vehicles substantially, even though personnel have been increased by 15%. He noted that the two vehicles that need repairs have transmission problems with 85,000 miles and have been in service for 14 months. He noted that the Township mechanic is constantly after him to purchase more vehicles and turn them over faster because they are used in second assignment capacities. He noted that the Township actually needs to purchase more vehicles than it does. Mr. Seeds noted that the police cars look very nice, compared to other areas in Dauphin County. Mr. Wolfe noted the cars that the Township is disposing of do not look any better than any other Township. Mr. Hornung noted that the maintenance fees have increased which is a reflection of the higher use of the vehicles.

Mr. Hawk noted that 85,000 is low mileage for repair work. Mr. Wolfe noted that the car is roughly one year old. Chief Bair noted that if the vehicles were kept an extra year, they would

have over 170,000 miles. Mr. Wolfe noted that the vehicles are filtered out of service at 110,000 miles or 120,000 miles. Mr. Crissman questioned if there is a current replacement program to replace vehicles. Chief Bair answered yes. He suggested that rather than reduce the Department's staffing level by one officer, he would like the option to review the budget and make cuts to provide for the officer's salary. He noted that the estimate for salary and benefits for one officer is roughly \$90,000, and he would like to see if he could cut that amount. Mr. Hornung noted that Chief Bair does a great job, but times are tough, and there is a need to find a means to make cuts. He noted that he would like the Department with the largest increase to find a means to reduce the deficit. He noted that with the forfeiture money, it would be good to find extra means to cut the Police budget to help the overall deficit. He noted that it would only be a temporary hiring freeze for one year. Chief Bair noted that he reviewed the budget over the past few days, and has started to identify areas where he could make reductions having the least impact on the Department. He noted that he would like to do this with other items in the budget, rather than an officer's position. Mr. Seeds noted that it was only fair to provide the Chief with time to revise his budget numbers.

Parks and Recreation

Mr. Luetchford noted that the expenses are at a zero change level, but the revenues are up significantly from an estimated actual for 2008 of \$400,000 to \$550,000 for 2009. He noted that the increase is based entirely on anticipated fee-in-lieu funds, rising from this year's estimate of \$80,000 to \$209,000.

He noted that there are significant changes in the budget, for revenues, the fee-in-lieu funds have changed, and the other changes are mostly from programming. He noted that the Arts Council, in cooperation with the Skate Park Group, are applying for a grant to build a graffiti wall.

Mr. Luetchford noted for expenses, there is less than \$1,000 change from last year's budget. He noted that the office equipment budget line item has been reduced. He noted that nothing has been budgeted for the closing costs for Koons Pool. He noted that in most years, the Board spent \$7,000 for this line item.

Mr. Luetchford noted that there is a request for \$100,000 for park improvements. He noted that this is to replace items that are already located in the parks, and also to fund the fertilization programs. He noted that Mr. Robbins takes care of the ongoing maintenance, but this

would cover more day-to-day issues, such as anti-safety surface for playgrounds, crack sealing ball courts, replacing dug out roofs, or overhead doors. He noted that he budgeted \$27,000 for rentals this year. He noted that he budgeted \$12,000 for the Central Dauphin School District because he uses three different schools for the day camp program, Paxtonia, Linglestown and North Side Elementary. He noted that the School District has never charged for these services in the past.

Mr. Seeds questioned if all the money comes from the fee-in lieu funds. Mr. Luetchford answered no, noting that it is General Fund money. He noted that the narrative on the next page shows the escrow expense of \$10,000 and that indicates some areas where he would use the funds. He noted that the finds would be used largely at the Thomas B. George Jr. Park. He noted that some other areas are also listed in that line item, as there is prior money that is still available for those particular parks. He noted that there is \$27,000 left from years ago that has never been used, so he is using it for the Forest Hills Trail entrance, and other areas.

