

LOWER PAXTON TOWNSHIP
BOARD OF SUPERVISORS

Minutes of Budget Workshop Meeting held June 23, 2009

An administrative budget workshop meeting of the Board of Supervisors of Lower Paxton Township was called to order at 6:03 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, David B. Blain, and Gary A. Crissman.

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, Acting Chief of Police; Bill Bostic, Linglestown Gazette; and Watson Fisher, SWAN.

Pledge of Allegiance

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

Public Comment

There was no public comment.

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

Mr. Wolfe explained that the purpose of the meeting is to conduct a pre-budget session to look at where the budget stands for the year 2009, and to program where the Township would be for the 2010 budget given the national economic crisis. He noted that the information contained in the weekend packet has been updated, and he proceeded to distribute the current figures. He noted that the information was compiled with the budget numbers through the end of May 2009. He noted that normally, budget preparations do not start until the end of September and by the time the Board sees the information, there is at least ten months of budget figures. He noted that staff had eight days to put the budget together, and the figures handed out tonight are a little

better than what the Board members received over the weekend. He noted that the current budget deficit for the 2009 budget, at this time, is projected to be \$633,417.

Mr. Wolfe noted that the 2009 General Fund budget is balanced at \$18,145,784, and in doing so, the Board used \$17,000 of its savings account to balance the budget as well as transferring \$635,000 to the General Improvement Fund for capital projects from the savings account. He noted that the General Improvement Fund has budgeted expenditures of \$3,149,000. He noted that the Friendship Center is balanced at \$2,240,880; the Lower Paxton Township Operating Fund has \$12,480,415 revenues against \$10,783,085 of expenses producing a \$1,697,330 surplus. In addition, the Lower Paxton Township Authority Capital Fund has \$17,683,500 in expenses, and on January 1, 2009, the General Fund balance was \$7,120,112.

Mr. Wolfe noted that staff projects for the 2009 Year-End estimates, for the General Fund, \$16,752,497 in revenues against expenditures of \$17,385,914 producing a deficit of \$633,417. He noted that the transfer to the General Improvement Fund was budgeted at \$635,000; however, it would only be \$233,804. He noted that the General Improvement Fund for expenditures, mostly for the Village of Linglestown project, is expected to be \$1,388,820. Mr. Wolfe noted that for the Friendship Center, the revenues and expenses are less than what was programmed, due to the downturn in the economy, and due to Mr. Luetchford's cost-cutting rampage for the past 12 months.

Mr. Wolfe noted that he would discuss the Authority budget items at their August meeting; however, their surplus is expected to be less than a million dollars. He noted that the Authority and the Friendship Center are enterprise funds, are not dependant upon tax dollars, and must generate their own revenues to operate, and at this point in time, both funds are doing so.

Mr. Wolfe noted that staff projects the General Fund balance at the end of 2009 to be \$6,252,891.

Mr. Wolfe noted for 2010-year budget, the revenues and expenditures are in the range of \$18 million, but a deficit of \$443,855 is expected at the current rate of taxation. He noted that a General Fund transfer to the General Improvement Fund will be necessary for capital projects in the amount of \$1,042,000. He noted that scheduling those projects would be up to the discretion of the Board of Supervisors. He noted that Mr. Luetchford and Mr. Weaver have put together 2010 budgets for both the Friendship Center and Authority, and they are looking okay at this

time. He noted that making the current assumptions, at the end of 2010, the fund balance is expected to be \$4,767,036.

Mr. Wolfe noted that staff put together a very conservative budget for the year 2009; however, the question is why the Township is off by \$633,000 at this time. He noted that it is not due to expenditures noting that all areas are coming in under budget at this time. He explained that the Real Estate Tax revenues are \$51,000 lower, Real Estate Transfer Taxes are \$225,000 lower; Earned Income Taxes are \$85,000 lower; Interest Income is \$170,000 lower, Community Development revenues are \$210,000 lower, Recycling Revenues are \$130,000 lower, the Fee-In-Lieu for Recreation is \$160,000 lower, and a refund must be made to the Gaming Grant in the amount of \$36,400. Mr. Wolfe noted that the Township, over the past ten years, from 1999 through 2008, averaged 183 new homes a year. He noted that 2002 was the lowest year, as only 125 new homes were built. He noted the number to date for the end of April 2009 is 15 new homes. He noted that, at this rate, the Township would be lucky to have 45 new homes built this year. He noted that this impacts the Real Estate Transfer Tax, Community Development revenues and the Fee-In-Lieu revenues. He noted that the decrease in recycling revenues is related to the national economic situation.

Mr. Hawk noted that he spoke to a developer today and was told that the new trend in housing is to go back to building smaller homes like those built in the 1970's. Mr. Wolfe noted that it would not help the Township as all the approved plans call for homes in the \$300,000 plus range. He noted that no one is building middle-income homes in the Township. Mr. Seeds suggested that the developers will blame it on the price of land, and stated that they cannot sell a home for less than \$250,000. Mr. Wolfe suggested for the rest of the year, there will be very little new construction.

Mr. Wolfe noted that each Department Head has reviewed their 2009 budget to determine a year-end estimate and projected a 2010 budget. He noted that each Department Head is prepared to make a presentation regarding their individual budgets.

Police Department

Acting Chief David Johnson noted that the revenues for the year 2009 for most items would remain as projected except for the enforcement revenue which is down due to the refocusing of how enforcement action should be taken within the Department. He noted that the police officers are dispensing more written warnings than citations and this is the reason for the

decrease in revenues for this line item. He noted that he would be \$50,000 under budget for this item, noting that everything else for revenues is on-par for what was projected.

Acting Chief Johnson explained that \$36,000 must be returned to the State for the Gaming Grant. He explained that the Department applied for a grant from the Pennsylvania Gaming Commission to do undercover investigations into illegal gambling in establishments in the Township. He noted that \$10,000 of the \$58,000 was used for training, and 24 officers were trained. He noted that the Department undertook details inspecting licensed establishments in the Township, having provided prior notice of the inspections. He noted that all work had to be done on overtime expenses as per the grant. He noted that the investigation found one establishment that, potentially, had gaming machines, and as this issue was addressed, there was nothing more to do. He noted that he did not want to waste overtime funds for unnecessary details; therefore, the remainder of the money needs to be returned to the State.

