

## BOARD OF SUPERVISORS

### Minutes of Budget Workshop Meeting held November 25, 2008

An administrative budget workshop meeting of the Board of Supervisors of Lower Paxton Township was called to order at 4:15 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 he would like to review a memorandum distributed with the Board's packet, and also the Administration and Community Development budgets.

Mr. Wolfe noted that at the November 18, 2009 Budget meeting, there existed a deficit of \$426,961, at which time the Board added the Pavement Management Program costing \$55,000 for a total deficit of \$481,961. He noted that staff was charged at revising their budgets to bring the deficit to zero, and explained that staff did a very good job in making cuts to their individual budgets.

Mr. Wolfe explained that the Parks and Recreation Department added additional revenues of \$34,000 and reductions of expenditures in the amount of \$36,000 with a net positive change of \$70,000. He explained that Mr. Luetchford expects to generate an additional \$32,000 in revenues by initiating a Youth Sports Reservation Fee of \$5.50 per day. He noted that Mr. Luetchford needs to know, tomorrow, if the Board is going to do this, as the youth organizations are setting

their rates for next year. He noted that he projects an additional \$2,000 in income for pavilion reservations as well.

Mr. Wolfe explained that he expects to reduce expenditures by removing items that were on the wish lists, such as a Graffiti Wall Arts Grant match that would go along with the proposed Skate Park, removing the \$12,000 rental fee for summer day camp for the Central Dauphin School District since they never bill the Township for it, and some small project items. He noted that these cuts resulted in a \$70,000 decrease to the deficit for the 2009 budget.

Mr. Wolfe noted that during the last budget meeting Chief Bair suggested that, in lieu of not hiring a police officer, he could make additional cuts to the budget. He noted that the \$116,800 in revenues for the forfeiture funds that he spoke about, and the delay of the hiring one additional police officer, would save \$37,640 for a net change of \$154,440.

Mr. Wolfe noted that the Public Works Department delayed the purchase of four leaf boxes and two weed eaters, saving \$9,800.

Mr. Wolfe noted that the health renewal increase was a 7% increase for 2009, roughly an additional \$100,000; however, the Worker's Compensation fee to the Susquehanna Municipal Insurance Trust is expected to decrease by \$129,000. He noted that the insurance number was incorrect and the new number has decreased \$35,000 with a net change in the Administration Budget of a positive \$64,000.

Mr. Wolfe noted that staff was able to come up with \$289,240 savings from the previous budget leaving a deficit of \$183,721.

Mr. Wolfe noted that for the General Improvement Fund (GIF), it was suggested to delay the Commons Drive/Devonshire Road traffic signal with a savings of \$193,000 in the transfer from savings and a reduction in the GIF of the total project of \$230,000. He noted that it would reduce the transfer to GIF to \$772,000, down from \$965,000. Mr. Seeds questioned if Amesbury donated funds toward the traffic light. Mr. Wolfe answered that they donated \$37,000.

Mr. Wolfe suggested taking the Winfield Street Storm Sewer Project out of the budget. He noted that \$188,000 was budgeted in the GIF for revenues and expenses. He noted that the project would be paid for from the GIF, and the Public Works Department would install the project, hoping to receive Community Development Block Grant (CDBG) funds to pay for the materials. He noted that Dauphin County has determined that the Township is ineligible for this grant based upon low and moderate income levels. He noted that this was the only area in the

Township that the Township would have qualified for grant funds based on income qualifications, noting the Township needed to be at 46% and it was only at the 42% level. He noted that he would also recommend removing the funds for the Skate Board Park of \$250,000 from the 2009 budget as Department of Conservation and Natural Resources (DCNR) has told the Township that it is not approved for \$250,000 in grant funds. He noted that Mr. Luetchford believes that the Freedom Group will not come up with \$250,000 in the year 2009 for the project. Mr. Crissman questioned if the Township would reapply for this funding next year. Mr. Wolfe answered yes. He noted that it could be a 2010 project if the Freedom Group raises the necessary funds, but it would not impact the GIF, since it would involve grants funds and donations. He noted, with the listed changes, it would take the GIF from \$4,204,000 to \$3,286,000.