Mr. Seeds questioned if cuts could be made in the parks improvement line item. Mr. Luetchford noted that they could, but he is trying to maintain what exists now. He noted that he could delay the field fertilization, but they need it. Mr. Seeds questioned if the Central Dauphin East Junior High School Football field bleachers needed to be replaced for \$5,000. Mr. Luetchford noted that there are some areas that could be delayed for another year. Mr. Seeds suggested that it would be a good idea to let the cuts up to the Department Heads since they know what is best.

Mr. Luetchford noted, under the General Improvement Fund for George Park, \$969,000 has been allocated for Phase Three for 2009, noting that he would like to finish the Nyes Road construction project from 2008, noting that the second half of the project would cost \$244,000. He noted that Phase Four work includes walking trails, and the Skate Board Park. Mr. Hornung noted that the Skate Board Park would not be built in 2009. Mr. Wolfe explained that the \$500,000 is from donations and contributions, not Township funds. Mr. Hornung questioned if the \$250,000 in grant money is shown. Mr. Wolfe answered that it is shown as expected revenue, noting that the Township has not received a notice that it would receive the funds. Mr. Luetchford noted that he added back stops for teener/midget baseball, park signs, and these are the items that he would like to finish in George Park in 2009.

Mr. Hawk questioned if Mr. Luetchford had some areas that he could slice his budget. Mr. Luetchford answered that there are possibilities. He noted that he charges a fee for field reservations at \$11 per day for adult groups and sports organizations. He noted that 20 of the 30 groups are adult sports organizations. He noted, if the Township was to charge youth organizations the same fee, it would amount to an income of \$85,660. He noted that \$40,905 would be from Capital Area Soccer Association (CASA) alone, and the rest, \$44,000 would come from the other nine organizations. Mr. Hornung noted that he was in favor of doing that, but he questioned if it would impact the maintenance for the fields done by groups, resulting in an offset fee due to the lack of maintenance. Mr. Luetchford answered that the Township provides the service for nothing, and it would be a tricky situation. He noted that a fee of \$5.50 could be charged for the youth. He noted that they would counter that they pay for it, but the Township does maintain the parks. Mr. Hornung noted that he would be in favor of charging CASA, especially since they overbook the fields to keep them for themselves. He suggested that it might be better to charge \$5 instead of \$11 and gradually increase the amount. Mr. Luetchford noted that many leagues are already advertising for membership and need to know if there would be an increase for their programs. Mr. Seeds suggested that it would be counterproductive, as the leagues may demand more and quit maintaining the fields. He did not think the Township would realize any savings from it, and noted that the Township needs to solve the problem of over reserving fields and not using them. Mr. Luetchford noted that the Parks and Recreation Board (PRB) has worked closely with staff to secure schedules from the various leagues, but sometimes, they are unreadable for those not in the organization. He noted that staff is trying to make the leagues more responsible. Mr. Crissman noted that paying a fee would be the check and balance, as they would not want to put out the money and not use the fields. Mr. Crissman suggested that it would help to solve some of the problems if a fee was charged, but it would not have to be an exorbitant amount. He suggested that it could be half of the \$11 dollar fee. Mr. Hawk noted that a second look could be taken at this line item, and a recommendation could be made next week.

Mr. Seeds noted that the Board needs to get rid of the \$426,000 deficit. Mr. Crissman questioned Mr. Luetchford if he added up the budget cuts and added the fee for youth rental for fields, what would the amount of. Mr. Luetchford noted, if the Township only charged \$5.50 for

field usage, it would generate \$42,000. Mr. Hornung and Mr. Crissman noted that they were both in favor of doing this.

Mr. Seeds questioned if any other Township's charge a fee for field usage. Mr. Luetchford noted that he had not conducted a survey, but he was sure that there are other places that charge fees. Mr. Hornung noted that although it has some budgetary rewards, he has a problem with teams abusing the reservation system. He noted that it would curb the automatic reservation of fields whether they intend to use them or not. He noted that it should be explained that the Township is looking for a way to curb the abuse.

