

LOWER PAXTON TOWNSHIP  
BOARD OF SUPERVISORS

Minutes of Workshop Meeting held November 10, 2009

An administrative workshop meeting of the Board of Supervisors of Lower Paxton Township was called to order at 6:05 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; David Johnson, Public Safety Director; William Weaver, Authority Director; and Watson Fisher and Ted Robertson, SWAN.

**Pledge of Allegiance**

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

**Public Comment**

No public comment was provided.

**Request to amend the PENNVEST funding offer from LPTA to LPT**

Mr. Weaver explained that Mr. Smida had indicated to him that he was not aware that the Lower Paxton Township Authority (LPTA) had entered into the online funding request with PennVest. He noted that Mr. Smida sent a letter to PennVest recommending that the funding request be reauthorized in the name of Lower Paxton Township (LPT) since all the prior borrowings and debt occurred by the LPTA has been through LPT as a subsidy agreement with the LPTA to pay the debt back. He explained, in order to do this, Mr. Smida had to make contact with Jane Blake, the Township's representative from PENNVEST who is handling the closing for the loan. He noted that Ms. Blake has outlined the steps that need to be taken by their financial personnel to have the LPT approve certain documents.

Mr. Weaver explained that no action needs to be taken at this time as he only wanted to make the Board members aware that these changes would not jeopardize the loan. He noted that the funding would be reauthorized in the name of LPT.

Mr. Crissman noted that two actions would need to be taken, one as the LPTA, and a second as part of the LPT. Mr. Wolfe noted that this would be done during the business meeting next week, and the Authority meeting to be held on the 24<sup>th</sup> of the month.

Mr. Weaver noted that CET Engineers did a good job with the contracts, and all the deadlines have been met by the Township, however, the contractors are slow with getting their information to the Authority and PennVest for their approval. He suggested that it may be necessary to move the settlement date back, and it would provide extra time for the Township. He noted that PennVest's program management must review the proposals, and this would provide more time for the Township to make its changes.

## **2010 BUDGET PREPARATION**

### **Key Indicator Report**

Mr. Wolfe noted that he would briefly review the Key Indicator Report (KIR) before discussing the 2009 and 2010 budgets.

Mr. Wolfe noted that on page five, for the General Fund, the revenue sources for the following items are as follows: Real Estate Transfer Tax, down 19%; Earned Income Tax (EIT), down 7%; Local Services Tax (LST); down 3%; Codes Enforcement, down 40%; Parks and Recreation, down 13%; Health Department, down 24%; and Police, down 19%. He noted that interest income is down 79% and the General Fund revenues are down 3% as compared to the third quarter of 2008. He noted that Capital Tax Collection Bureau (CTCB) withheld \$203,700 as a result of an error that they believed occurred from a distribution made in 2001. He noted that CTCB has provided the requested information to the attorneys from the Central Dauphin School District, and they are reviewing the records. He noted that he does not see the Township receiving those funds in this fiscal year.

Mr. Crissman questioned who was reviewing the information for the School District. Mr. Wolfe answered that Mr. Ellison's firm is reviewing the information.

Mr. Wolfe noted that the EIT revenues are down 12% from this time last year. He noted that the Audit Committee has scheduled a meeting with Berkheimer on the 17<sup>th</sup> of November at 4

p.m. He noted that Mr. Cornell and Ms. McConnell are scheduled to be in attendance. He stated that he is hopeful that Berkheimer can provide a better update for year-end figures. He noted that there are two issues with this year's collection process; the first is the transition from one tax collector to a new one, and the economic times. He noted that the LST revenue is higher since Berkheimer had identified more taxpayers than CTCB was able to identify.

Mr. Wolfe noted that the expense items are pretty much on track for this time of the year; however, staff has taken significant efforts to reduce expenditures through the course of the year. He noted the exception is for a piece of equipment that was received this year and was supposed to be received in 2008.

Mr. Wolfe noted that the year-to-date comparison between 2008 and 2009 for revenues is \$11,959,482 in 2009 as compared to \$12,370,821 in 2008. He noted that the expenses for 2009 are \$12,866,590 as compared to \$13,419,649 in 2008. He noted that expenses have been cut significantly. He noted that the current fund balance is \$6,271,903 as compared to \$7,179,038 in January 2009. He noted that the Township has been drawing on the Fund balance for the past three years.

Mr. Wolfe noted that the Township received \$997,953 for State Aid and Liquid Fuels, and has spent \$446,429 of those funds. He noted that the remaining \$551,918 would be spent by the end of the year. He noted that a significant portion would be used to pay for Public Work Department wages, and have been diverted from paving projects.

Mr. Wolfe noted that the Fire Equipment Capital Fund balance was \$522,275 but at the end of the third quarter; the balance would be \$307,931. He noted that this provides for the remaining expenditures for Phase Three of the Capital Fund and also for repairs to fire equipment. He noted that the end balance for 2009 would be roughly \$189,079.

Mr. Wolfe noted, for the General Improvement Fund, \$75,000 has been expended on stormwater projects out of the \$310,000 that was budgeted. He noted that \$25,000 of the \$70,000 budgeted was spent on traffic signals. He noted that \$57,000 was spent on road improvements, with a budget of only \$50,000. He noted that \$312,000 has been spent on the Village of Linglestown Project for this year, far less than budgeted, due to the delay in starting the project, however, more funds would be spent in 2010. He noted that \$7,000 of the \$250,000 budgeted was spent on the Linglestown Alleys. He explained that the Township has applied for Gaming

Grant funds to cover the \$250,000 expenses. He noted that \$302,594 of the \$325,000 budgeted for George Park was spent, and Public Works will spend \$85,000 on machinery.

Mr. Wolfe noted that, for the most part, the Friendship Center (FC) has been unaffected by the economic downturn. He noted that revenues are \$1,526,496 as compared to \$1,496,067 for 2008. For expenditures, the 2009 numbers are \$1,386,460 as compared to \$1,512,272 in 2008. He noted the expenditures have decreased due to management's oversight. He noted that the net at this time is \$140,036 as compared to a deficit of \$16,205 in 2008. He suggested that the year-end results should be close to a balanced budget or even a small surplus. Mr. Blain questioned why deterioration is projected for the net income end of the year. Mr. Wolfe noted that the budget includes the reimbursement to the Township for money owed for health care benefits, and similar items that is paid in the last quarter. He noted that memberships have done well for the past 12 months. Mr. Seeds questioned if Medicare pays for many senior's memberships. Mr. Luetchford answered that some medical plans, such as Highmark retirement program, pays for the memberships. Mr. Crissman noted that the bulk of the money for memberships comes from family memberships.

Mr. Wolfe noted that the Authority borrowed \$42 million new money and refinanced \$14 million in old money, so the financial situation is significantly different. He noted that the projects that have been bid have been listed. Mr. Weaver noted that most of the projects shown in the report are from last year, and have been completed. Mr. Seeds noted that there are \$22 million in capital expenditures for the 2009 year. Mr. Weaver noted that it is on top of the \$16 million in PennVest Loans and the additional Build America Bond (BABs) funds that are scheduled for next year.

Mr. Wolfe noted that the pension funds are starting to look a little better. He noted that the annualized return for the police pension at the end of the third quarter was 16.7% and for the non-uniformed pension fund, the returns are 19.8%. He noted that the plans are no where near to being whole from the 30% losses experienced in 2008 and 2009, however, the plans have rebounded substantially.