Mr. Wolfe noted that these are the changes that staff proposes at this time. He noted that he did not expect to get this close to the zero deficit level. He noted that the budget keeps municipal operations and capital equipment status quo and has a minimal impact for overall Township finances.

Mr. Wolfe explained that the chart that he provided showed that the Township would fall below the 25% reserve requirement for budget with a little less than \$3 million in the year 2012.

Mr. Crissman noted, if the Township raised taxes, noting that a 10% tax increase would result in an additional \$250,000 for each year from 2009 to 2012, and increase the \$250,000 by 3% a year for new taxables, it would result in a General Fund balance from no tax increase at \$2.7 million to \$3.8 million in 2012 with the tax increase. Mr. Wolfe noted that he could calculate other scenarios, noting that the Township has a very low tax rate, and a 10% increase would continue to be under a rate of one mill. He noted that the Township is not at the level of exhausting its taxing power, but a tax increase would preserve more of the fund balance. He noted that a 10% tax increase would be somewhat equivalent to the funds lost from the State's change in the Emergency Municipal Services Tax (EMST) to the Local Service Tax (LST). He noted that that change resulted in a loss of income by roughly \$400,000 to \$500,000.

Mr. Seeds questioned how Mr. Luetchford came up with the \$5.50 daily rate, and would it include the practice fields as well. Mr. Wolfe answered that it would include all reservation rates. Mr. Seeds questioned if someone was kicking a ball around a field would that be considered a reservation. Mr. Wolfe answered that it would not, however, a reservation provides

a club the right to tell someone who is using the field to leave. Mr. Seeds noted that in the fall, there are three football teams that practice at Koon's Park, and ordinarily they use the grass areas, and he questioned how that would be handled. Mr. Wolfe answered that there are designated areas that can be reserved, and those areas would be reserved through the Parks and Recreation Department. Mr. Seeds noted that the teams would have to pay for every night of the week, and he questioned how it would affect their budgets, and fundraising. He noted that he is not sold on the idea. Mr. Crissman noted that various groups reserve fields and never use them. Mr. Wolfe noted that the Township has always charged a reservation fee of \$11 per day for adults. Mr. Seeds questioned if Bishop McDevitt High School had to pay to use the tennis courts at Koons Park. Mr. Wolfe noted that all youth groups do not pay at this time, but the adult Legion baseball groups pay. Mr. Seeds questioned if someone wanted to use four tennis courts, would they have to pay four times \$5.50. Mr. Wolfe explained that a reservation is for a day per facility, therefore they would have to pay \$22.

Mr. Crissman noted that he had no problem with charging for youth sports reservations.

Mr. Wolfe noted if a team reserves a field for soccer practice for 20 players, it works out to \$.25 a kid, and that is not a lot of money. Mr. Seeds suggested that when it is night after night, it adds up. He questioned how the teams would respond to this. Mr. Wolfe noted that all the teams have a registration fee, and use that fee to offset the costs for uniforms, referees, etc. Mr. Seeds questioned how Mr. Luetchford came up with the fee of \$5.50 per field. Mr. Wolfe explained that it is half the rate that the adults pay to reserve a field. Mr. Seeds questioned if he plans to increase the adult fee. Mr. Wolfe answered no. Mr. Seeds questioned why he was not increasing that fee. Mr. Wolfe noted that on an annual basis, he does add an increase to program and reservation fees to provide for a cost of living increase. Mr. Blain noted that the teams already complain that there are not enough playing fields for all the teams. Mr. Wolfe noted that the fee could be based on the economy of use. He noted that if the team pays a registration fee, most probably, they will show up to use the field, and not monopolize a field that could be used for something else. Mr. Blain noted that the cost to maintain the fields continues to increase every year, and that is one of the biggest drains on the budget. He noted that the Township tries to keep the fields in top condition, and most of the fields are in good condition. He noted that he would tell the teams that they are being charged \$5.50 per daily because of the increase in costs to maintain the fields; he noted that it is necessary to charge the teams for their use. Mr. Seeds