Mr. Seeds questioned if it was \$5 a day or \$5 an hour. Mr. Luetchford noted that the fee would be \$5.50 per field per day. Mr. Seeds questioned if the PRB was in favor of this. Mr. Luetchford answered that they have discussed it but have not made up their minds.

Mr. Blain questioned what the definition of a reservation would be, for a game or practice. Mr. Luetchford answered that it would be a day's use. Mr. Blain noted that many soccer teams just go out to find a field to practice in. He noted that baseball is very similar with its practices too. He noted that an organization many have 20 teams and are paying a \$5 fee to one field. Mr. Luetchford noted that each organization would receive a paper explaining what fields they have for what date and what time period. Mr. Wolfe noted that it would not prevent a soccer coach from taking his team to any open field and using it and not paying for it as long as it is not reserved. Mr. Seeds questioned who would police it. Mr. Wolfe noted that the program is in place now for adults, but the youths reserve the fields for their use without paying for it. Mr. Seeds suggested that this should be discussed with the PRB, during their next meeting, to determine what they say. Mr. Crissman noted that the budget considerations should be shared with them as well.

Friendship Center

Mr. Hornung suggested that the enrollment for memberships has dropped. Mr. Wolfe noted that the membership level is pretty good. He noted that the Key Indicator Report has a chart that shows the Friendship Center (FC) memberships, noting that the memberships have increased over the course of the year.

Mr. Luetchford noted that from last year to this year, memberships decreased during this past spring and summer, but recovered in late fall. He noted that there is some separation from monthly and new membership, but overall, the memberships have been increasing which has a

lot to do with the marketing campaign, as well as the Health Ways membership. He noted that the FC has added a net of over 200 memberships through the Health Ways membership program. He noted that they are looking to expand to other health insurance programs. Mr. Wolfe noted that the total membership number now is higher than any point since September 2005. He noted that the total number is 2,350. Mr. Hornung noted that the annual memberships range around 2,020, and suggested that the membership will drop with the economic times. Mr. Luetchford noted that some people may not take vacations, and instead, take a membership out. He noted that he would market a more aggressive marketing plan.

Mr. Luetchford noted that the budget has a 10% rise in income and a 5% rise in expenses. He noted that a variety of changes have occurred, there are lower interest earnings, the rental facilities income is up and he intends to increase rental rates by 10%, since the FC is booked regularly months in advance. He noted that a new church is looking to use the facilities on a Sunday, and they are looking to expand their use of the facilities. He noted that he rents to PTO's on Sunday evenings. He noted that the line item has increased from \$91,000 in 2008 to \$107,000 for 2009. He noted that he is considering taking out the fit zone, as it has not been highly successful. He noted that the equipment is old and not maintainable, and move programs and rental into that space. He noted that he would receive more income in rentals and programs. He noted that he will train the people using the fit zone to move over to the fitness center in order to retain them as members.

Mr. Luetchford noted that he now has a full time maintenance person working at the FC. He noted the benefits for full-time and part-time personnel is roughly the same, but for the part-time personnel he has reduced their benefits a small amount. He noted that he has been able to cut some staff's hours during slow periods.

Mr. Luetchford noted that revenues for programming should increase in all the programs, especially the fitness, aquatics, and the adult leisure programs. He noted that he is very concerned with how the programs could interfere with member's use of the facility. He noted that the members are the bread and butter of the organization, and a program may make \$1,000, but if you lose one or two family memberships, you have lost a good sum of money. He noted that he is trying to find a means to run programs, and yet not interfere with membership's use. He noted that many programs are offered on the weekend, on Saturday mornings, or Sunday afternoons.

Mr. Luetchford noted that he has added expenses due to the expansion of the programs for the instructors. He noted that there is a 3% increase in membership rates, with a 3% increase in the number of members. He noted that the guest passes are relatively flat.