Mr. Seeds questioned if this included VFW's and the Legion. Chief Johnson answered that it included all liquor license establishments. He noted that each establishment was forewarned of the inspections, but also told that additional inspections would occur by undercover police officers, with no prior warnings. Mr. Seeds noted that he did not care for the grant and its ramifications when Chief Bair requested permission to apply for it. He noted that the Department performed a few undercover inspections and no violations were found. Mr. Wolfe noted that this is a refund that must be made this year.

Mr. Wolfe noted that total revenues for the Police Department in the year 2009 are \$584,000 and in 2010, they are \$441,000, the major difference coming from the one-time forfeiture award. Mr. Hornung questioned if many complaints were received regarding the Township keeping the funds. Chief Johnson noted that there were a few complaints, but nothing major. He noted that another agency did the same thing, and the funds will be returned to that agency since no other agencies were involved. He noted that as a result of the Township's traffic stop, it was determined that no further investigations would benefit the State, as it was all an out-of-state issue. He noted that the funds are expected to be received around September of this year.

Acting Chief Johnson noted that he projects to come in under budget by \$446,000 and this was done by retirements and the death of a police officer, bringing the compliment to 56 officers. He noted that he has cut unnecessary spending, returned in-car computers that were too expensive, and replaced them with less expensive computers. Mr. Wolfe noted that the budget

estimate for the year 2010 is \$250,000 less than what was budgeted for 2009. Mr. Blain questioned what is the compliment of officers included in the 2010 budget. Chief Johnson noted that it would include 59 officers. He noted that he is being very careful with the training that officers are sent to, trying to utilize the free training provided at Fort Indian Town Gap and Harrisburg Area Community College, as well as providing in-house training. He noted that the price of vehicle fuel is lower than projected for the budget.

Mr. Crissman noted that the estimate for year-end 2009 is \$4.5 million and for 2010 it is \$4.8 million. He questioned if the difference is for salaries only. Chief Johnson answered that the increase all goes to salaries as he has not increased any of the operating budget line items. He noted that there is a slight increase in the replacement of vehicles as the budget calls for a SUV type vehicle for 2010.

Mr. Wolfe noted that page 11 contains the information for Public Safety to include the Fire Equipment Capital Fund and South Central EMS contribution. He noted that the addition to this category is the newly created LOSAP donation of \$50,000. He noted that \$10,000 in additional funds for the LOSAP comes from the General Fund.

Codes Enforcement

Mr. Wolfe explained that revenues for 2009 are estimated at \$251,500, noting that no one is building new homes. He noted that \$588,000 is projected for 2010, because it is expected that Bishop McDevitt High School will start construction next year. He suggested that their permit fee would be roughly \$180,000. He noted that the 2010 budget is expected to have a slight improvement over the 2009 budget. He noted that revenues were budgeted in 2009 for Planning and Zoning of \$110,000, however, he suggested that \$85,000 would be more realistic. He noted that the 2010 projection is for \$117,150, and there are no changes in revenues in this regard.

Mr. Wolfe explained that there are no major changes for the Emergency Management and Shade Tree budgets.

Mr. Wolfe noted that total expenses for the Community Development Department for 2009 was \$445,801, however, the estimate is only \$422,950. He noted that the 2010 projected amount is \$449,258. He noted that the slight increase is due to salaries and hopefully some increase in the additional plan reviews. He noted that revenues and expenditures are under from what was experienced in the past, and he did not think there would be much change in 2010.

Health Department

Mr. Wolfe noted that the recycling grant program award is usually \$105,000 a year, however, DEP has notified the Township that it would be less in 2010, therefore, only \$80,000 has been budgeted. He noted that the recycling review sharing budget was \$166,000, however, the expected number for 2009 year-end is only \$37,000. He noted that \$50,000 is budgeted for 2010. He noted that revenues were budgeted for year-end 2009 at \$320,044, and only \$179,524 is expected at this time.

Mr. Wolfe noted that \$195,619 was budgeted for sanitation expenditures, noting that the expected number is now \$202,445, and \$197,200 has been budgeted for the year 2010.

Public Works Department

Mr. Robbins noted that the reimbursement from PENNDOT for General Fund revenues is \$22,000. He explained that the reimbursement from the Sewer Authority for the I&I crew is \$35,000, and both sources provide an overall total of \$57,000 in revenues. Mr. Seeds questioned why Mr. Robbins projected \$90,000 for the 2010 budget. Mr. Robbins answered that the bulk of work to be done in 2009 may not be completed until 2010.

Mr. Robbins noted that his big unknown is the price of fuel. He explained that he readjusted the 2009 budget from \$175,000 to \$130,000, and for 2010 he budgeted \$150,000. He noted that the rate of electricity will rise in 2010; therefore, he has increased his budget from the 2009 estimate of \$27,000 to \$31,050. Mr. Seeds questioned if membership in the energy consortium would make a difference. Mr. Wolfe noted that he hopes that the consortium will keep the increase at the 15% level instead of 30%. Mr. Wolfe noted that the utilities have backed off on the 30% increase number, but the increase would be more than the Township is currently paying.

Mr. Robbins noted that he budgeted \$14,000 for machine and equipment purchases, and the estimate is for \$145,797. He explained that he purchased a single-axle truck in 2008, but it was not delivered until 2009, and the auditors made him move the expense to the 2009 budget. Mr. Wolfe explained that it was a budgeted expenditure in 2008. He noted that the Sewer Authority billed the Township for a portion of the costs for the use of one of its trucks.

Mr. Robbins noted that he is able to purchase new equipment as a result of the cost savings in the purchase of salt, noting that with the last several trucks purchased, they have been able to control the application of salt to provide a savings. He suggested that this number should

go down, over time, as the Township would not be spending money to maintain the older vehicles. He noted that the 2010 budget projection is \$107,000, and it may come in under that amount, depending on the amount of storms or snow that occurs.