**Status of revenues and expenditures against the  
2009 budgets and pre-draft budgets for the 2010 year**

**2010 General Fund Budget**

Mr. Wolfe noted that the conservative numbers shown for the 2009 adopted budget were further reduced due to the lack of projected revenues. He noted that the year-end estimates for 2009 show a \$492,000 deficit for operations for the General Fund; \$1 million in and out for State Aid; General Improvement Fund with expenditures of \$1.4 million; and a small surplus of \$5,000 for the Friendship Center. He noted that the Authority would have a surplus of less than \$1 million, with the Capital Fund and expenditures of \$16 million providing a fund balance in the General Fund of \$6.5 million. He noted that these numbers have not changed much since the October 6<sup>th</sup> meeting.

Mr. Wolfe noted that during the October meeting, he projected that \$250,000 in reserve could be used in the budget process. He noted that that number has dropped to \$100,000. He noted that revenue projections for real estate and EIT have been reduced slightly, and at this time, he is looking at a balanced 2010 budget of \$17,253,014 for operations with a transfer to the General Improvement Fund to finish capital projects of \$992,000. He noted that this assumes that there will be no tax increase. Mr. Blain questioned what capital projects would this include. Mr. Wolfe answered that it would include the Village of Linglestown Project, the last phase of George Park, and stormwater projects. He noted that the Friendship Center shows a balanced budget at \$2,293,490, with a reserve of roughly \$50,000.

Mr. Wolfe noted that the Authority Operating Budget for 2010 is \$13,151,653 in revenues against expenses of \$12,297,417, producing a surplus of \$854,236. He noted that the Capital Fund expenditures are \$12 million on top of the \$16 million for this year. He noted that the General Fund balance at the end of 2010 is estimated to be \$5.5 million.

Mr. Wolfe noted that the 2009 budget was less than the 2008 budget, yet a shortfall of \$1,352,400 million is expected. He noted that the revenue shortfalls as well as the take back of money from CTCB have made a dramatic impact on the 2009 budget.

Mr. Seeds questioned why the real estate tax was down. Mr. Wolfe answered that residents are not paying their taxes, and allowing their homes to go delinquent. Mr. Seeds questioned if the Township would get those funds back. Mr. Wolfe answered that some of the

funds may be recovered through the sheriff's sale. Mr. Wolfe noted that the Township always budgeted real estate tax collection at 99%, and now it is running closer to 98%.

Mr. Wolfe noted that the Township has instituted a retirement incentive program, with three employees taking advantage of the program. He explained that the Police Department would be switching to 12-hour shifts. He explained that he has frozen all management's salaries in 2010. He noted that he has applied a greater portion of the Liquid Fuels Tax to employee wages, and has delayed the Huntfield Road reclamation project, and the Miller Road and Devonshire Road reconstruction until 2010.

Mr. Wolfe noted that the minimum municipal obligation (MMO) requirement for the pension plan is \$836,166; however, the 2010 budget contains an allocation of \$925,000. He noted that the maximum allocation based upon statute could be \$1.3 million. He explained that the State enacted a new law that provides for a third means to compute the amount, and it would be somewhere between the \$836,000 and the \$1.3 million. Mr. Seeds questioned if it could be lower. Mr. Wolfe noted that it could not be lower than \$836,000, noting that it allows for the extension of the loss for a few years out. He noted that the \$836,000 was based upon the January 2007 actuarial valuation. He explained that the 2010 Operations Budget has a \$53,610 surplus. He noted that being positive in the budget process in the beginning of November is very unusual.

Mr. Wolfe noted, for the General Improvement Fund, items that could be delayed are the pavement and financial management systems, engineering for the Public Works wash bay, other improvements to the Public Works facility, last phase of George Park, and the compost facility berm. He noted that they total roughly \$450,000. Mr. Seeds questioned if the \$95,000 for the financial management system is an upgrade. Mr. Wolfe explained that it is a new system, noting that the current system is not supported by any platform. Mr. Seeds questioned if the Conway Road project was removed. Mr. Wolfe answered that it was.

Mr. Hornung questioned, in regards to the pension MMO, is the maximum number a required number. Mr. Wolfe answered that the Township is allowed to do the mathematical computations for the MMO using the 2007 valuation, and that would require a MMO of \$836,166. He noted if staff used the 2009 valuation, the number would be \$1.3 million. He noted that the higher amount is due to the significant investment losses that occurred in 2008. He noted that the new State law permits using a middle ground formula that smoothes out the

losses, noting that it would be in between the amounts of \$836,000 and \$1.3 million. He noted that staff added an extra \$90,000 to the 2007 valuation to come up with the 2010 budget amount. He noted that staff must determine the MMO based upon the formula that it uses. He noted that the Township could use a number that is in between without paying for another study. He noted that staff could use the \$836,000 number, which would be legal, and it would provide for an additional surplus of \$90,000. Mr. Seeds noted that it would not be wise to do that. Mr. Hornung questioned if the difference of \$375,000 would carry over next year to provide for the same numbers. Mr. Wolfe noted that it would be added in over time on an actuarial basis. He noted that you would not add \$400,000 on top of the existing number. Mr. Hornung questioned if the 2011 number would remain the same. Mr. Wolfe answered that it would go up. He noted that the last valuation was done at the lowest point in the market for investments, so it is a bad document. He noted if a valuation was completed at the end of this year, the \$1.3 million would probably decrease to around \$1.1 million. Mr. Seeds questioned where the figures would be for 2011. Mr. Wolfe answered, if the Township budgeted the \$1.3 million, using the 2009 valuation, and used it again next year as well, putting \$1.3 million, two years in a row, in 2011 the Township would have over-funded the plan since investment returns would have picked up. Mr. Wolfe noted that the State passed Act 44 to provide another mechanism for the Township to prepare its valuation. He noted that staff has picked a mid-point, but he does not know what the State's mid-point would be. He noted that he could have the math completed if the Board wanted it done in conformance with Act 44. Mr. Crissman and Mr. Blain agreed that the \$925,000 figure was a good number for the 2010 budget.

#### *Administration*

Mr. Houck noted that the year-end estimates for 2009 for Administration is \$15,003,814, that includes \$2,475,000 in Real Estate Taxes, \$1,100,000 for Local Services Tax, \$750,000 for Real Estate Transfer Taxes, \$6,200,000 for Earned Income Taxes, \$780,000 for Cable TV Franchise Fees and \$251,000 from Prior Year's Reserves. He noted that \$789,595 is projected for administrative expenses, \$29,700 for tax collection expenses, and \$130,000 for solicitor and special legal counsel.

Mr. Houck explained that \$1,411,700 is attributed to fire and ambulance expenses, including \$200,000 to the Fire Equipment Capital Fund, \$60,000 for the LOSAP, \$340,000 for

the fire pension, \$400,000 fire company taxes, \$222,700 for fire hydrants, and \$189,000 for SCEMS contribution.

Mr. Houck noted that \$1,034, 377 is budgeted for Sewer Department expenses, to include \$115,509 for vehicles. He noted that \$500,210 is budgeted for library taxes, \$500,123 for debt service expenses, including \$290,000 of principal repayments, \$100,000 Friendship Center contribution, \$4,022,029 for employee benefits, and \$884,529 MMO for pensions. He noted that \$122,000 was budgeted for casualty and liability insurance, noting a decrease of \$33,000 from last year's amount. He noted that \$233,804 is a transfer from prior year's reserve to fund the General Improvement Fund.

Mr. Houck noted for the 2010 budget, the Administrative revenues are budgeted at \$16,403,364 to include \$2,550,000 in Real Estate Taxes, \$1,125,000 for LST, \$1,000,000 Real Estate Transfer Taxes, \$6,450,000 EIT, \$830,000 Cable TV Franchise Fees, and \$992,000 from Prior Year's Reserves.

Mr. Houck noted that the Administrative expenses are budgeted at \$785,743, which includes no increase in pay for administrative employees, a \$5,000 decrease from 2009 in auditing fees, a \$4,000 decrease in professional fees, and an \$8,000 decrease from 2009 telephone costs.