Mr. Luetchford noted the line item for the replacement of new equipment has increased roughly \$28,000 to \$51,840, and should be reimbursed from the Capital Improvement Fund, which now has \$325,000. He noted that he wants to use that money to replace significant equipment. He noted that the floating frog will have to be replaced sometime in the near future as it has a crack in it. He noted that Mr. Seeds feels that those funds should only be used for the building. Mr. Luetchford noted that Mr. Houck spoke to Mr. Bonawitz about this, to find out what can be capitalized and what cannot be. He noted that televisions, and treadmills can be capitalized as they will be used for years, and are considered capital items and are listed in that manner in the narrative. Mr. Crissman suggested that they should be separated as replacements as compared to new items that you may want to purchase.

Mr. Seeds questioned what the increase was for this year for membership fees. Mr. Luetchford answered that it was 3%, but he found that the adult single memberships were not competing well in the market. He recommended to the PRB to hold that fee at the current level, but to increase the senior single membership as it was priced at a heavy discount as compared to an adult membership, over 30%. He noted that a discount for a member to get into a program is 20%. He recommended to the PRB to raise the adult senior membership by 6%.

Mr. Seeds questioned if this would impact the Health Ways memberships for seniors. Mr. Luetchford noted that he has a net gain of 200 members with this program. Mr. Crissman noted that the Township has not been approved for the Silver Sneakers Program because they were already approved for the Platinum facilities in the area. He noted that this program covers the State retirees, and the State School employees through PSERS. He noted, if the Township could wrestle this group away from Platinum, it could gain many more memberships.

Mr. Luetchford noted that he expects to spend in 2009, \$185,000 in electricity and \$85,000 for natural gas. Mr. Seeds suggested that there may be a mistake with the projected telephone service. He noted that there will be significant expenses for equipment maintenance and repairs as the building ages. He noted that the sewer service would increase by 9%. Mr. Blain questioned if the FC has conducted an energy audit with the anticipated rates hikes. Mr. Luetchford noted that he has eliminated some exterior lighting that was not needed, and he is

looking to do something about the interior lighting. He had conducted an energy audit for lighting, noting that certain rooms can turn off lights on sunny days. He is looking to install a variable speed controller for some of the pumps in the pool filter room for the overnight hours. He noted that the pumps could run at half-speed during that time. He noted that he is looking into a solar hot water heating system, noting that it could provide a good boost to reduce costs. He noted that it could be used in the shower areas. He estimated that 105,000 showers are taken by members over a year's time, and this could provide for a significant savings in gas and electric. He noted that he budgeted \$50,000 for this, and he received an estimate from a solar company that they could do the job for \$22,000. He noted that it could pay for itself within a five-year period. Mr. Seeds questioned if natural gas would be the backup to the solar heating. Mr. Luetchford answered yes. He noted that the solar heating would not work as well in the winter months, noting that the winter months are the heavy use time. Mr. Seeds questioned if units would be added to the room. Mr. Luetchford answered yes, and a 275 gallon tank in the boiler room.

Mr. Hornung questioned why he would not use this technology to heat the pool water. Mr. Luetchford noted that he was going to look into that idea as well. He noted that he would like to get an anemometer on the roof to test for wind to see if there would be a potential for a windmill to generate electricity, and to look at another means to heat the 250,000 gallons of water. Mr. Hornung noted that he felt it would be better to heat the pool water as you do not need a 275-gallon tank for water in the beginning. He noted that the water temperature fore the pool is much lower than what it would be for the showers, allowing for more efficiency to heat the pool, over the heating of hot water. He noted that the less temperature that you have to heat the water, the more BTU's you will get out of the unit. He noted that it would save buying a tank, and most showers are taken in the evening when there would be no solar benefit. He suggested that you would get more return for the dollar by heating the pool water over the shower water. Mr. Seeds questioned if the water would be recycled from the pool up to a solar system. Mr. Luetchford noted that it would be some type of heat exchange system of the water that is in the pool. He noted that he was told that it would take a significantly larger system to heat the pool, costing closer to \$100,000. Mr. Hornung noted that if you attempted to heat the water using only solar hearting it would be very expensive, but there would be more BTU reclamation from the pool over the showers. He noted that if the pool water re-circulated through the coils on the ceiling it