Mr. Robbins explained that he is moving into the sampling phase of the stormwater project, noting that it would involve additional costs. He noted that the Township is required to sample out-falls, test the samples, and provide reports to DEP. He noted that there is nothing in the budget for 2009 for roadside vegetation, but he would like to provide services next year by using staff or contracting services for roadside spraying to reduce the manpower for roadside mowing. He noted that he is meeting with a vendor, PSAF, a company that does spraying across the country, this week to secure an estimate. Mr. Seeds suggested that there are many branches that hang over the roadway that need to be cut. Mr. Robbins noted that he is talking about the mowing areas only.

Mr. Robbins noted that page 21, shows that he increased the amount for the electricity that is for the traffic by 15%. He noted that many of the traffic signals are aging and need to be repaired to keep them running. Mr. Wolfe noted that all the traffic lights were converted to LED roughly five years ago.

Mr. Crissman questioned how much of the increase for the 2010 budget is for non-personnel items. Mr. Robbins answered that the bulk of the increase is for new equipment. Mr. Blain questioned how many employees Mr. Robbins had in his Department. Mr. Robbins answered 34. Mr. Blain questioned if that number had been steady over the past few years. Mr. Robbins explained that staff level as been as low as 32. Mr. Blain questioned if there were any anticipated retirements in the near future. Mr. Robbins noted that Mr. Lentz and Mr. McClay could retire. He noted that Mr. Snyder could retire within the next few years. Mr. Blain questioned if Mr. Robbins was set with his manpower level at 34 people. Mr. Robbins answered yes; however, he stated that it would be difficult to work with less than 34 employees.

Mr. Robbins noted that he would like the Township to contract the grass mowing, suggesting that it would cost roughly \$50,000, and would free up eight employees for roadwork and drainage projects. He noted that from May until June he must use the full time personnel to do this work until the college help is available. He noted that when the students return to school in August he must again use full time personnel to do this work. Mr. Seeds noted that a contractor would have his own equipment and there would be no need to replace equipment. He

questioned how much summer help Mr. Robbins would need to hire. Mr. Robbins answered that he would only need to hire two employees instead of the eight that he hires now. Mr. Wolfe noted that Mr. Robbins loses two personnel to the I&I crew when they are doing that work. He noted that those employees joined the crew on May 18th and he would not see them again until it snows.

Mr. Seeds questioned what it would cost to contract the mowing. Mr. Robbins answered that it would cost between \$95,000 and \$120,000 to mow the parks. He noted that there is a significant amount of mowing in the Colonial Crest and Forest Hills Developments. He noted that he would not contract out this mowing as it would drive the costs up. Mr. Robbins explained that Public Works mows between 120 and 130 acres every week. Mr. Seeds noted that it would require the grass to be mowed to a certain height. Mr. Robbins noted that it would require a certain height, as well as setting schedules to know where the contractors are mowing to ensure that he follows the specifications. He noted that when staff mows grass, they are on a mower only, and can't take the time to make repairs in the parks. Mr. Seeds questioned what it would cost to do this. Mr. Wolfe noted that it would cost roughly \$100,000 more than what is in the budget. Mr. Robbins noted that he probably spends between \$50,000 to \$60,000 in fuel, etc. and it costs the Township roughly \$74 an acre to mow grass. He suggested, by contracting, it would cut the cost to \$39 to \$42 per acre, and free manpower to do other things. Mr. Seeds noted that it would provide Mr. Robbins with the ability to perform \$60,000 worth of other work that needs to be done.

Mr. Luetchford noted that part of the costs involve the time to load and unload the equipment to mow the lawns. Mr. Robbins explained that he would need to purchase a new batwing Toro in 2010 or 2011, and it would cost roughly \$1,500 for just the wheels. He noted that it is a very expensive machine to maintain, and vrending out the work would lower the vehicle costs too. Mr. Seeds questioned if it would be cheaper to bid the mowing for each park individually. Mr. Blain noted that the cost of the equipment that the Township maintains must be substantial. He questioned what the labor costs are for hiring the part-time employees. Mr. Robbins answered that a senior person earns \$20 per hour, and a part-time college student earns \$9 per hour. Mr. Robbins noted that they are very hard on the equipment, and he budgets \$25,000 for the part-time help, and that does not include the cost of fuel. He noted that it is difficult to run an efficient operation mowing grass as the machines must be hauled from one

location to another. Mr. Blain noted that the costs are roughly \$32,000 in labor costs for the college help. He questioned how many mowers the Township owns. Mr. Robbins answered that there are six zero-turn machines, three Scags, two batwings, and one needs to be replaced in 2010 or 2011. Mr. Blain questioned what the value of the equipment is. Mr. Robbins explained that a new bat-wing costs \$48,000, a Scag is \$6,500, and a zero-turn is \$8,500. Mr. Wolfe noted that it amounts to more than \$150,000 in equipment, in addition to the cost of maintenance and the garage space. Mr. Seeds suggested that it may be good to contract out one park, such as George Park, to see what prices the Township may get. Mr. Robbins noted that he and Mr. Miller discussed talking with Umbergers' Landscaping, to get a proposal to mow the parks. Mr. Wolfe noted that it would not cost anything to ask. Mr. Robbins noted that he was told that he could expect a contract between \$95,000 and \$120,000.

Mr. Crissman questioned if this was part of the additional \$280,000 that Mr. Robbins was requesting. Mr. Wolfe noted that this would not be found in the budget. Mr. Crissman questioned how much in the budget was new versus repair or replacement and how much is for personnel costs. Mr. Robbins suggested that \$200,000 is new. Mr. Hornung noted that this is not for new equipment. Mr. Robbins answered that it would be for replacement for a truck that has reached its useful life. Mr. Robbins noted that he is not looking for anything new that he never had before, noting that the \$280,000 is all replacement costs. Mr. Wolfe noted, within the entire budget there is nothing new. He noted that all costs are replacement costs.

Mr. Blain suggested that before Mr. Robbins secures bids, he should ask multiple persons. Mr. Robbins explained that the process would have to be bid, and that he was only trying to get an estimate of what it would cost. Mr. Wolfe noted that he would ask multiple providers for pricing, explaining that the work would have to go out for competitive bids. He noted that he would not want a vendor to provide numbers suspecting that the Township would hire them.