noted that the Linglestown Baseball Team is always working on the fields, and he questioned if they would discontinue their work since they are paying a fee to maintain the fields. Mr. Wolfe noted that what those teams do is to accommodate their use only, over and above what the Township does. He noted that the Township cuts the grass once a week, but if a team wants the grass cut before a game, it is up to the team to do that. If they want to line a field, it is up to the team as the Township does not line fields for sports organizations. Mr. Blain noted that Linglestown Baseball Association does a great job lining the field, but he questioned how many acres the Township must oversee and maintain. He noted that the fee is to offset the costs to maintain the fields and improve the quality of turf at all the facilities. Mr. Hornung noted that some groups may take the mentality that if they are paying for a field, they would not assist in maintaining the fields, however, \$5.50 is a minimal fee. He noted that it also sends a message that it is expensive to maintain the fields, and that they should not over-reserve the fields. Mr. Hawk noted that it would send a message not to overbook the fields and penalize a team who is unable to use the fields. Mr. Blain noted that it is important that the message for why the Board members are doing this is clear. He noted that the issue is related to the quality and maintenance of the fields. Mr. Hornung noted that there are more fields at George Park that need to be created. Mr. Wolfe noted that the two soccer fields are not completed and there are invoices in the amount of \$27,000 for the work completed so far. He noted that CASA would be billed for half the costs.

Mr. Seeds questioned if there was anything in the budget for the Devonshire, Colonial, Crums Mill Roads intersection. Mr. Wolfe replied no. He noted that the only traffic signal improvement included in next year's budget is Lockwillow Avenue at North Mountain Road, which extends the turn arrow for when the new hotel opens. He noted that PENNDOT is constructing the Locust Lane and Nyes Road intersection. He noted that the Township paid for the engineering for the traffic signal in the 2008 budget.

Mr. Seeds questioned if the Township sold the land on Commerce Drive. Mr. Wolfe answered that the Township still owns it. He noted that the last offers that were made were for potential office buildings for the Commonwealth.

Mr. Hornung suggested that the hiring of the additional police officer should be postponed for one year instead of six months. He noted that a police officer's salary is listed as \$65,000 plus. He noted that he is concerned that the Board is continuing down a path that is

eating away at the bank account, and at some point it must stop, or the Township would need to raise taxes to balance the expenditures and revenues. He noted that it would take a million dollars increase to do this, and it would mean an increase of .09 mills to amount to an increase of \$250,000. He noted that to reach a million dollars, the Board would have to increase the millage rate by .36. He noted that it would amount to a 40% increase in taxes at this time, and that would not sit well with the taxpayers. He noted that there is a need to cut expenditures, and raise taxes. He noted that the Township has added 14 police officers, and each year it costs more to hire additional police officers. He noted that the Township is in the process of police negotiations, and the police officers are used to having the Township accommodate their raises, and they don't realize that the return on investment should be the same as it is for new roads. He noted that the decrease in accidents would not be impacted much more if additional police officers were hired. He noted that he was not sure if the Township has reached the law of diminishing returns for manpower. He noted that an extra officer would permit someone to be added to the Drug Task Force, but, possibly, it could be accomplished another way. Mr. Seeds noted that he would not want to see the Township lose the representation on the Drug Task Force. Mr. Wolfe explained that no one is on the Drug Task Force at this time.

Mr. Wolfe noted that Chief Bair completed an analysis of his expenses over the past five years and it is important to note that other than personnel items, the majority of expenses have stayed the same or been reduced. He noted that he watches every penny that he spends in the Police Department.

Mr. Blain noted that he wanted to understand the fundamentals of the projected numbers before discussing tax increases or budget cuts. He questioned the projections noting that the estimated expenditures are \$17,461,553 for 2008, and in 2012 it would be \$22.6 million. He noted that it shows that expenses would increase by \$5 million which is an 8.5% increase. He noted that it would be a 30% increase from 2008 to 2012, and with the average rate of inflation being 3%, this would be 5% higher than the average. He suggested that the discussion should hone in on how the expenses would play out. Mr. Houck explained that the numbers were reached by taking the bulk overall numbers times a total expense. He noted that some of the budget line items would be higher or lower.