Mr. Houck noted that tax collection expenses are \$29,700; solicitor and special legal expenses are \$75,000, and \$1,421,056 for fire and ambulance expenses.

Mr. Houck noted the 2010 expenses are \$980,603 for Sewer Department, \$115,210 Library Taxes; \$493,431 for debt services, to include \$295,000 of principal repayments, \$100,000 Friendship Center; \$4,297,358 for employee benefits to include a MMO payment of \$925,000; \$110,000 for causality and liability insurance, a decrease of \$12,000 from 2009, and \$992,000 transfer from prior year's reserves to fund the General Improvement Fund. Mr. Wolfe noted that the property and liability insurance payments are on an October through September calendar.

Mr. Wolfe noted that there are very few differences in line item numbers between the year-end results in 2009 and moving into 2010 budget, in an attempt to keep all spending very conservative.

Mr. Houck noted that the 2010 budget issues include no increase in the taxation rate; the pension MMO is budgeted at \$837,238 based on the 2007 valuation, or \$1,301,313 based upon

the 2009 valuation or \$925,000 using a medium between the two. He noted that tax revenues are projected at a slightly higher level in 2010 from the 2009 amount, and \$992,000 was taken from prior year's reserves to fund necessary General Improvement Projects. He noted that the current available cash as of October 31, 2009 is \$3,031,000, with a projected year-end reserve of \$6,425,609, noting that a portion of those funds are loaned to the fire companies and the Fire Equipment Capital Fund.

Mr. Wolfe noted that the \$6 million in the Reserve fund is not all in cash. He noted that a portion of those reserves have been loaned to the fire company and the Fire Equipment Capital funds. Mr. Hornung questioned what amount of that \$6 million is in loans. Mr. Wolfe answered roughly \$3 million. He noted that it would be wise to remember this the next time a group requests a loan.

Mr. Houck noted that other 2010 budget issues include no increase in pay for administrative employees, with AFSCME employees budgeted with a 3.25% increase and police with a 3% increase. He noted that the final MMO needs to be determined, computer and technology upgrades could be put on hold for another year, and the Township is nearing the end of its strategic plan for its capital projects. He noted that the early retirement program would save \$200,000 in annual salaries plus benefits and employment taxes.

Mr. Wolfe explained that Mr. Weisinger keeps the system together by begging and borrowing. He noted that what he does electronically is impressive considering he only spends \$20,000 for hardware in a year. He noted that the strategic plan is almost completed, and the Conway Road project was dropped from the plan. He noted that the Board received a proposal from Rettew Associates to construct and help find funding for a new strategic plan. He noted that Delta Development Group would also like to make a proposal as well. He noted that they would be invited to a future workshop meeting.

Mr. Houck noted that it was suggested to use the State Aid money to fund labor costs of road repairs; to determine how much of the cash reserves are actually liquid; and to right-size the municipal operations given the changes to the economy and community. He suggested that purchasing new technology would help to right-size the operations, but it takes money to save money.

Mr. Hornung noted, in the administrative expenses, he questioned if the times got really bad could certain items be cut from the budget. He questioned if the \$6,500 for training could be

cut. Mr. Wolfe noted that that line item includes more than seminars. Mr. Wolfe noted that it could be done with only \$1,000, noting that it was done for only \$4,000 this year. Mr. Hornung noted that the official expenses could be cut by not providing meals. Mr. Wolfe noted that it would depend on the Board members. Mr. Hornung questioned if this line item could be reduced to zero. Mr. Wolfe answered that other items come up during the year. Mr. Hornung suggested that it could be lowered to \$100. He questioned if dues, subscription and memberships could be cut. Mr. Wolfe answered that this includes memberships to PSATS, COG, League of Cities, noting that they do things for the Township that it is unable to do for itself. He noted that the League of Cities helped procure the municipal utility alliance, bidding out for electric procurement. He noted that their memberships provide benefits and savings for the Township. Mr. Houck suggested that the line item for advertisement is high. Mr. Wolfe suggested that the Township could cut the number of editions of The Township Newsletter. Mr. Luetchford noted that it could be reduced from four issues to two issues. Mr. Hornung questioned what the cost for a newsletter was. Mr. Luetchford answered that it costs roughly \$6,000 per edition to include printing and mailing. He noted that the Township has a good web presence, and also utilizes the Sewer Authority mailing. Mr. Hornung questioned if the Township receives advertising income. Mr. Wolfe suggested that it is only \$500 for a year. Mr. Wolfe noted that there is a portion of the community that are not computer literate, and they are primarily the older people. Mr. Blain suggested cutting one edition of the newsletter and publishing it three times a year.

Mr. Hornung questioned if the Township has made an effort to secure more ads. He noted that he would buy an ad. Mr. Luetchford noted that he markets for ads for the newsletter and program guide. Mr. Hornung noted that he agreed with Mr. Blain that the Newsletter should be reduced to three issues a year.

Mr. Hornung questioned what the public relations line item was for. Mr. Wolfe answered that it was part of the costs to prepare the newsletter. Mr. Hornung noted that supplies seem to be a low cost item for the budget.

Mr. Hawk suggested that the legal notices could be published online. Mr. Wolfe noted that the Township is not allowed to post legal notices online; however, most legal notices are published in The Paxton Herald which is less expensive.

Mr. Hornung questioned if the cost of the minutes could be cut. Mr. Wolfe noted that the Township has to have them. Mr. Hornung questioned if the minutes could be put on a DVD. Mr.

Wolfe answered that they have to be a hard copy and bound in a book. He noted that the Township spends a good deal of money for meeting minutes for all the various boards and commissions. He noted that they could be much more trouble-free, only listing the attendance, motions, and votes, however, this Board uses the minutes and the detail in the minutes to go back many times during the course of the year to determine what was done. Mr. Hornung noted that that is true. Mr. Wolfe noted that the Township could spend less and produce a less detailed set of minutes but the product that you would have would not meet the overall needs.

### ***Police Department & Emergency Operations***

Public Safety Director (PSD) Johnson noted that the 2009 amended Police Budget was \$604,850. He noted that the estimated balance is \$556,615 showing a shortfall of \$48,235. He noted that the Federal Forfeiture Revenue was over estimated by \$11,800 and the enforcement revenue was over estimated by \$67,000. He noted that the revenue for the Federal Forfeiture was projected to be \$126,800; however, the Township is only receiving \$115,000. He noted that the understanding was that the Township would receive 80% of the amount, but found out that it did not include the administrative fees. He explained that the check has been cut and is waiting for a signature. He noted that traffic enforcement revenues were projected to increase again in 2009, but the total number of citations have decreased, whereas, overall traffic enforcement has not decreased. He noted that the Department will receive in the next two weeks a \$59,000 block grant that was not originally included in the 2009 budget.

PSD Johnson noted that the 2009 amended budget for expenses was \$5,562,256 with an estimated year-end balance of \$5,032,202, approximately \$500,000 less than the approved budget. He noted that this was accomplished by a reduction in the number of officers from 62 to 57, reduction in overtime expenses, steady fuel prices, reduction in CSO salaries through reassignment and more efficient use of personnel, and reduction in training costs. He noted that the Department has invited agencies to use the Township's facilities in return for free training. He noted that the Department recently sponsored a week-long training with a tuition cost of \$750, and three officers were able to attend at no cost.