Parks and Recreation

Mr. Luetchford noted that the revenues for Parks and Recreation for the Fee in Lieu are estimated for this year at \$50,000 and for 2010, it is estimated to be \$100,000. Mr. Hawk questioned how many new starts have occurred this year. Mr. Wolfe answered 15, with an estimate of 45. He noted that just because a developer builds a home doesn't mean that they pay the Township the fee-in-lieu. He explained that building permits and fee-in-lieu are not linked;

development activity and fee-in-lieu are linked. He noted that only when a developer opens a phase, and begins to sell lots does the fee-in-lieu get paid. Mr. Hornung questioned if the \$50,000 estimate is good for the year 2009 with only having \$2,300 so far. Mr. Wolfe explained that the funds are received in chunks. He noted that the fee-in-lieu is received when the developer installs improvements, before building permits. He noted that there is an inventory of approved plans that developers are sitting on, and he questioned how long Triple Crown Corporation could sit on the Stray Winds Farm development without doing something. He noted that there are other developers with approved plans as well.

Mr. Hornung noted that the area has been immune to the recession, primarily because of the amount of government employees that work in the area that help to shore up the economy. He questioned, if all the local governments, as well as the State, are encountering the same problems, it would seem that the Township would see another dip when government starts to cut labor. He noted that the primary budget item is labor. He noted that this would generate another slow down that other economies may not see since they are not dependent on government jobs. He noted that there are various military installations in the area that may make cuts. He noted that if the area may experience another downturn in this period that others may not experience, and if this occurs, he does not see construction coming back quickly. He suggested that the comeback for this area may be very slow.

Mr. Blain noted that he just read a report from Wells Fargo that stated that the Central Pennsylvania area is one of the strongest areas in the entire Commonwealth, and has not experienced the type of recession that many other areas have experienced. He noted that the area would experience rising unemployment, however, it would not be as severe, noting that the fluctuation of housing prices is not as drastic as what has occurred in other areas of the Country. He explained that the local fluctuation rate is from 10% to 15%, whereas, nationwide, it is more like 50%. He noted that the area is pretty insulated, noting that there is also bio-technology industry located in the area. He noted that Lebanon County has a lot of manufacturing that is surrounded by food services and the food services industry has not been greatly impacted. He noted that Lancaster County is a huge agricultural area.

Mr. Hawk noted, if the Township has only experienced a 15% decline, as Mr. Wolfe stated, the impact to the housing market is to the large homes over \$300,000 and not the smaller, older homes. He suggested that building smaller homes is a conservative approach in the housing

industry and something you may see more of. Mr. Blain noted that the property values and transfer reality tax is what impacts the Township. He noted that there would be a reduction in the real estate tax, but not in a substantial way. Mr. Crissman noted that it would be good if one of the local malls was sold, as it would provide a nice sum for the real estate transfer tax.

Mr. Luetchford noted that the escrow interest rate is lower, as well as the parks escrow account. He noted that most revenue items remained the same, noting that the playground day camp did increase as the Township decided to charge a \$10 fee for this service. He noted that youth basketball has declined slightly as people are not traveling as far to play in a league. He explained that he had budget revenues estimated at \$551,000; however, the estimate is now \$376,260, with a projected estimate of \$432,100 for the 2010 budget.

Mr. Luetchford noted, for expenses, he cut staff training, from \$2,000 to \$1,000, and pointed out that there are no openings or closing costs listed for Koons Pool. Mr. Hawk questioned what the other pay line item was for. Mr. Luetchford answered that it covers overtime pay and service.

Mr. Luetchford noted that parks improvements include the residing of the maintenance building at Koons Park, and turf grass needs to be improved at George Park. He noted that parkland purchase is budgeted at zero for this year, as this line item will be moved from the General Improvement Fund to the General fund. He noted that there are slight increases in the instructor's payroll and an increase to the fireworks show of \$1,000 for this year and next year. He noted that the total expenses budgeted for 2009 is \$677,378; however, it is projected to be \$683,550 due to the \$50,000 budgeted for parkland improvement. Mr. Hornung questioned if there are two years of payment remaining for the Wolfersberger Tract. Mr. Luetchford answered yes.

Mr. Crissman questioned if the increase in the budget is due to salaries and personnel. Mr. Luetchford answered yes.

Mr. Wolfe noted that the debt service is roughly \$500,000, the Friendship Center allocation is \$100,000, and there is a 7% increase in employee benefits for medical insurance. He noted that it is an unknown at this time what it would be for 2010.

Mr. Blain questioned, for the bargaining unit, if the benefits are part of the contract. Mr. Wolfe answered yes. Mr. Blain questioned, if changes were to be made for contributions, would it need to be negotiated. Mr. Wolfe answered that Public Works has two more years on its

contract, and the Clerks and Custodians and Authority contracts are for three more years. Mr. Blain noted that the Township is locked in to the current benefit schedule for the time being. Mr. Crissman noted that the Township could ask to have the contract reopened, but he did not think that the unions would agree to that. Mr. Hornung questioned what percentage of the labor dollars is unionized. Mr. Wolfe noted that it is roughly 80%, with 35 management employees that are non-union. He noted that he has some thoughts for ways to decrease expenditures in this area.

Mr. Wolfe noted that he does not expect to see an increase in the liability and insurance line items. Mr. Hawk questioned how difficult it would be for Mr. Houck to tweak the numbers periodically in order to monitor the budget closer. Mr. Wolfe suggested, once the second quarter numbers are in, then another review will occur in August.

Mr. Hawk noted that he was astounded to find out that Berkheimer added 1,200 new clients in the first quarter. Mr. Wolfe suggested that half of those belong to the Township. Mr. Hawk questioned what impact that would have on the Township. Mr. Wolfe answered that it is impossible to tell at this point. He noted that part of the problem is that the Township still has the past four years that are remitting to CTCB, and they are not sending the funds to Berkheimer, they are sending it back to the taxpayer to remit. He noted that Berkheimer cannot provide an estimate for year-end since they have no idea what the impact will be. He noted that it is hard for them to determine how the economic recession is playing into the tax numbers. Mr. Wolfe noted that it is the largest single revenue source, and the Township cannot track it or predict it. He noted that he expects the EIT to be more than the 2008 numbers, but not hit the suggested budget. He noted that the same holds true for the real estate tax, as he expects it to be more than 2008 receipts, but not hit the budget number.