may work unless the chlorine would damage the coils. Mr. Seeds suggested looking at both systems. Mr. Luetchford noted that he is meeting with HRG, Inc. next week to discuss the possibility.

Mr. Crissman questioned if Mr. Luetchford anticipated that it would cost more than \$50,000. Mr. Hornung answered that he did not think that it would cost more than \$50,000. He noted, if the \$50,000 is used to heat the pool, instead of shower water, the FC would reap a greater return, and he suggested that it would cost less than \$50,000 to do this.

Mr. Seeds questioned if the FC is planning to add a family changing room for \$4,000. Mr. Luetchford explained that he is looking at options for this, noting that there are not enough family changing rooms. He suggested that instead of tearing apart the safety center, and remodeling through a cement wall, he could put some partitions at the far end of the bleachers to add a changing area. He noted that the area is currently used as a storage area.

Mr. Crissman noted that the Parks and Recreation Department decreased their budget by \$50,000, which leaves an overall deficit of \$181,000.

Public Works

Mr. Robbins noted that he had \$120,000 budgeted for vehicle fuels, and has used \$138,000 to date with a projection of year end in the amount of \$180,000 to \$195,000. He noted that building maintenance was budgeted for \$15,000 for this year, but he has used \$25,819 to date. He noted that several of the man doors in the Public Works building were failing, and they were replaced. He noted that the maintenance of traffic lights was budgeted at \$25,000, but the year to date amount is already \$62,980. He noted that many of the signals are in much better shape since they have been repaired. He explained that he is very careful in working with PERC's to ensure that only the hardware that needed replaced was replaced.

Mr. Robbins noted that there were many items that he did not put in the budget because he knew that the budget was tight. He explained that he has two general service trucks that have over 160,000 miles that are used in the parks. He noted that he is in desperate need of a Bobcat mill head that is used to cut a milling notch. He noted that it was not included in the budget, and could be delayed one more year, but he would incur rental costs for that machine in 2009. He noted that the current piece of equipment needs to be replaced. Mr. Hawk noted that it would need to be replaced next year. Mr. Robbins noted that the Bobcat costs roughly \$90,000 and the mill head would cost \$45,000 to \$60,000. Mr. Hawk noted that he would need \$150,000 for next

year's budget. Mr. Robbins noted that the roadside vegetation program needs to change. He suggested that rather than putting out a contract, he solicited prices from a contractor, and within the confines of the bidding laws, he hired them to do what they could to stay within the \$10,000 limit. He noted that he cut nine days of work for trimming. He noted that this was not included in next year's budget. He noted that some type of tree trimming needs to be budgeted for next year, as it is very expensive, and there is no way to get around it. He noted that staff cannot do this work as it does not have a bucket truck, but he assigned staff to work with the vendor to keep them moving. He noted that he used Stoner's Tree Service for this work. Mr. Seeds questioned if Mr. Robbins needs a bucket truck. Mr. Robbins answered that he did not think that his staff is trained to trim trees from a bucket truck. He noted that the pavement management program was removed from the budget. He noted that every year this is put off, it will come back to haunt the Township. He noted that he needs to take snapshots of the roadway system to determine what roads could be salvaged. Mr. Blain noted that he is willing to invest in this program, and he questioned if e-Road Info was to provide an estimate of costs for their programs. He noted that it would be much more costly down the road, and should be put into place at this time. Mr. Robbins requested a proposal from HRG, Inc., for a pavement management program since they felt they could do it cheaper than e-Road Info. He noted that the proposal showed that it would take from 2 to 4 years to initiate it, and you would be spending more over that time period, than you would if you used e-Road Info. He noted that HRG, Inc. was willing to hire personnel to go out and conduct visual surveys for each road, and this is a mistake, as they would take the data and determine what needed to be done to the road. He suggested that the Township would be much further ahead if it used e-Road Info to take the snapshots of the system and put the data into a computerized system.