Mr. Blain noted, if the Township is to come up with a five-year projection, Mr. Houck needs to review each item, line-by-line, to figure the assumptions used to determine the numbers.

He noted that he was never ever very comfortable with the projections in the past, since it could never be explained. He requested Mr. Houck to do this and determine what they should be. Mr. Wolfe noted that the Township's trend since 2001 is that revenues have been behind expenditures by .5% to 1%. He noted that revenues increased by 8%, and expenditures by 8.5%. He noted that the general trend for the Township is that it spends more than it takes in. Mr. Blain noted that after Mr. Houck reviews each line item, at that time the Board could make decisions as to what it needs to do to balance the budget. He noted that the Board would need to raise taxes at some time, and that he is not comfortable with the projections, especially for the expense side.

Mr. Blain questioned if Mr. Wolfe could get a projection from H.A. Berkheimer for their collections in 2009. Mr. Wolfe noted that he has not received an estimate. Mr. Blain suggested that it should be done, and he hopes that Berkheimer would be more aggressive and accurate in its collections. Mr. Hawk noted that the Township would receive more detail on a regular basis. Mr. Hawk agreed that he was not in favor of a tax increase.

Mr. Wolfe noted that Berkheimer has not supplied the Township with a projection for income for 2009. He noted that he was using the year-end projection supplied by Mr. Doyle from CTCB, noting that he inflated it by 3%. Mr. Crissman questioned if it included revenues and expenses. Mr. Wolfe answered that it did, and he noted that he would ask Berkheimer for their projections for 2009.

Mr. Hornung noted that the revenues for 2007 and 2008 are very similar, but 2009 increased by \$1 million, 2010 increased by \$1.4 million, and 2011 increased by \$1.5 million. He questioned if that was realistic. Mr. Wolfe noted that he did not think that both revenues and expenditures would increase by 8% or 8.5%, however, there is a history that shows that they have increased greater than the rate of inflation. He noted that the Township is a growing community, and is expanding services gradually over time. Mr. Blain noted that the Board could resolve that the expenses would increase 3% over last year, and work with that number. He noted that it would require the Board to dig into the numbers to find a way to make it work. He noted that capital projects are not part of the general operations. He suggested that the Township does it backwards by looking at the expenses and matching the revenues with the expenses to get to zero. He noted that a simple solution may be that each Department's budget would not be permitted to increase by 3%. He noted that staff does a good job of managing budgets and finding ways to reduce costs, but the Township should not be funding deficits with reserve funds.

Mr. Wolfe noted that the Department Heads were directed to do that last Tuesday night, and the budget is two thirds of the way there. Mr. Crissman noted that the Board must decide what it wants to do with the \$183,000 deficit. He noted that the Board could direct staff to make additional cuts, but would they be cutting to bare bones, or it could accept the deficit and take it out of the reserve fund. Mr. Blain suggested that the variable would be the forecast from Berkheimer. He noted that there would be a problem if Berkheimer states that it would only collect \$6 million or less than what it would take to cover the deficit.

Mr. Seeds suggested that if the police officer is not hired, and something happens, then the blame would be put on the Board since it did not hire the police officer. Mr. Wolfe noted that when the Township cuts back on something, ultimately someone is to blame, whether it is charging for field reservations, or one less officer. He noted that when the Township makes a decision to do less, it would hear about it. Mr. Crissman noted, if the Board wants someone on the Drug Task Force, then it would be up to Chief Bair to make it happen. He noted that the Township pays him a good salary to operate his Department, and it is his responsibility to make it happen. He noted, if it is important, than the Board needs to tell Chief Bair to put someone on the Drug Task Force.