Mr. Wolfe questioned Mr. Houck what the Township is earning on interest. Mr. Houck answered that it is .1%.

Mr. Wolfe noted that he is showing the same budget for administrative expenditures for 2010 as 2009. He noted that he expects to come in with a little less for expenditures for 2009.

Mr. Crissman noted, if the Board had to make a decision tonight for the budget; the difference between revenues and expenditures is \$433,000. He noted that there is nothing new or additional requested in the budget. Mr. Seeds noted that some items could be delayed in the Public Works budget.

Mr. Wolfe noted that there is a potential for income from a County-wide sales tax, and if that would occur, all the problems would go away. Mr. Hawk noted that he did not think it would pass in 2010, noting that the reaction from the House of Representatives is a mixed bag. Mr. Hawk suggested that it may be the end of August before the budget is passed, and then they will recess, and only come back for a couple of months and he does not see anything happening this year. He noted that the local governments must keep the pressure on the State government. Mr. Wolfe noted that he did not hope that it would be a remedy for the budget crises. Mr. Hawk noted that it is the first time that all five organizations, CCAP, PSATS, LOB, LOC, and 1st Class Townships are all supporting the same thing.

Mr. Wolfe noted that there is not much that can be done for revenues, but he has some possible suggestions. He noted that rolling layoffs could occur, such as one day a week for non-police employees. He noted that the Township is self-insured for unemployment compensation, therefore, the Township would have to pay for the qualified unemployment benefits. He noted that the collective bargaining agreements state that when a layoff occurs, there can be no contracts for bargaining unit work. He suggested that an early retirement program could be offered, noting that there is a potential for five to seven people to take it. He noted that there could be a reduction in the level of service, such as closing the police office at 5 p.m. instead of 7 p.m. He noted that most area police departments close their doors at 5 p.m., and a sign or phone could be placed at the door noting to call for assistance. He noted that it does not make sense to staff the office until 7 p.m. since there is very little traffic after 5 p.m. He noted that a part-time person could be moved to staff the 5p.m. to 7 p.m. time period, but she stated that she would not want to work those hours, and if there was no need for a part-time person, it would save \$15,000 in salaries. Mr. Seeds questioned how many people come into the office after 4:30 p.m. Chief Johnson answered, for some days, there are no visitors. Mr. Blain noted that Chief Johnson should make the change. Mr. Hornung agreed.

Mr. Blain questioned if the Township moved to rolling lay-offs for one-day a week, could the personnel file for unemployment compensation. Mr. Wolfe noted that they could not; however, if personnel were laid off for weeks at a time, they could file for unemployment. He suggested that they would have to be off for at least five days to qualify for unemployment. Mr. Blain noted that he liked the rolling layoff choice much better, because sooner or later the economy will stabilize, and then it would not be necessary.

Mr. Hawk questioned if there was a difference if it would be called a suspension. Mr. Wolfe answered that a suspension implies a disciplinary action. He noted that the Township could layoff for a period of time, but if it is more than five days, then the person would qualify for unemployment that would be paid by the Township. He noted that he has not done a lot of research on this issue. Mr. Seeds noted that the Township needs all the staff that it has to work, and if anyone can say that they don't need them, then he would have to question why they are working.

Mr. Blain noted that for the months of May, June and July, where he works, they have done something similar. He noted that the professional staff has been asked to volunteer to go from a five-day work week to a four-day work week, noting a 10% reduction in pay. He noted that 80% of the personnel participated in the program and it saved the firm over \$15,000 per week. He noted, if this could be worked out with the bargaining unit, it would not lay off personnel, only reduce their workweek. Mr. Seeds questioned if Mr. Blain's firm had less work due to the economy. Mr. Blain answered yes. He noted that this is something the Township should consider doing. Mr. Seeds noted that the Township does not have less work. Mr. Wolfe noted that he would do more research on this, checking with Unemployment and the Fair Labor Standard Act. He noted that he would do an estimate to see how much could be saved by utilizing a one-day lay off per week.

Mr. Hawk questioned what would be the anticipated reaction of the employees. Mr. Wolfe noted that it would not be good. Mr. Crissman noted, if he was the union representative, he would tell the Township to wait for negotiations. Mr. Seeds noted that it would not help morale. Mr. Wolfe noted that he is not asking for a decision, only something to consider. He noted that the Township has a half million dollar deficit. Mr. Crissman noted that the Township could ask the unions to reopen the contracts in light of the economic times. Mr. Blain noted that it is a great idea, noting that it would provide an opportunity to discuss employee benefits. He noted that it makes up over 20% of the number, noting that if it could be reduced from \$4.2 million to \$3.8, it would solve the deficit problem without having to lay anyone off. Mr. Crissman noted that, typically, salaries and benefits make up 30% of the budget. Mr. Blain noted, if the employee contributed 10% to benefits, it would amount to a huge number. He noted that he did not think that the unions would want to open the contracts. Mr. Wolfe noted that the only threat that could be used to reopen a contract would be the threat of layoffs. He noted that it

would only work with the three non-police unions. Mr. Blain suggested that everything is on the table at this point, however, before this would be done, he would like to discuss some of the other options.

Mr. Blain noted that instituting an early-retirement program would move the high salary individuals out of the work place that would not need to be replaced.

Mr. Wolfe noted that the last option that needs a decision for this meeting is the approved hiring of three police officers. He noted that the Board approved the hiring of three officers for July 6th, in order to send the six officers to the Police Academy on that same day. He noted that the current work force is made up of 56 officers. Chief Johnson noted that conditional offers were sent to the top three candidates, and all three are scheduled for the physical agility test tomorrow. He noted that it is possible that one may not pass the test, and then the remaining candidates must be scheduled for the medical and psychological testing. Mr. Blain questioned if the Department could operate with only 56 police officers. Mr. Wolfe suggested that the Township could not put someone on the Dauphin County Drug Task Force (DCDTF). He noted that he may have to eliminate the School Resource Officer (SRO) and reduce Traffic Safety. Mr. Seeds questioned if the Police Department had a compliment of 62 police officers. Chief Johnson answered yes, but if three officers are hired it would bring the compliment of 56 officers to 59, three less than allowed.