PSD Johnson noted that the Public Safety Budget for 2009 is \$1,411,700 to include no budget for the fire marshal, \$200,000 Fire Equipment Capital Fund; \$60,000 LOSAP; \$340,000. Fire Company Pension; Fire/Ambulance Contribution from taxes at \$403,000; fire hydrant water

expense, \$22,700; and EMS contribution at \$189,000. Mr. Wolfe noted that the actual EMS fee is \$212,000 noting that they receive a portion of the fire tax. He noted that Mr. Calhoun suggested that he would not ask for an increase to his contribution in 2010. Mr. Wolfe noted that the Township pays a lot of money for the fire hydrants.

PSD Johnson noted that the 2009 Emergency Operations revenues were zero and the expenditures were listed at \$250 to cover the expenses for the Three Mile Island Emergency Drill conducted in April. He noted that no drill is scheduled for 2010.

PSD Johnson noted that by utilizing the duty officer for court hearings, a program he started in the middle of October, he projects to save \$3,000 in overtime costs for the rest of the year.

PSD Johnson explained that the 2010 Budget is projected to have revenues of \$425,850 with expenditures of \$5,019,676. He noted that the Public Safety Budget is projected at \$1,421,056 and Emergency Operations at \$500. He noted that by right-sizing the Police Department, freezing the PSD's salary at the 2009 rate, eliminating a part-time person in the records office, reduction of overtime costs through reorganization and use of a court duty officer, reduction in the shift differential costs, the 2010 preliminary budget is approximately \$58,000 less than the 2007 final budget and \$542,000 less than the approved 2009 budget.

Mr. Hornung questioned if the equipment and vehicle purchase budgets could be cut in half. Mr. Wolfe answered, that after two years of service in the Police Department, the vehicles are re-used in other administrative departments. He noted that most vehicles have over 100,000 miles on them, having been operated 24 hours a day, seven days a week. He explained that the maintenance costs are higher to keep these vehicles on the road for administrative use and many transmissions need to be replaced in the Crown Victoria's. He noted that PSD Johnson will probably be changing vehicles in the next year or so. PSD Johnson explained that he is looking to purchase Chevy Impala's, a front wheel drive, V-6, in place of the Crown Victoria's as the Chevy's would get 16 to 18 miles per gallon as compared to eight to nine miles per gallon for the Crown Victoria's. He noted that, overall the interior is not as large as the Crown Victoria, but the driver's compartment is very close in size. He noted that General Motors (GM) plans to re-introduce its Caprice model in 2011 as a police package. He noted that the interior space is larger than the Crown Victoria, and it would be offered with a V-6 engine. He noted that the Department does not need to purchase V-8 engines as pursuits are not encouraged.

Mr. Seeds questioned, after 100,000 miles, are the vehicles replaced due to use or are the vehicles not what they should be. Mr. Wolfe noted in 2007, the Department had to replace every transmission in the Fords. He noted that it was a flaw in the car that was not covered by a warranty. He noted that the Township has a young Police Department and the younger officers are harder on the cars. PSD Johnson noted that the Chevy Impala's are roughly \$5,000 less than the Crown Victoria. Mr. Seeds noted that the rear-wheel drive Fords are terrible to drive in the rain and snow. Mr. Blain noted that the Township would save money on the cars and fuel by making the change. PSD Johnson noted that Ford has a three-year 36,000 mile warranty, whereas, GM provides a 100,000 mile warranty. He noted that the Ford's transmissions have been going out around 75,000 miles.

Mr. Seeds questioned how the Township purchases its vehicles. PSD Johnson answered that the Department purchases the vehicles through the COSTARS program. Mr. Seeds noted that the Department would double its mileage with the new vehicles.

Mr. Hornung had a question regarding the cell phone line item. Mr. Wolfe noted that he would check the cell phone line item.

PSD Johnson noted that he is going to institute a no-idle or limited idle policy for the police vehicles during good weather. He noted that the officers need to turn off the vehicles when they are completing reports during good weather. He noted that the younger officers tend to be harder on the vehicles, and during the last few months, several officers have been disciplined for damaging cars. Mr. Hawk suggested that there is a means to determine what the access idle time is for vehicles. PSD Johnson stated that he would check with Mr. Koup on this matter. Mr. Wolfe noted, for the police vehicles, the interior amenities are pretty much non-existent.

Mr. Seeds questioned how many police vehicles are in the budget for 2010. PSD Johnson answered that four new Impala's are budgeted for 2010. Mr. Hornung questioned how many vehicles are in the fleet. PSD Johnson answered that there are 24 vehicles. Mr. Hornung questioned how much a new Impala costs. PSD Johnson answered that, fully equipped, it would cost \$19,000. He noted that the radios can be transferred from one vehicle to another. Mr. Seeds questioned if the six cylinders would hold up as well as the eight cylinders. He noted that the officers would not be able to perform a high speed pursuit with a six cylinder. PSD Johnson explained that he does not want his officers involved in high speed pursuits. He explained that

the City of Harrisburg and Derry Township recently bought Impalas, and both municipalities have no issues with the vehicles, noting that they offer a 100,000 mile warranty. He noted that the Chevy Caprice would be coming out in 2011, and they have been rated as the best overall police car ever made. He noted that they will be available with a V-6 or V-8 engine. He noted that the patrol vehicles are circulated to the Criminal Investigation unit. He noted that the detectives should not be driving around in vehicles that only get eight miles to the gallon. He noted that these are the same vehicles turned over to administration for their use. He noted that, over time, the Township would have use of the more efficient six cylinder vehicles.

Mr. Seeds noted that the Township is using an unmarked Ford Expedition. He questioned if it would remain unmarked. PSD Johnson noted that it is used by the Traffic Safety Division and would remain unmarked for use with speed details and surveillance. He noted that it contains the vehicle accident reconstruction equipment.

PSD Johnson noted that for 2011, the Department needs to purchase new guns as the current handguns are now ten to twelve years old. He noted that the manufacturer suggested that the guns could be rebuilt at a cost of \$255 per gun. He noted that the guns could be traded in for that amount and credited towards the purchase of new handguns. Mr. Crissman questioned if all the guns are replaced in one year or only a certain amount each year. PSD Johnson noted, in the past, all the guns were replaced at one time, and this could be considered as an option for replacing the guns. He noted that the Department has a one-gun policy, and all the replacements would be the same, the Sig Sauer, 40 caliber. Mr. Crissman suggested, for a budgetary standpoint, it would be good to budget a small amount for replacements every year as opposed to having one large cost every ten or twelve years. PSD Johnson noted that it could be done since the guns would be replaced with the same type weapon.

Mr. Seeds questioned what PSD Johnson's opinion is for Taser guns. PSD Johnson noted that it is something he needs to look into. He suggested that they should not be distributed to every officer, but he thinks that two could be purchased and located in the supervisors' vehicles. He noted that the supervisors could be trained to use the Taser gun. He noted that there is nothing in the budget for these guns at this time. Mr. Seeds questioned what a Taser gun would cost. PSD Johnson answered that they cost around \$1,000. He noted that two officers are trained to use the Taser guns, and one officer is certified as an instructor. He noted that the Township had an armed robbery at the CVS recently, and initially it was thought that there were hostages,

therefore, the supervisor requested a dog and an officer to respond with a Taser. He noted that once the hostages were released, the officers went in the building to get the offender, with the supervisor who was prepared to use the bean bag round. Mr. Seeds questioned who responded with the Taser gun. PSD Johnson answered that a Swatara Township Police Officer responded with a Taser gun and Derry Township responded with their canine unit. He noted that it is not necessary to train all the officers in the use of Taser guns at this time. He noted that Lt. Zerbe was hit with a Taser, and it was very painful and brought him to his knees.

Mr. Crissman questioned if the entire Department's uniforms are replaced at one time. PSD Johnson noted that there is a set amount of money budgeted each year, and the uniforms are replaced as needed. He noted that unless the uniform is damaged and not serviceable, they will not be replaced. He noted, in the past, if an officer had a wear mark on their collar, it would be replaced, but now, they will be used for a longer time period. He noted in 2011, many uniforms may need to be replaced at one time.