Mr. Hornung noted that the deficit is not just \$183,000; it is almost \$1 million. He noted that the reserve account has almost \$1 million in expenditures in one year, and explained that it leaves the budget \$720,000 short. He noted that the Township can't keep taking the capital funds from the savings account. Mr. Wolfe noted that the savings account was established for capital projects. Mr. Hornung noted that you cannot keep depleting the fund. He noted that the long range plan should be that the revenues should equal the expenditures plus additional funds for the capital funds. Mr. Wolfe noted that, in some instances, you could borrow for capital projects.

Mr. Blain noted that the Audit Committee established the 25% reserve fund in the event of a catastrophe or disaster in the Township when there would be no source of income. He noted that the fund balance is not \$9.6 million; it is only \$5.5 million as you need to maintain over \$4 million in the reserve fund. He noted that Mr. Hornung does not want to draw down the funds in this account as it should be restricted for capital projects. Mr. Seeds noted that the Township could not do capital projects, such as Wolfersberger Park, since it does not have the money to build a new park. Mr. Wolfe noted that when you undertake a capital project, it is a multi-year expenditure, noting that the Township funds it on a pay-as-you-go basis. He noted that Mr.

Hoffer would suggest that you pay as you go by borrowing. He noted that the Township borrowed \$6 million in 2002 for capital projects, and amortized the payments, as part of the operating expense. He noted that the Township could borrow in the future for capital projects.

Mr. Seeds noted that the Public Works Department needs more space, and equipment, and this should be done in the next few years.

Mr. Hornung noted that the Township cannot continually mortgage its future and keep borrowing, noting that at some point it won't have anything left. He noted, if the Township is careful, and attempts to keep things in line, paying for things as it goes, it would have the same affect, and the Township would not have to mortgage its future.

Mr. Wolfe questioned why borrowing to do capital projects in the Sewer Department, is different than borrowing to do capital projects in the General Fund. Mr. Hornung answered that the Sewer Department was under time constraints to get projects done, and the only way they could be done was to borrow funds, since it could not raise the rates high enough to do so. He noted that he does not want to be in that position for other Township projects, he explained that he would rather do the project, using the savings account, but replenish it before doing the next project. Mr. Wolfe noted in the year 2012, the projects that have been identified in the Strategic Plan would have been completed, and there won't be others to do unless there are additions to the list.

Mr. Blain noted that the School District's budget is almost fixed because 70% of it is debt service and salaries, and the Board only has control over 30% of the budget. He noted that the Township must raise taxes or cut programs, and if you spend in a pay-as-you-go manner, and the Township does not do any significant long-term borrowing, it can manage its budget to have more control over spending.

Mr. Hornung noted that he does not want to tell staff to cut \$183,000 or \$1 million, as he knows that that is impossible, and he noted that some staff members are overworked. He noted that he does not know how they get done what they get done. He noted that the Township has one of the lowest man hours per taxpayer in the State. He suggested that the Township needs to be careful, especially with certain items that would balloon in the future, one of which is manpower, and the other is parks. He noted that contracts at 3% or 3.5% continue to add up. He noted that these are the areas that must be controlled at this point, or they would really get the Township into trouble in the future. He noted that it is important to look at the decisions made

today, and what impact they would have three to five years from now. He suggested that extending out the time period for hiring an additional police officer, or purchasing additional parkland are items that should be looked at. He noted that taxes could be raised as the tax rate is very low. He noted that he wanted to raise the taxes higher than they were raised in the last increase, but it would not be appropriate to raise taxes at this time or in 2010. He noted that it is important to have accurate projections in order to make accurate decisions.

Mr. Crissman noted that the current debt reduction service as compared to what it would be in 2012 may be quite different from what was projected. He noted by 2012, the Township should be on the decline, as the Board established a modified rap around program in order to keep level debt service to a certain point before it would start to decline. Mr. Blain noted that that was a real good point.