Mr. Seeds questioned why someone would be selected who could not pass the agility test. Chief Johnson explained that the candidates passed the original agility test with no problems; however, the test to get into the Police Academy is much more stringent. He noted that one candidate stated that he may not be able to complete the bench test which is not part of the hiring requirements for the testing process. Mr. Hornung questioned if all three candidates pass the physical agility test tomorrow, then the Township would be stuck to hire them. Mr. Wolfe noted that there is a potential to rescind the offer if the Township acts immediately. Mr. Hornung noted that he would not want to do away with the DCDTF officer, especially with all the shootings that have occurred in the City of Harrisburg, and he would not want to cut the SRO. He questioned what would occur if officers were cut from the Traffic Safety Unit. Chief Johnson answered that the current staffing level is seven officers, and if he can negotiate the 12-hour shifts, he could drop two officers from that unit and not impact any activity on the street and still be able to maintain the level of traffic enforcement. Mr. Blain questioned if Chief Johnson could

rework the way personnel are assigned to allow for SRO coverage. Chief Johnson noted that he could probably do that, however, he would have to make cuts in Traffic Safety, or in the number of detectives, or eliminate the crime prevention officer. He noted, if no officers were hired, it would be difficult to put an officer on the DCDF and keep the same compliment of detectives and officers in the Traffic Safety Unit.

Mr. Hornung questioned how much the Township would save by eliminating one officer. Chief Johnson noted that the salary and benefits would amount to \$61,000. Mr. Blain questioned if there is a way to utilize 56 officers until the end of 2009 to make an assessment at that time to determine how many officers should be hired. Chief Johnson answered that he could do it. Mr. Wolfe noted that there are issues. He noted that the Township is taking candidates from the top of the hiring list at this time, and hiring those officers would make them available to the patrol division in January 2010. He noted, if the Township waits until January 2010 to hire, then the Township would be further down on the hiring list, and it may be better to wait until a new list is created in April or May 2010. He noted that two of the three officers turned down jobs offered by the City of Harrisburg, and the third officer will be offered a job in a month by Susquehanna Township. Chief Johnson noted, if he was given permission to hire in January 2010, it would be better to wait for a new hiring list. He noted that it would mean that anyone hired after April 2010, would be enrolled to attend the Police Academy in July and not be available for the patrol division until January 2011.

Mr. Hawk questioned if only 56 officers were on the force, would Chief Johnson have to eliminate the SRO program and DCDF as well. Chief Johnson answered that he would not have anyone for the DCDF and he would have to reduce traffic safety or criminal investigations unit. He noted that the SRO program is way too important not to staff. He explained that a detective is a career path for officers and the Department would be impacting someone if he was pulled from that division. He explained that some detectives will not apply for promotions since they love the job so much.

Mr. Blain noted that there is a short-term problem, until the end of the year, and the long-term problem, which is the hiring for 2010 through 2013. He questioned if there was a way to work it out to only use 56 officers for the rest of 2009 and reevaluate hiring for the 2010. Mr. Wolfe noted that the total expenditures for the year are \$30,000. Chief Johnson noted if the three officers are hired, they would not be available until January 2010.

Mr. Hawk noted that he would like the Township to do something that would not jeopardize the Police Department. He noted that he is not in favor of a real estate tax increase for the simple reason that Central Dauphin School District passed a budget of \$149,300,000, which is going to impact the average tax payer approximately \$50 more per year. He noted that a Township tax increase would increase it to \$55 or \$60 a year. He noted that he would like to find a way to tweak the expenses.

Mr. Hornung noted that the Township is half way through the year and any savings would be cut in half. He noted that \$200,000 was budgeted for improvements for last year, but he questioned if there was anything that could be cut this year. Mr. Robbins noted that he could cut \$100,000 for this year. Mr. Hornung noted that there are 35 people who could be asked to make contributions of \$150 toward their health plan monthly, and that would amount to roughly \$20,000 per year. He noted, if everyone is going to suffer, the people at the top should suffer as well. He explained that he asked his employees to contribute toward benefits since his bill increased by 60% and he simply cannot afford to pay the additional costs. He noted that rolling layoffs has been provided as another option. He noted that it could not be done at the Friendship Center, and it would be tough for the Public Works Department during the summer. He noted that the Township may be able to provide early retirements to remove three or four people from the payroll; and this could result in another \$100,000 savings for the remainder of the year. He suggested that it may result in income of \$300,000 which would cut the losses in half, and questioned if there were any projects that could be delayed for this year. Mr. Wolfe answered that the projects would affect only the General Fund balance for next year, and not operations.

Mr. Wolfe noted that the rest of his options would involve capital projects, and he stated that an answer needs to be made regarding the hiring of the three replacement officers. He noted that they are scheduled to be hired on July 6, 2009. He noted, if that decision is to be rescinded, it must be done tonight. Mr. Crissman questioned how much would be saved if a freeze on all hiring and purchases was implemented. Mr. Wolfe noted that the savings for hiring would be \$30,000. Mr. Crissman questioned if there would be a savings if a freeze was put on spending for all other Departments. Mr. Wolfe noted that the police cars have already been purchased, and the only items the Township purchases to the year-end would be office supplies.

Mr. Hornung noted that he would recommend only hiring two officers and making the cut to the Traffic Safety Unit. Mr. Blain noted that the Police Department is currently down three

police officers, and if they are not hired, then, it would cut the workforce by 5% to 6%. He noted that the early retirement incentive program is a good idea. He questioned who would be eligible for this and what savings would occur. He noted, if this happened by the end of July, it would result in five months of payroll costs with benefits and employer contributed taxes that could be saved. He noted that no replacements would be hired for those persons until at least January 1, 2010. Mr. Seeds stated that he agreed with Mr. Blain, but suggested that the three officers be hired. Mr. Hawk stated that he agreed with only hiring two police officers. Mr. Blain noted that the only impacts to the 2009 budget would be the rolling layoffs and early retirement incentive program. He noted that delaying the hiring of the three officers would recognize a savings since those salaries would not be paid. He noted, in 2010, the payroll would be less, but he questioned if any officers would retire in 2010. Chief Johnson noted that he is not expecting this to happen. Mr. Blain noted that the Department usually loses one officer a year.