PSD Johnson explained that he would not purchase an SUV this year, as they cost over \$35,000. He noted that, typically, the SUV's are replaced every two years, but this year, the vehicle will be kept for a third year.

PSD Johnson explained, in 2011, there is a potential for two to three officers retiring producing a lump sum payout for the officers.

PSD Johnson wanted to report that an officer has been assigned to the Drug Task Force, and within a few short weeks the unit will be moving from the Dauphin County location to one within the Township. He noted that he received a \$10,000 check from Mr. Marsico's office for drug forfeitures. He also explained that Swatara and Susquehanna Townships will be placing an officer on the Task Force in the near future.

### ***Community Development***

Mr. Wolfe noted that the 2009 revenues are \$548,675 against expenses of \$445,801 producing a \$102,874 profit. He noted that the year-end estimate projects revenues of \$338,425 against \$434,700 in expenses producing a \$96,275 deficit. He noted that this provided a \$200,000 different between the budget and actual for 2009 that was prepared in a conservative manner. He noted for the 2010 budget, the projected revenues are \$707,400 against expenses of \$368,000 producing a \$339,392 profit. Mr. Wolfe noted that the Bishop McDevitt High School

permit fees are expected to be a significant part of the budget, as well as reductions in staff. Mr. Hornung questioned if the plumbing fees would be a part of this. Mr. Wolfe answered yes.

### ***Building Maintenance, Shade Tree, & Health Department***

Mr. Wolfe noted that there was nothing new to discuss for these Departments.

### ***Public Works***

Mr. Robbins noted that the 2009 year-end projections are estimated for revenues at \$113,700 with an estimated balance of \$57,000. He noted that the two sources for revenues are the Winter Maintenance Contract with PENNDOT, which is typically \$24,00, and pays to maintain the 28 miles of state routes, and the funds that the Sewer Authority pays for the I&I crew. He noted that the expenditures for 2009 are \$2,264,239 with an estimated balance of \$2,014,954. He noted that the General Fund Expenses for 2009 were budgeted at \$110,647 for a highway foreman, with a projection of a balance of \$75,000 due to Mr. Lentz's disability. He noted that \$19,000 was budgeted for building maintenance and repair, and the year-to-date expenditures are \$24,792, primarily due to the age of the building. He noted that park maintenance was budgeted at \$40,000, and the year-to-date estimate is \$49,771, noting that many items in the parks needed to be repaired for safety issues. He noted that he would like in 2010 and 2011 to make an effort to have staff do more items in the parks. He noted that they are not high-end items; however, with staff mowing grass, they do not have the time to complete these projects.

Mr. Seeds questioned if Mr. Lentz had been on disability. Mr. Robbins answered yes. Mr. Seeds questioned if he is one of the three who are planning to retire. Mr. Robbins answered yes.

Mr. Seeds questioned what the \$40,000 line item for the parks covers. Mr. Robbins answered it includes fibar. Mr. Luetchford explained if a swing is replaced, or a piece of any equipment, it comes out of park maintenance. Mr. Robbins noted that it would cover a damaged fence, ENS work, safety issues that must be resolve, or charcoal grills that may need to be replaced. Mr. Luetchford noted that this covers the day-to-day upkeep of the structures within the parks. Mr. Robbins noted that there is a long list of items that need to be completed. Mr. Wolfe noted that the budget narrative in the Public Works budget contains a list of items that need to be completed. Mr. Seeds noted that \$60,000 has been put into the 2010 budget, noting that \$49,000 is projected for the 2009 year.

Mr. Robbins noted in the equipment line item, a truck was budgeted in 2008, but not delivered until 2009. He noted that he budgeted \$10,000 for repair and maintenance, which included crack sealing, skin patching, and pothole repairs. He noted that the amount would continue to increase until a good pavement management program is in place. He noted that he had to skin patch the eastbound lane for Old Jonestown Road in order for the road to make it through the winter months.

Mr. Robbins noted that he budgeted \$55,000 for stormwater, and he has used \$68,000 to date. He noted that this is tied to the MS4 Program, and in some instances, he needs the Township engineer to interpret the requirements for him.

Mr. Robbins noted for the 2009 State Aid Fund, the revenues were \$1,008,075, with expenses of \$198,000 for equipment and, year-to-date, the amount is \$42,000. He noted that he would expect that number to rise to \$100,000 by the end of the year. He noted that it is tied to cost savings to get to the end of the year, and it includes the purchase of two general service pickup trucks, noting that one truck is now 15 years old.

Mr. Robbins noted that State Aid Salt and Skid is budgeted at \$120,000, and year-to-date the expenditures are at \$98,000. He noted that this includes seven storms from January 1<sup>st</sup> of this year. He noted that he has been able to keep the costs down since the new equipment is able to control the amount of salt that is put down on the road; however, it only works for the newer equipment. He noted that all the spreaders were recalibrated on the older trucks. He noted that he has put the trucks on a replacement schedule for future replacement, noting that the new equipment has seen the reduction in the amount of salt that is applied.

Mr. Robbins noted that for State Aid blacktop, \$550,000 was budgeted and, year-to-date, he has used \$174,000. He noted that Prince Street was micro-surfaced, and Briarsdale Road was done. He noted that the year-end projection is in the area of \$320,000.

Mr. Robbins noted that the 2010 General Fund revenues are expected to be \$68,600 with \$23,000 in revenues from the State and the remainder coming from the Sewer Department's I&I work. He noted that the expenditures for 2010 are \$2,318,848, which is a \$54,000 increase over the 2009 budget. He noted that the majority of the increase is for wages. He noted that two employees will retire in 2009 as part of the retirement incentive program, and he plans to work with one foreman, and restructure the unit.

Mr. Robbins noted that he added additional funds for park maintenance to keep up with the necessary park repairs. He noted that \$17,000 is slated to purchase two new mowers for the park system, noting that they usually last for two to three years. He noted that two mowers will be purchased in 2011, and in 2012, he would need to replace the two Toro's that would cost roughly \$45,000 a piece. He noted that he budgeted an additional \$35,000 for repair and supplies for crack sealing.

Mr. Hornung questioned if staff has less work to do in the wintertime. He noted that he has his maintenance people tear down and repair the equipment during the winter months, noting that he ends up with a piece of reliable equipment. He noted that it helps to extend the life of the equipment. Mr. Robbins noted that he schedules his staff to do this type of work during the winter. He noted that Mr. Koup works on police vehicles but also helps to weld snow blades during storms, etc. He noted that Mr. Kitchman and Mr. Renshaw perform maintenance on the paver and other equipment not used during the winter. He noted that staff tries to do as much maintenance work as possible on vehicles prior to taking them for inspection. Mr. Wolfe noted in the winter if there is no snow, pipe work can still be done, however, if he does not have a full crew, it impacts the project.

Mr. Hawk noted that the Township spends a lot of money on the maintenance of traffic lights. Mr. Robbins noted that the infrastructure for traffic lights is starting to age.

Mr. Hornung questioned if the lighting system has been reviewed for the Public Works garage. Mr. Wolfe noted that energy audits have been completed for the Public Works facility and the Friendship Center. He explained that he procured electricity for a two-year contract with Constellation Energy, and there are CDBG funds in the General Improvement funds to implement the work for the energy audits. He noted that he is waiting to hear on a DCNR grant to further augment the Federal funds.