Mr. Hornung noted that he agreed with Mr. Blain, but if it would only make matters worse down the road, then if the return is high enough, the Township should be doing it. He noted that items that have a low return on investments should be delayed. Mr. Robbins noted that the benefit of a pavement management program is that it can tell you if a section of roadway is 75% to 80% intake, then you can crack seal it to better preserve the road. He noted that where it is very critical is when the road is beyond maintenance repairs, noting that you have to look at the overall utilities, noting that the maintenance work must be done prior to paving. He noted

that it is very time consuming. Mr. Crissman questioned what it would cost to add that program into the budget. Mr. Robbins answered that it would be between \$65,000 to \$70,000.

Mr. Robbins noted that he has entered a new phase for Storm Water Management (SWM). He noted that there are four main parts to SWM. He noted that it is comprised of emergency repairs, such as a sinkhole, noting that you can make a band-aid fix, or replace the pipe from one end of the road to the other. He noted that he works with the Traffic Safety Unit to determine high accident areas where he must continually salt and cinder roads during the winter due to road ice. He noted that the third concern is developments that have reach their useful life for SWM. He noted that Willow Road, Forest Hills Drive, and Clermont Drive are areas of concern. He noted that it is very expensive to replace these lines depending on where the utilities are located. He noted that the fourth concern regards the rebuilding of the mini-basins for the Sewer Department, noting that he must redo the storm sewers before the Sewer Department rebuilds the road.

Mr. Robbins noted that most emergency repairs come from a peak storm. He noted that he maintains a list of storm water work that needs to be done, and he would like to be able to have Public Works do the projects to keep the engineering and bidding costs down. He noted that he needs to free up his personnel to work on these issues from April until December.

Mr. Robbins noted that the Board has been very generous in providing equipment, but he needs to expand the Public Works Facility to accommodate the equipment. He explained that he does not have an appropriate place to clean vehicles. He noted that there is a hose adjacent to the salt dome, and in January the personnel are outside cleaning off vehicles in the very cold weather. He noted that he needs a wash bay to keep the trucks clean to prevent them from rusting through from the salt. He noted that the new leaf truck costs over \$300,000 and there are facilities that can clean the undersides of these trucks. He noted that they are expensive in terms of capital coasts, but what they provide over the long term is very beneficial. He noted that it is very important to protect the Township's investments. Mr. Hawk questioned if Mr. Robbins wanted to build a truck washing facility. Mr. Robbins noted that he would like to come up with concept plans and discuss them with the Board. Mr. Seeds noted that it should be incorporated in the addition that is needed for the Public Works facility. Mr. Robbins noted that these projects are very costly, but he wanted to bring the topics to the Board for future planning. Mr. Seeds noted that the current facility is jammed with vehicles, and he did not know where the new

equipment would go. He noted that it would not be smart to fail to maintain a vehicle that costs \$300,000. He suggested that Mr. Robbins should look at his needs, and if it is needed, a bond could be floated for improvements to build a facility that would meet the needs for the Public Works Department for the next 20 years. Mr. Hornung questioned if PENNDOT had one of these truck washes. Mr. Robbins answered that the Turnpike Commission has one. He noted that it is a skid mounted unit that could be placed anywhere. He noted that they tailor the jets to the specific vehicles. Mr. Hornung questioned if the Township could use that facility or is it too far to travel to. Mr. Robbins noted that he could see who has one. Mr. Hornung suggested if PENNDOT had a facility on Herr Street that would be close enough for the Township to use. Mr. Robbins explained that the underside of each truck is washed after every storm event, but the people are standing outside in three to four inches of ice, and sometimes the hoses freeze up. He noted that the trucks need to have the salt cleaned off of them as soon as possible.