Mr. Hornung noted that Chief Johnson stated that he could manage with only 58 officers if the Department switches to the 12-hour shift schedule. Chief Johnson agreed. Mr. Wolfe noted that the Board would have to take action to rescind the offers of employment. He noted that the candidate on the top of the list is really good and would be hired by Susquehanna Township if the Township lets him go. Mr. Crissman noted that it is his opinion to rescind all three offers. Mr. Blain noted that he is leaning that way too. Mr. Crissman noted that he wanted to save \$120,000 for the 2010 budget. He noted that Chief Johnson would have to rearrange personnel to staff certain programs; however, he wants to maintain the SRO program. Mr. Seeds stated that he wanted an officer for the DCDTF.

Mr. Blain questioned if all three offers were rescinded, and Mr. Wolfe looked into the savings for rolling layoffs, if a decision could be made then. He noted, if an early retirement program was instituted, and depending on what the savings would be for 2010, then it could determine if the hiring process could occur in early 2010. Chief Johnson noted that he would not hire until June or July of 2010. Mr. Blain noted that the top people would be available from the new list created in 2010.

Mr. Hawk questioned Chief Johnson what his feelings were for the hiring process for his Department. Chief Johnson answered that he would like to staff at least 58 officers, but he could make the necessary adjustments to survive using 56, if needed.

Mr. Hornung questioned if there are any others areas that would decrease in the budget with moving to the 12-hour shifts. Chief Johnson answered that overtime should be less, and the early retirement could save him half of \$52,000, noting that it would be closer to \$75,000 with benefits. Mr. Wolfe noted that there would be a cost to an early retirement as well, and he did not know what the cost would be at this time. He noted that it may involve buying age or years of service. He noted that any change to the pension plan would require an actuarial evaluation, and this would amount to a cost to the General Fund.

Mr. Wolfe noted that he would research the rolling layoffs savings, in regards to collective bargaining, and unemployment compensation. He noted, if there is a potential for rolling layoffs, he would talk to the bargaining units about opening the contracts to discuss this issue. He noted that the Police Department Records Office would close at 5 p.m., and he would look into an early retirement program and potential cost savings.

Mr. Hornung suggested that the Board take a vote on the hiring of the three police officers. Mr. Hawk questioned how many Board members were in agreement to hiring no officers. Mr. Blain and Mr. Crissman vote aye. Mr. Seeds noted that he wanted to hire all three officers. Mr. Crissman noted that hiring the officers would add \$120,000 to next year's budget. Mr. Blain noted that he would want to delay the hiring until he knows what savings could occur from the other suggestions. Mr. Seeds noted that the Township would have to wait until next July to hire three police officers. Mr. Blain noted that many employers have reduced their employee costs and still maintained the same services. Mr. Crissman noted, by virtue of their contracts, they are all getting a 3% increase, noting that there are many workers who are not receiving a salary increase.

Mr. Hornung noted that the savings for this year is only \$30,000, so the major impact for hiring occurs next year. He noted that the income for the Township is an unknown, but there may be other ways of moving personnel from one area to another, and keeping the two officers because they are much needed. He noted that it is difficult to make these decisions at this time as the impacts from early retirements are unknown. Mr. Hornung questioned Mr. Crissman if he does not want to replace the SRO or DCDF positions. Mr. Crissman answered that that is not what he is saying, instead, he is stating that he only has so much to work with, and he has his priorities of where to put the funds. He noted that you take the staff that you have and make them work with the priority that the Board establishes. Mr. Hornung questioned if Chief Johnson has

the ability to do that. Mr. Crissman suggested that Chief Johnson stated that he could. Mr. Blain noted that the detective's career path could be delayed if the new officers are not hired. Chief Johnson answered that it would be one impact, noting that he has several options, but he has not put it to paper yet because he received the approval to hire the three officers.

Mr. Seeds made a motion to hire two officers, noting in 2010, the SRO and DCDTF positions must be filled. Mr. Hawk seconded the motion. Chief Johnson noted that both positions are a priority, explaining that when Officer McCoy was promoted, many people from the school showed up. He noted with respect to the DCDTF, there have been numerous shootings in the City of Harrisburg, of which, many are drug related. He noted that there is extensive drug activity that is occurring in the Township that is not investigated, noting that the DCDTF has been decimated, and only has a few veterans on the force. He noted that he has met with other police chiefs, and they are committed to authorizing personnel to the DCDTF, and he suggested that it is important for the Township to do the same. He noted that the violence occurring in the City of Harrisburg will infiltrate to the Township, especially to the apartment complexes. He noted that no one is working drug investigations in the Township at this time, and if a replacement is not made to the DCDTF, the concentration of investigations would not occur in the Township. He noted that there are several options available for scheduling in the Police Department, but he would have to determine how the reorganization with the 12-hour shifts would be impacted with lower staff, such as assigning each platoon only seven members instead of eight. Mr. Hawk agreed that Chief Johnson should do that, noting that he came up with significant adjustments to his budget, and that he agreed with Mr. Seeds' motion.

Mr. Hornung questioned if only one new officer was hired, could Chief Johnson assign officers to the SRO and DCDTF programs. Chief Johnson answered yes.

Mr. Hawk rescinded his second, and the motion died to hire two officers.

Mr. Hornung made a motion to hire one officer. Mr. Hawk seconded the motion. Mr. Hawk called for a roll call vote: Mr. Blain, nay; Mr. Crissman, nay; Mr. Hornung, aye; Mr. Seeds, nay; and Mr. Hawk, aye.

Mr. Blain noted that he is not saying that he does not want to hire, but before a decision is made, he wants to look at what benefits would result in the other options presented tonight. Mr. Seeds noted that he agreed, however, the Township would have to wait another year to hire the police officers. Chief Johnson noted that the police academy starts July 6th, and if the Township

delayed the hiring, the new officers would not start school until mid-January 2010, graduating in June. Mr. Seeds noted if the Township does not hire now, the candidates left on the list in January would be much lower on the list. Mr. Blain questioned how many people are on the hiring list. Chief Johnson answered that there are probably 180 to 200 people on the list. He suggested that if the Township waits until January to hire, they would be down to approximately the 35th number on that list. He noted that in the past, when the Department has hired that low on the list, there have been problems, and those people are no longer employed, due to the problems they created.