Mr. Robbins noted that he has budgeted \$199,000 for State Aid Equipment for 2010, and he hopes to purchase one new truck, and two units that will fit on the leaf boxes. He noted that it would allow staff to pre-treat the roads prior to the start of a storm, saving salt. He noted that staff pre-wets the salt at the spinner head. Mr. Seeds noted that this would be very good for the bridges. Mr. Robbins noted that this is done prior to the start of a storm, noting that the equipment is not very expensive. Mr. Wolfe noted that the mountain roads are pre-treated. Mr. Robbins noted that North Londonderry Township recently gave their State Route maintenance

back to PENNDOT since the cost of salt was too much. He explained that staff likes to plow the State roads as it provides for a better mechanism to clear the streets, since staff is not competing with PENNDOT to get the work done. Mr. Crissman noted that the service provided by the Township's service is more efficient. Mr. Seeds noted that the Township does not plow Route 22 or Linglestown Road. Mr. Robbins noted that the Township plows most of Route 22. Mr. Robbins noted that the payments to the Township are made in the fall. He noted that he would recheck to see if the amount of mileage matches with what the Township receives from PENNDOT. He noted that PENNDOT wants the Township to plow Union Deposit Road from Nyes Road to the Township line, but there is no place to turn around in the Township. Mr. Hawk suggested that it is a lot of State roads to plow for a very little bit of money. Mr. Wolfe noted that the revenues never equal the costs to plow the roads.

Mr. Hornung questioned if some of the signage could be removed from the line item for signs posts and decals. Mr. Robbins answered that staff is replacing the older signs with the new reflective signs that must be replaced by 2015. He noted that it is done in-house by staff. Mr. Hornung questioned what percentage of the signs has been updated. Mr. Robbins answered 25% have been replaced and they are scheduled by way of the mini-basins. Mr. Hornung questioned what would happen if the Township did not make any replacements next year. Mr. Robbins answered that a portion of the total amount of the fund is slated for signs that are hit or damaged. He noted that some of the signs are faded from the sunlight, and it would be difficult to delay the process and meet the 2015 deadline. Mr. Robbins noted that staff is maintaining a spreadsheet on the sign maintenance.

Mr. Hornung questioned, since the State is in such bad financial shape, what are the chances that the State might take away some funding from the Township. Mr. Robbins noted that Liquid Fuels is governed by State law. Mr. Wolfe noted that it is a portion of funds received from vehicle fuels tax. Mr. Hawk noted that there was less distributed to the municipalities this year.

Mr. Robbins noted, in regards to right-sizing, he would lose two employees due to retirement, using only one foreman, and finding ways to make the Public Works Operations more efficient. He noted that the parks are an enormous part of what the Public Works does. He noted that he needs to find greater efficiencies in what his employees do in parks. He noted that they need more time to get done what they are unable to do now. Mr. Seeds noted that a

discussion was held during an earlier meeting regarding contracting out the mowing. He noted that he suggested doing this for one park. Mr. Robbins noted that he would look into this for next year's budget.

Mr. Robbins noted that he needs to provide for better utilization of stormwater projects without hiring additional staff.

### ***Parks and Recreation***

Mr. Luetchford noted that the estimate of revenues for 2009 is \$381,460 with a budget of \$551,010, with \$200,000 in fee-in-lieu funds not realized. He noted that the budget expenses were \$667,000 and the estimate is \$750,000, which is over budget by \$23,000. He noted that when he started the year, he estimated programming costs. He noted that programming continues to have a high demand; therefore, there are high expenses, and incomes to offset those expenses. Mr. Wolfe noted that programming would show a net profit.

Mr. Luetchford explained that he has tried to contain costs by putting off some projects, such as, resealing the Brightbill Parking Lot, residing the Kohl Park maintenance building, and crack fill and maintaining the ball courts. He noted that the Lingle and Centennial Acres playground program was eliminated, and he cut 25% of the costs for playground summer programs and some special events. He noted that he experienced \$2,500 in revenues from adding the \$10 per person fee.

Mr. Luetchford noted for the 2010 budget, the fee-in-lieu figure was set at \$100,000 noting that this year's figure is in the single digits. He noted that this is the lowest revenue for fee-in-lieu in recent memory. He noted that he would continue the playground fee. He noted that the expenses for Koons Pool Park are slated at zero, although they have made a request for monetary assistance to the Parks and Recreation Board. He noted that the 2010 budget does not include a raise for non-union employees.

Mr. Seeds noted that the funding for crack sealing was removed, and this would eventually come back to haunt the Township.

Mr. Hornung questioned when the Wolfersberger Tract would be paid. Mr. Luetchford answered that it would be paid in January 2011.

Mr. Luetchford noted in 2010, he projects the programming to stay steady, but he would like to repaint the two tennis courts at Koons Park, and the electric may need to be repaired. Mr. Seeds questioned how long it was since it was last painted. Mr. Luetchford suggested that it was

more than 12 years ago. He noted that the playground equipment is aging in Kohl Park, noting that the equipment was installed over 20 years ago. He noted that paving the pathway to the Dog Park is the only new item he added to the park budget for Kohl Park. He noted that it is the most popular place in the entire park system. He explained that there have been battles between dog owners over dogs attacking other dogs. PSD Johnson noted that he had received roughly ten calls.

Mr. Luetchford noted that a nature trail was slated for Forest Hills Drive but the Public Works Department installed a pipeline in that area.

Financial management report and request for funding for  
Koons Memorial Park Swim Club

Mr. Luetchford noted that the Board members received a summary from the Koons Park Pool Swim Club dated November 4, 2009. He noted that they had \$11,000 in debt when they took on the Swim Club and worked with the Township to secure a loan in the amount of \$11,000 and a line of credit for \$8,000. He noted that they used the loan funds to pay back the debt they inherited and used \$4,700 of the \$8,000 line of credit for operating expenses. He noted that the Swim Club did a lot of marketing for the pool and received sponsorships in the amount of \$1,275 and two donations in the amount of \$1,500; however, it was a rainy summer, and ended up with 60 memberships in 2009, as compared to only 25 memberships in 2008. He explained that their goal was 125 memberships. He noted that all the bills were paid up to the end of August and they had to replace a freezer and refrigerator. He noted that they repaired the pool walls; however, they have been left with a debt of \$7,275.55, with only \$300 in the bank account. He noted that they are requesting the Township to cover their current debt. Mr. Hawk noted that they have a loan for \$11,000 as well. Mr. Luetchford explained, if the Township does not pay the debt, and the pool does not open next year, the Township would inherit the debt and the loan. Mr. Seeds noted that they have used more than half of their line of credit.

Mr. Wolfe noted that the question becomes, does the Township want to contribute another \$7,000 towards the pool. Mr. Seeds suggested that they would need money to open the pool next spring. Mr. Luetchford noted that they could use the remainder of the line of credit to pay for that. He noted that there has been a general improvement in the management of the pool, but they are not out of the woods yet.

Mr. Blain noted that the Board has invested in the Swim Club and it must either cut its ties with the group or support it. Mr. Crissman noted that they did go from 25 memberships to 60 memberships. Mr. Blain noted that it seems that they have a good management team in place, they are doing all the right things, and the Board should pay the bills for the 2009 season and get them started on the right foot for the 2010 season; however, management must increase its membership goal. He noted that they must increase the 60 memberships up to 100 memberships. Mr. Hawk noted that the onerous is on the group to turn the Swim Club around in 2010. Mr. Blain noted that the Township was not happy with the previous management team; however, this group is moving in the right direction and should be provided one more chance to bring things around. Mr. Hornung agreed. Mr. Crissman agreed, noting that the management team actually put some of their own funds into the project to offset the costs. Mr. Seeds noted that the Swim Club would make the monthly payments over the winter months with money from their own pockets. Mr. Crissman noted that he would be willing to fund the project for one more year.