Mr. Robbins explained that he would be meeting with PERC to prioritize a list of improvements to traffic signals in 2010. He noted that many of the signals are part of the I-83 corridor project, mainly Colonial Road and Route 22. He noted that the span wires are in bad shape and he did not think that he could wait for the State project to start to fix the wires. He noted that he would be providing the Board with a list of improvements in the future.

Mr. Crissman noted on page five, the total expenditures are listed as \$2,217,501, but the summary pages list the figure of \$2,331,201. Mr. Houck explained that the figure on page 21 included the revenues of \$113,700; therefore, the actual expenses are \$2,331,201. Mr. Robbins noted that the difference is the source of income from the Sewer Department of \$113,700.

Mr. Hawk questioned if the repair to the salt dome roof was completed. Mr. Wolfe answered that it was done. Mr. Robbins explained that he purchased salt through the CAPCOG contract and saved roughly \$8,500. He noted that the price was \$62 a ton versus \$79 a ton, which was the price of salt as of November 1, 2008. Mr. Hornung noted that he heard that salt is hard to come by. Mr. Robbins answered that there is an abundance of salt, but they are having problems shipping it. Mr. Wolfe noted that the price of salt can vary by having the Township purchase it on its own, using the State contract, or the COG contract, or by having a guaranteed minimum purchase amount. He noted that for some of the contracts options, the Township has had problems with delivery. He noted that with the COG contract, the service has been good, and there is no guaranteed amount that must be purchased. He noted in a mild winter, the Township

may not use all the salt that it could order, but it is still guaranteed payment for a certain price. He noted if anything happened to the COG, the Township could continue to purchase from the State contract. Mr. Robbins noted that the COG's prices have been a few pennies more per ton. Mr. Hawk noted that some Townships paid over \$100 per ton for salt. Mr. Robbins noted that the Township plows 400 lane miles.

Mr. Seeds questioned how many lane miles would be repaved in 2009. Mr. Robbins answered that he plans to pave approximately 1.5 mile lanes in 2009. He explained two years ago, he rebuilt Conway Road, and this past year he rebuilt Blue Meadow Farms. Mr. Wolfe noted that a portion of the Township would be repaved as a result of sewer projects. Mr. Seeds questioned who pays for that. Mr. Wolfe answered that the Sewer Authority pays for it. Mr. Hornung stated that the storm water management work should be done at the same time. Mr. Wolfe noted that although the lineal footage is limited due to reconstruction, the Township does do a significant amount of paving because each time a mini-basin project is completed, the road is paved.

Mr. Crissman noted that the budget deficit is down to \$2,331,000, but it was noted that the Board wanted to add the pavement management program to the budget at a cost of \$70,000 which increases the deficit to \$258,000.00.

Mr. Hornung questioned if Mr. Robbins reviewed his return for investment with stormwater management as good as a paving program. He noted that he would want him to trade for whatever provides for the best investment in the future. He noted that he did not know if the return on investment in storm water management is good enough. He questioned if there is something else that could be cut to make up the additional \$70,000. He noted that he would very much like to keep the pavement management program in the budget. Mr. Robbins noted that the program would pay for itself.