Mr. Seeds noted that Mr. Wolfe projected an increase of \$2 million in revenues in 2010 versus 2009. Mr. Wolfe noted that it would be an increase of 8.5%, but explained that those numbers have been updated. Mr. Hawk questioned how long it would take to get an answer from Berkheimer. Mr. Wolfe answered that he would call and tell them that he needs an answer within the week. Mr. Hawk noted that some people have lost a lot of their investment income, and it would not be a good time for a tax increase. He noted that this is the year to hold the line on taxes. Mr. Blain suggested that he would want to hear what Berkheimer has to say as he has a concern that the number may be lower than what was projected.

Mr. Hawk adjourned the meeting at 5:20 p.m. for dinner.

Mr. Hawk called the meeting back to order at 5:30 p.m.

Mr. Wolfe noted that he needs to review the Administration and Community Development budgets.

Mr. Houck noted that the total real estate taxes are the same and he kept the same number for the total delinquent tax claim. He noted that the refunds have been running higher; therefore, he increased it from \$2,000 to \$5,000. He noted that the Local Service Tax is very close to the numbers used for 2008, but the real estate transfer tax was budgeted at \$1.3 million, and only \$700,000 has been received through the first two thirds of the year, therefore, he decreased that budget item to \$1 million. He noted that it would depend highly on the real estate market, and that he was conservative with these figures.

Mr. Houck noted that the cable TV franchise fees are estimated for Comcast and new Verizon franchise. Mr. Wolfe noted that Verizon would be providing the Township with additional revenues over Comcast current fees. He noted that the Township would be entering negotiations with Comcast next year and he would be asking for the same amounts as negotiated with Verizon. He noted that the negotiations would be done through the Capital Region Council of Governments.

Mr. Houck noted that the interest earnings are down quite a bit, and he suggested going to a sweep account that would pay less interest but provide more in revenues. He noted that he had to base his estimates on all checks being cleared within a few days, but if the Township had a sweep account, the bank would know daily how much there is to invest. He noted that there is a lot of money that is not invested, the float factor. Mr. Wolfe noted that M&T Bank has a sweep account, but it is Mr. Hite's opinion that the Township would earn more in their general account. Mr. Houck noted that he did not agree with that.

Mr. Houck noted that the building rental revenues is slightly up, and the foreign fire insurance check is pretty much the same as it was for this year. He noted that the Friendship Center overhead budget estimate for full time employees average is 60% and part time average is 18%. He noted that the Sewer Authority Management agreement is a little higher than last year. He noted that the total revenues are roughly \$15,355,000 versus \$17,100,000 from last year. He noted that the \$17.1 million includes almost \$1.8 million taken out of prior years' cash; therefore, it is more like \$15.3 million, a little less than last years.

Mr. Houck noted that the expenses are the same for the Board members, and the management personnel were budgeted at 3.5%. He noted that the AFSCME contracts have a 3.5% increase in wages, and the longevity payments are based upon contracts. He noted that only \$14,000 was spent for office supplies in 2008 although \$20,000 was budgeted, noting that a few thousands may be cut in this line item. He noted that the agreement was signed with Brown Schultz for accounting services in the amount of \$21,150.00. He noted that the Township is coming in very high for the engineering services, close to \$10,000.

Mr. Hawk noted that the management staff is listed at zero. Mr. Wolfe noted that he combined two line items. He explained that the telephone line item would come in close to budget for the end of the year, but postage has increased, and \$35,000 is a more realistic number. He noted that the advertising and printing for legal ads is budgeted at \$19,000. Mr. Houck noted

that training and seminars are budgeted at \$6,500 as he would like to schedule more training for his staff.

Mr. Houck noted that the computer network expense is listed individually for each department, and that this line item would increase as time goes on. He noted that, in some instances, technology could save on personnel costs. He noted that most of the line items have remained consistent except for the special legal services that include John Hall for the Paxton Creek TMDL, and the potential for police arbitration for next year. Mr. Wolfe noted that the LOSAP funds of \$60,000 are included in the budget, and the firefighters would be coming to the January workshop meeting to finalize the program. He noted that \$50,000 of the funds would be from the Fire Equipment Capital Fund, which would reduce that fund to \$200,000.

Mr. Houck noted that the EMS contract has increased from past years, but there was no increase from last year's budget.