Mr. Seeds questioned what it would cost to open the pool in the spring. Mr. Luetchford answered, in years past; it costs a little over \$4,000 to open the pool. Mr. Seeds noted that they have a little over \$3,000 remaining from their line of credit. Mr. Hornung noted, if the Township provided the Swim Club with \$8,000, they should have enough to operate the pool; however, that is the final amount of help that the Township should provide, even if it has to pay off the loan next year.

Mr. Wolfe noted on Thursday night, he would be making two presentations before the Dauphin County Gaming Board in regards to the local share grant applications that have been submitted. He noted that the Township is requesting \$250,000 for the Linglestown Alleys and \$250,000 in 2009 and another \$250,000 in 2010 for Page and Spring Creek Roads improvements. He noted that the Township is asking for money to improve Blackberry and Raspberry Alleys using the Public Works Department to do the work, and partnering with Middle Paxton Township as the eligible partner. He explained that the project is a direct route to the licensed gaming facility that is ten miles from the Village, and the traffic from that facility has impacted traffic in the Village of Linglestown. He noted that the Village of Linglestown is in the process of a \$4 million renovation project. He noted that the reasons for asking for the funds are: 1) the alleys serve as access roads for the businesses and offer off-street parking; 2) the alleys will serve as pedestrian and bicycle paths, 3) they will provide alternative access in the

Village during the two-year construction period; 4) they will encourage infill development in the Village; 5) will provide for a mixed-use development, 5) the project is being done in conjunction with PENNDOT and the Harrisburg Area Transportation Study, 6) it is on the Transportation Improvement Program; and (7) it is part of the Linglestown Action Plan and the Township Comprehensive Plan which is in compliance with the Dauphin County Plan. He noted that he would show what work has been done in the alleys, what has been paved, and the new parking lot constructed on the church property. He noted that Linglestown is home to a significant number of businesses and business opportunities.

Mr. Wolfe noted that the Gaming Board has submitted three questions to him. He noted that they have questioned the source of funds, and if the Township received extra Stimulus Funds, which it did not. He noted that the Township did not receive State funds for alley improvements. He noted that they questioned if the Federal funds could be used for the alleys. He noted that the answer is no, as the Federal funds could only be used for right-of-way improvements and improvements associated with the right-of-ways.

Mr. Wolfe noted that question two was what the costs for the project are. He answered that it is \$250,000 for materials only as Mr. Robbins would provide a more definitive cost for labor and equipment.

Mr. Wolfe noted that the third question is where the project ranks in regards to the two applications. He explained that the second application was the one the Township submitted in conjunction with Dauphin County at the request of Commissioner George Hartwick. He noted that Delta Development Group prepared that application. He noted, if the Village of Linglestown grant is not received, then the Township must find another source of funding to pave the alleys. He noted that no local funds are involved in the Dauphin County application. Mr. Blain noted that the Village of Linglestown project has been going on for twenty years; therefore, how could it not be the top priority. Mr. Hornung noted that there is a better argument for the Linglestown application. Mr. Wolfe noted that the number one project in the Township for the past 15 years has been the Village of Linglestown, but the people who make the decisions will be the Dauphin County Commissioners, based upon a recommendation from the Gaming Advisory Board. Mr. Blain noted that it would be very upsetting if the Village of Linglestown project was not chosen over the other application. Mr. Hornung noted that you cannot shut down Linglestown Road in one direction and not do something to improve the alleys. Mr. Wolfe questioned if he should

state in the questionnaire that the Village of Linglestown project is number one and Spring Creek and Page Road is number two. Mr. Blain noted that there is no way around this one.

Mr. Wolfe noted that any Board members who wished to attend the hearing with him are welcome to come. He noted that members from the Village of Linglestown Committee and Merchants Association are planning to attend. He noted that he would be leaving at 6:15 p.m. from the Municipal Center, and anyone who wishes to ride with him is welcome to come along. He suggested the more citizens that attend, the better it will be.

### *Friendship Center*

Mr. Luetchford noted, at the end of October, he had revenues of \$1,646,732 and expenses of \$1,571,230. He noted that he had a surplus of \$72,502 as compared to the end of October 2008, with expenditures of \$1,643,815 and revenues of \$1,682,545, leaving a deficit of \$38,730. He noted that the revenues from one year to the next are within \$100 of each other, noting that there is \$110,000 less in expenses in 2009.

Mr. Luetchford noted in March, HRG, Inc. conducted an energy study for the building and several changes were made. He noted that 36 hallway and wall lights were replaced with compact fluorescents bulbs for roughly \$1,600. He noted that he hopes to save roughly \$700 to \$1,000 per year in energy costs. He noted that flow restrictors were installed in the showers, costing \$10 per shower head, and it should save the FC over 500,000 gallons of water per year plus the energy to heat that water. He suggested that there should be a \$10,000 savings for this upgrade.

Mr. Luetchford noted that he has saved a good amount of money in equipment and facility repairs as the new maintenance person is very handy. He suggested that he has saved the Center from \$20,000 to \$30,000 so far this year. He noted that 35 volunteers have worked 1,354 hours at an average of \$8 per hour. Mr. Crissman questioned if this included the volunteers who worked during the shutdown week in August. Mr. Luetchford answered yes.

Mr. Luetchford noted that he reduced the service desk staff schedules for the summer by 330 hours amounting to \$4,481. He noted that the lifeguards' schedules were reduced, amounting to a savings of \$1,000.

Mr. Luetchford noted that the senior health insurance programs have resulted in almost 500 memberships. He noted that staff has responded to the current trends and demands in

programming. He noted that the “mini-session” programming extended the gaps between the fall and winter programming sessions and some programs have been extended for a few weeks. He noted that this was done between summer and fall schedules, and by adding a few extra weeks of the summer camps at the FC, it resulted in an income of \$8,000. He noted that the Highmark Wellness classes for training new instructors for various classes resulted in an income of \$5,000.

Mr. Luetchford noted that the estimated year-end revenues for 2009 are \$2,086,700 against \$2,240,880 that was budgeted, and the estimated expenditures for 2009 are \$2,032,204 against \$2,240,880 that was budgeted, providing a surplus of \$4,496. He noted that this is the first time that this has occurred in a number of years.

Mr. Luetchford noted that the 2010 Operating Fund is budgeted with revenues of \$2,293,490, to include a budgetary reserve of \$68,926, and expenditures of \$2,224,564 for a balanced budget. Mr. Seeds noted that the budgetary reserve should go to the capital plan if there were any funds left over.

Mr. Luetchford noted that the 2010 budget revenue includes a membership increase of \$17,400, with an average increase of 3% across the board. He noted that he estimates that PinnacleHealth will rent the west annex for \$49,700, in addition to \$6,950 for utilities. Mr. Seeds questioned how much PinnacleHealth is currently paying. Mr. Luetchford answered that they are paying back the cost of construction, plus interest at \$60,000. Mr. Wolfe noted that their first ten years also included their contribution on an amortized basis. He noted that they contributed \$150,000 towards the natatorium and space. He noted that it is anticipated that a church may rent the facility for six months at the cost of \$6,656. Mr. Seeds questioned if anyone is renting the facility at this time. Mr. Luetchford answered no.

Mr. Luetchford explained that a few natural energy projects would be undertaken as part of the capital fund projects. He noted that he has been using this fund for fitness equipment replacement, however, with the DCNR grant; he would be able to complete energy projects for a total of \$105,200. He noted that this is a matching grant award, and it would include work on the variable frequency pumps. He noted, at this time, the pumps operate continually, and the FC is operating above the State minimum requirements for sanitation for pools. He noted that operating the pumps all the time is a little too much. Mr. Seeds noted that these suggestions are the result of the HRG, Inc. Energy Audit, and he questioned if this would complete all of their suggestions. Mr. Luetchford answer no, as it would only be the first phase for the energy

projects. He noted that there are other grants and EECGB funds that are available for the rest of the building. He noted that the lights would be retrofitted. He noted that the DCNR grant would not cover improvements to the natatorium.