Mr. Seeds questioned what the \$70,000 pays for. Mr. Robbins explained that e-Road Info would take video pictures of all 400 lane miles of road and provide the software on two desktop computers. Mr. Blain questioned if they could only drive half the lane miles. Mr. Robbins noted that they probably only drive half the lane miles and take pictures for both sides as they drive a road. Mr. Blain questioned if they could only capture one side of a road. Mr. Robbins noted that the software is set per lane mile, and when they drive the road, they capture both lanes at the same time. Mr. Wolfe noted that he and Mr. Robbins discussed doing the north side of Route 22

one year and then the south side the second year, or breaking it down into smaller units. Mr. Robbins noted that filming a limited amount of roads each year would only further delay the process for some roads that are in dire need of repair. Mr. Wolfe noted that the Township would probably pave Huntfield next year. He noted that the paving would depend upon the availability of funding. Mr. Robbins explained that once the program designs a pavement management plan, then the Township must come up with a plan to implement it. He noted that it would be imperative to repair the roads that are in the category of 70% to 80% in good shape. He noted that the program would allow him to view a road and determine what roads are in a certain category to funnel low cost maintenance dollars into those roads before they get to a stage where the roads are beyond repair.

Mr. Blain noted that it would provide for a good means to funnel road maintenance dollars efficiency for the best use. Mr. Hawk noted that once the survey is completed then the Township would know what it needs to do. Mr. Wolfe noted that the survey needs to be updated every so often. He noted that it may be logical to re-survey certain segments by continually rotating them on a program basis every five years. Mr. Robbins noted that they suggest that the roads be captured for the computer every three years. Mr. Hawk suggested that it may be good to do it in segments. Mr. Blain noted that the program would best utilize the Public Works Department time to perform critical maintenance. He noted that he is not sure that the Township has a good feel for what needs to be done, and this would provide a good basis for a pavement management plan. He noted that the new program would prioritize the work to determine what the highest needs are for rebuilds, as well as ongoing maintenance. Mr. Hawk noted, if the Township relies on its collective census, there may be some community planning units that need more work than others. Mr. Hornung suggested that purchasing the initial software system may be the largest cost versus the cost to go out and capture the data. He noted that he has a concern that only capturing part of the Township would not provide a good overall picture of essential work that needs to be done for the Township. He noted that he would be more inclined to capture all the roads, and if the work is done in segments, at least the Township would be addressing the units that have the greatest needs. He noted that he would have a problem in delaying the filming of some roads for two or three years as the last segments may have greater needs than what is found in the first two. He noted that he would be willing to split the segments out three, four and five years once the initial work is completed for the entire Township. He suggested that the

biggest expense would be to purchase and install the software. He suggested that capturing and downloading the data would be a lesser expense.

Mr. Robbins suggested that the bulk of the cost was in the video logging. Mr. Hawk questioned what would happen if the program was not updated every three or five years. Mr. Robbins answered that it would not provide an update for how the pavements have deteriorated, over that period of time. He noted if the Public Works Department crack seals 15 miles of road, he would not have them re-video those 15 miles of roadway. He noted that you would not have them video roads that were reclaimed.

Mr. Hawk questioned if the entire Township was completed, and the roads were ranked, would it make sense that the roads ranked the lowest would eventually be in bad shape, but not shift in their ranking. Mr. Robbins noted that it is possible. Mr. Hornung questioned if the program provided a projection of what condition the road would be in three years. Mr. Robbins answered that it does. Mr. Hawk noted that it could lead to just video taping those areas in the second round of tapings, instead of videoing the entire Township.

Mr. Hornung noted that the Conway Road \$1million project is slated for the future, and if it could be pushed back, to take that money to put it into roadway improvements as a result of the pavement management program, the return would be better. He noted that there would be savings in the second and third year that may help to offset the costs to pave Conway Road.

Mr. Robbins noted that he has put \$135,000 worth of fill that needs to be placed along the berm for the Compost Facility. He noted that he has received between 24,000 to 26,000 yards of material from developers for this project. Mr. Wolfe noted that the landscaping berm is a different issue from the road. He noted that this was done to shield the Compost Facility from the Hodges Heights neighborhood. Mr. Wolfe noted that plantings and trees would make a nice screen for the neighbors.

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 7:15 p.m.

Respectfully submitted,

Approved by,

Maureen Heberle
Recording Secretary

Gary A. Crissman
Township Secretary