Mr. Blain questioned if the Township had to ask for South Central EMS information from Mr. Calhoun. Mr. Wolfe noted that the Township would continue to withhold the check, like it did last year, until it receives the reports. Mr. Seeds noted that he attended a meeting last night, but not much occurred. He noted that they discussed the holiday party which he voted against. He noted that they elected a new member to fill one of the four vacant seats from South Hanover Township, a citizen member. He noted that Middletown Borough appointed a new member, and SCEMS is reviewing the bylaws to determine how it would fill the four vacancies. He noted that Mr. Calhoun told him that their solicitor said that it was a conflict for an elected politician to sit on the board. He stated that he told Mr. Calhoun that he checked with the Township Solicitor and was told that there was no conflict. Mr. Blain stated that he did not understand how there would be a conflict. Mr. Seeds noted that he requested this information in writing but Mr. Calhoun could not find it in his office. He noted that the Township would have two appointments for the year 2009, and he questioned who the members would be. Mr. Seeds explained that he would discuss this with the Board members, noting that it may be another Board member or someone from the Public Safety Committee. Mr. Calhoun stated that it should be someone from the public.

Mr. Crissman questioned if SCEMS discussed the budget during the meeting. Mr. Seeds stated that they approved the budget at the last meeting. He questioned Mr. Wolfe if he received a copy of the budget, noting that it was to be distributed by the end of October. Mr. Wolfe noted

that he would call Mr. Calhoun to ask for a copy. Mr. Crissman noted that it was not Mr. Wolfe's job to do that as SCEMS has an obligation to provide the Township with a copy of the budget. Mr. Blain questioned if anyone on the Board, other than Mr. Seeds, is an elected official. Mr. Seeds answered no. Mr. Blain noted that the municipalities are providing the EMS funds, but they have no representation on the Board. Mr. Seeds noted that Mr. Calhoun states that the representative should not be an elected official. Mr. Blain noted that he totally disagrees with that and would challenge their solicitor on that. He noted that he would like to see where their solicitor finds just cause for his decision. Mr. Seeds noted that his term of office is up and the Board needs to determine who it wants to appoint to the SCEMS board, noting that there are two positions. Mr. Hawk noted that the Township has the right to follow its money, especially since the Township has a tremendous financial stake in SCEMS. He noted that he would have no problem with someone from the community who is well rounded in the agreement sitting on the committee. Mr. Seeds noted that the Township spends \$8,000 for meetings and picnic for the entire year and SCEMS wants to spend \$42 per person for a Christmas party. He noted that he complained about that expenditure but no one listened. He noted that the decisions are made by the executive board. He noted that the bylaws state that you must discuss an item at one meeting and then wait to vote on it the following meeting. He noted that he complained about it but it makes no difference. Mr. Blain questioned how much the holiday party would cost. Mr. Seeds explained that it would depend on how many people sign up, but there are 120 people, plus the Board members. He noted that he offered to pay his own way, but they told him that he could not do that.

Mr. Seeds explained that they continue to borrow money, and were recently turned down by Dauphin Country for its grant application for money to replace the building next to the firehouse. He noted that Mr. Calhoun blamed East Hanover Township for it as they stated that they already applied for too much money, and they would not sign off for them. Mr. Blain noted that East Hanover Township did the same exact thing for the fire company.

Mr. Crissman questioned if the Township would wait to send SCEMS their allotted funds until they come and make a presentation, and present a budget.

Mr. Blain questioned if another ambulance company is working in the Township. Mr. Wolfe answered that the new company is providing transports. Mr. Seeds suggested that they may start doing emergency calls. Mr. Seeds noted that the company is called Advantage, and

they operate out of the old Colonial Park Fire House. He suggested that this would have a financial impact on SCEMS. Mr. Crissman questioned why Mr. Wolfe must contact SCEMS to get the information they need in order to receive their payment. He noted, if they really need the funds, they should be coming to the Township and fulfilling their obligations in order to receive the funds. Mr. Wolfe suggested that the Township probably owes SCEMS the fourth quarter real estate payment. Mr. Hawk suggested that the check should be held at this time. Mr. Seeds noted that the Township should not provide SCEMS with funds for 2009 until they produce a 2009 fiscal year budget.