Mr. Luetchford noted that work would be done on the walls in the natatorium. He noted that he is looking into a solar generated project to assist in heating the water in the pool.

Mr. Luetchford noted that his budget does not include non-union employee raises, however, if raises were provided, it would amount to an expenditure of \$24,000.

Mr. Luetchford noted that the Operating Board discussed the possibility of increasing the overall membership rates by 3%, that would amount to \$17,400 as compared to a 1.5% increase that would amount to \$8,700. He noted that the Operating Board voted to increase membership rates by 1.5%. Mr. Crissman explained that it is an overall increase in membership, but not necessarily for each individual unit. He noted that the revenues would be \$8,700 less, and the budgetary reserve would also decrease by that amount, but the expenditures would be the same with a balanced budget of \$2,224,564.

Mr. Blain questioned why the Operating Board did not vote for a 3% increase. Mr. Luetchford answered that the Operating Board discussed if the membership fees should be increased since many people are taking pay hits, and use it as a marketing tool. He noted that the standard increase rate over the years has been 3%, but this is an exceptional year, and the Board considered its options and noted that it could afford to lower the increase a bit. Mr. Blain questioned if the Operating Board thought that it would lose members if it enacted a 3% increase, and suggested that it should remain at 3%. Mr. Crissman noted, for many people it may make a difference, and that is why the Board decided to split the difference, raising it a limited amount. He noted that it was a compromise decision made by the Board. Mr. Blain noted, if the monthly membership for a family is \$50, a 3% increase would only be \$1.50. He questioned if that would be enough of an increase for someone to drop their membership. He noted that the increase would only be \$.75. Mr. Crissman noted that the individual membership exceeds the 3.9%, noting that it was increased by 7%. Mr. Hawk noted that \$.75 a month is not a lot of money. Mr. Crissman noted that \$.75 a month may make a big difference to a young family, and that is why a compromise decision was made. Mr. Blain suggested, what would impact families is their electric bill going up 30%, and not their membership going up 3%. He noted that the bottom line is either they can afford to pay \$50 a month or they cannot. Mr. Crissman noted that

the logic was that when the increased electric bill comes in January, they would look to see what they could eliminate, and it may be their membership at the Center. He noted that some families may choose to take out a membership in lieu of a family vacation next year. Mr. Blain noted that someone would not eliminate their membership due to a \$1.50 increase per month, but they may because they didn't receive a pay raise or their electric bill was increased by 30%. He noted that this is the real threat to the FC. Mr. Crissman noted that this discussion was held last night during the Operating Board meeting. He noted that the Board of Supervisors has the right to overrule the Operating Board's decision. Mr. Weaver noted that people get upset when their rates are raised every year. He noted that they complain about the sewer rate increase each year. He noted that most people pay electronically and don't seem to notice it that much. Mr. Wolfe noted, ultimately, the Board of Supervisors would make the decision. Mr. Hawk noted that an increase of \$.75 is an odd number and it might be good to raise it \$1.00. Mr. Crissman noted that increases are a different percentage for all the rates. He noted for a senior adult, the increase amounts to a 7% increase. Mr. Luetchford noted that it amounts to a 30% increase for that category. He noted that a single senior currently pays \$26.92 per month whereas a single adult pays \$38.33. He noted that he is trying to keep the rates with the current market rates. Mr. Seeds noted that the Operating Board is recommending an average rate increase of 1.5%; however, some of the rates would be increased higher or lower. Mr. Blain noted that all the rates should be increased by 3%. He noted that the threats for the loss of memberships would be from other outside factors, and not a 3% increase in membership. Mr. Crissman suggested that the trigger could also be the cost of a membership at the FC or LA Fitness. He noted that people do comparative shopping. Mr. Luetchford noted that the rates are relatively the same, but it is not comparing apples-to-apples. Mr. Blain noted that the focus for the FC is a family-oriented center, and not a single-oriented center. Mr. Luetchford noted that there is some competition for single memberships between the two facilities. Mr. Crissman noted that it was also discussed to do nothing. Mr. Blain suggested that the increase should be left at 3%. He noted that the operations are working well at this time with a positive income, and it would not make sense to reduce rates. Mr. Seeds noted that he would like to see some of the surplus funds go into the Capital Fund. Mr. Hawk noted that he would like to keep the increase a 3%. Mr. Seeds agreed. Mr. Crissman stated that he should remove himself from this decision as he is a member of the Operating Board.

### ***General Improvement Fund***

Mr. Wolfe noted that he would table this discussion until the next budget workshop meeting.

### ***Sewer Authority***

Mr. Wolfe noted that discussion on this budget would be tabled until the November 24<sup>th</sup> Authority meeting.

Mr. Wolfe noted that he would advertise the budget adoption for the December 15<sup>th</sup> meeting.

### **Continued review of a draft letter proposed to be sent to residents with basketball goals in the public rights-of-way**

Mr. Hornung noted that he did not have any problem with the letter and it should be sent as it is written. Mr. Seeds noted that he had no problems with the letter. Mr. Hawk agreed. Mr. Crissman noted that there will be issues with sending out the letter. PSD Johnson noted that he agreed that the letter should be sent as the basketball hoops are a problem. Mr. Wolfe noted that he would have Mr. Robbins mail the letter.

### **Improvement Guarantee**

Mr. Hawk noted that there were ten improvement guarantees.

#### **Tuscan Villas at the Estates of Forest Hills**

A reduction in a letter of credit with Integrity Bank, in the amount of \$89,585.10, with an expiration date of October 20, 2010.

#### **Quail Hollow, Phase V**

A reduction in a bond with Developers Surety and Indemnity Company, in the amount of \$229,333.00, with an expiration date of April 7, 2010.

#### **Quail Hollow, Phase IV**

A reduction in a bond with Developers Surety and Indemnity Company, in the amount of \$70,863.00, with an expiration date of April 7, 2010.

Estates of Forest Hills, Phase VII

A reduction in a letter of credit with Susquehanna Bank, in the amount of \$126,210.00, with an expiration date of May 5, 2010.

Estates of Forest Hills, Phase VI

A reduction in a letter of credit with Susquehanna Bank, in the amount of \$15,230.60 with an expiration date of April 7, 2010.

Willow Brook, Phases V & VI

An extension and increase in a letter of credit with Fulton Bank, in the amount of \$61,173.76, with an expiration date of November 10, 2010.

Sunnyhill Farms - North

A reduction in a letter of credit with Mid Penn Bank, in the amount of \$6,222.43, with an expiration date of September 1, 2010.

Candlewood Suites

A reduction in a letter of credit with Mid Penn Bank, in the amount of \$16,600.00, with an expiration date of May 12, 2010.

Hearthside East

A reduction in an escrow with Lower Paxton Township, in the amount of \$10,000.00 with an expiration date of January 20, 2010.

Schiavoni LTD

A reduction and extension in a letter of credit with PNC Bank, in the amount of \$49,500.00, with an expiration date of November 10, 2010.

Mr. Crissman made a motion to approve the ten improvement guarantees as listed. Mr. Blain seconded the motion. Mr. Hawk called for a voice vote, and a unanimous vote followed.

**Adjournment**

There being no further business, Mr. Crissman made a motion to adjourn the meeting. Mr. Blain seconded the motion, and the meeting adjourned at 9:15 p.m.

Respectfully submitted,

Maureen Heberle  
Recording Secretary

Approved by,

Gary A. Crissman  
Township Secretary