Mr. Hornung noted if a new company is coming into pay, then he questioned if the Township should subsidize one company against another. He noted, if the new company plans to provide similar services, then the Township should reconsider its option to subsidize SCEMS. Mr. Crissman questioned if there would be an advantage to invite Advantage to a workshop meeting to discuss their services, goal and purpose in the municipality. Mr. Wolfe noted that he could make contact with them to see if they want to make a proposal to the Township for services. He noted if Advantage agreed to make a presentation, he would let Mr. Calhoun know.

Mr. Wolfe noted that the two major changes for employee benefits are that health care benefits increased by 7% for 2009, which is an additional \$100,000 and the unemployment compensation renewal is a reduction of \$129,000, therefore there was a \$29,000 reduction in this category. He noted that casualty insurance resulted in a \$35,000 savings as a result of renewing with Brown and Brown.

Mr. Wolfe explained that the fund transfer decreased from \$965,000 to \$772,000. He noted that there is nothing unusual in the Community Development budget except that revenues are expected to be less than those received in 2008. He explained that he budgeted \$439,000 for building permits, which is down \$180,000 from 2008. He noted that the Township is experiencing a time when the community is building less homes and office space and retail establishments. He noted that similar instances are occurring for land development, as the budget was \$117,000 last year as compared to \$109,000 for 2009. He explained that the Township has not received any new plans for the past three months.

Mr. Wolfe noted that the Community Development Department expenditures are slightly higher; noting expenditures of \$452,000, up from \$448,000 budgeted for 2008.

Mr. Seeds noted that Supervisors meetings have been the shortest for the business meetings, but the workshops have been very long, and since there are less plans, he questioned if the Board should switch to two workshop meetings and one business meeting per month. Mr. Blain noted that the bills would only be paid once a month. Mr. Seeds questioned if the bills could be paid during the workshop meetings. Mr. Wolfe noted that the Board could pay anything at anytime if it is advertised correctly. Mr. Wolfe noted that business sessions and workshop sessions could be done on the same night too. He noted that the schedule could be adjusted if the Board desired to do this. Mr. Seeds noted that the Board has five or six hours of work in the workshop sessions and never seems to get it all done. Mr. Blain suggested that the Board continue as is, but keep this option in mind to see how the year goes. Mr. Hawk noted that there have been very few subdivision and land development plan presented to the Township over the past three months.

Mr. Wolfe noted that the Board has reviewed the entire budget once, noting that the Authority budget would be presented later this evening during its Authority meeting, at which time it would take action on the budget. He noted that he needs to get an EIT forecast from Berkheimer, and consider the delay in the hiring of a police officer. Mr. Seeds noted that he was not sure that he wanted to do this, and suggested that a compromise would be delaying the hiring for half a year.

Mr. Wolfe questioned if the changes listed in his memorandum for this meeting are acceptable and could be implemented. Mr. Hawk agreed. Mr. Wolfe noted that it would result in an operating deficit of \$183,000, substantially decreased from the \$500,000 deficit. He noted that he would have staff continue to work on this and report back to the Board with an updated reduction. Mr. Crissman questioned when the budget needs to be adopted. Mr. Wolfe answered that the budget must be adopted by December 16, 2008. He suggested that prior to next week's business meeting, he would provide an update, and another budget meeting could be scheduled at that time if the Board desires to do so.

Mr. Wolfe noted that staff has scheduled an executive session at 7 p.m. to discuss the acquisition of a right-of-way through property owned by the Sheesley Estate.

## **Adjournment**

There being no further business, Mr. Blain made a motion to adjourn the meeting. Mr. Hornung seconded the motion, and the meeting adjourned at 6:10 p.m.

Respectfully submitted,

Maureen Heberle  
Recording Secretary

Approved by,

Gary A. Crissman  
Township Secretary