Mr. Blain noted, if no action is taken tonight, then all three officers would be hired.

Mr. Crissman made a motion to rescind the offers to the three police officers. Mr. Blain seconded the motion. Mr. Hawk called for a roll call vote: Mr. Blain, aye; Mr. Crissman, aye; Mr. Hornung, nay; Mr. Seeds, nay; and Mr. Hawk, nay.

Mr. Crissman noted that he would remind all the Board members of this vote when they have to raise taxes. Mr. Blain noted if the Township has to dip into General Fund reserves to get through this year, it may have to, but if it does not want to do that for 2010, he did not know how it would do it without raising taxes. Mr. Crissman noted that the deficit for 2010 is projected to be \$443,000 minus \$120,000 by not hiring the police officers. Mr. Seeds suggested that the citizens would rather have a police force that they are accustomed to having, and the Township should either fund them or not have them. Mr. Crissman noted that what Mr. Seeds stated was refuted by what former Chief Bair stated from the results from the Citizen Survey. He noted that the people feel very safe in their homes. Mr. Seeds stated that they do now.

Mr. Crissman noted that with the Central Dauphin School District raising taxes, and Mr. Hawk's comment that he did not want to raise taxes, he would question how that relates to how the people feel about living in the Township.

Mr. Hornung noted of the \$443,000 deficit, if \$120,000 comes from the Police Department, he suggested that another \$150,000 could come from Public Works since they budgeted \$200,000 in new equipment. He questioned if there was a place to come up with another \$150,000. He suggested that the Board could meet the deficit with only hiring one police officer. He suggested that each Department should contribute to the deficit.

Mr. Blain noted, at the end of May, the budget projections for the end of 2009 show a deficit of \$633,000 without knowing what the next seven months would hold. He noted that he is

not saying that the Township should never hire the three officers, but he would rather take a cautious approach since there are seven months remaining in the year, especially with all the uncertainties with the EIT, and he would freeze hiring to see how the numbers play out over the next month. He noted that the Board needs to come up with a game plan for the end of the year, for the intermediate term of 18 months, and then make a decision of how many officers to hire. Mr. Hornung noted that the Township cannot afford to give up the SRO and DCDF programs. Mr. Blain noted that he is not asking the Board to give them up, but to work with staff to reorganize the police department to make it work. He noted that a number of his clients have reduced their staff by 20% and are still functioning. Mr. Seeds noted that he would sooner cut purchases that are not absolutely necessary.

Mr. Hornung noted that Mr. Seeds stated that if he did not agree to hiring one officer, he would move to hiring no officers. Mr. Seeds noted that he would not play that game. Mr. Hornung noted that the Township should not hire three officers, and he would prefer to hire one.

Mr. Hawk noted that the Board is at an impasse, and he stated that he would go to hiring no officers, and he hoped that the Board did not regret the decision. Mr. Wolfe suggested that there are now three votes to hire no officers. Mr. Hornung noted that it is a great mistake not to hire officers to fill the two positions that are open. He noted that it would be a big mistake not to hire one, since Chief Johnson stated that he could make it work with only hiring one officer. Mr. Hornung questioned if there are any other areas that manpower could be reduced, such as the Community Development Unit. Mr. Hornung noted that Chief Johnson could not provide officers for those two positions if no officers were hired. Mr. Crissman stated that that is not what he heard. Chief Johnson stated that he would have to reduce in other areas, such as traffic safety and criminal investigations. Mr. Hornung noted that it would be stupid to decrease criminal investigations, explaining that he would not want to have a problem with the lack of an investigation for incidents at his business due to the lack of manpower.

Mr. Wolfe noted that anything the Board discusses is relative to a decrease in services, whether it is in Community Development, SRO program, DCDF, traffic enforcement. He noted that several years ago, the traffic safety efforts were not as strong as they are today, and people were always calling to complain that vehicles were speeding in their neighborhoods. He noted that the Police Department instigated an IN-STEP program, and was diligent in addressing traffic safety concerns and problems, and the Township has seen results. He noted, whatever decision is

made by the Board, it would amount to a reduction in services, and negative results would be seen. Chief Johnson noted that he would provide officers for the two key positions, but he would have to determine where to make the cuts.

Mr. Blain noted that the Board is honed in on making a decision without the opportunity to determine what else could be done to make it to the end of the year and next year as well. He noted that no hiring should be done until all the options have been discussed. Mr. Blain questioned if Mr. Hornung just hires or does he look at what he can afford. Mr. Hornung noted that the Township does not have the luxury to wait to make the decisions. Mr. Blain noted that the Board could wait six months to make a decision. Mr. Seeds suggested that all the Board members knew a few weeks ago, when it approved the hiring of three officers that the numbers were not good. He suggested that \$30,000 would not make that much of a difference between now and the end of the year. Mr. Blain noted that Mr. Seeds is right, but the Board has a second chance to rescind the vote and to formulate a game plan.

Mr. Seeds noted that the Township has a reputation that people cannot speed in the Township and he would not want to see that vanquish. He noted that Chief Johnson is already down three officers from what Chief Bair had, and now the Board is asking him to go down three more officers.

Mr. Hornung noted, if he wants to maintain a certain level of service then he must hire people to do the work, but in this category, the Township is talking about personal safety issues. Mr. Blain noted that three officers would amount to \$180,000 for next year, and if the Township does not do something with payroll costs now, the Board would have to increase taxes.

Mr. Hawk noted that he made a call to a printing company today, and the employee put him on hold. It took her a long time to get back to him and he hung up, and as a result of their short staffing, they lost a job. He noted that he does not want to see the Township in that same situation, where the Township loses its reputation due to the lack of service. Mr. Blain noted that the consequences may be that the Board may have to vote to increase taxes. Mr. Hornung noted, if the Board raised taxes 5% to cover the cost of the one officer, there are not too many people who would object to that. Mr. Blain questioned what if the Board finds that they have no other solutions to the problem, and the deficit is bigger than anticipated.

Mr. Crissman noted that the Board has made the decision to hire three police officers. Mr. Hawk noted that two members argue for one officer, two argue for none, and one for two officers.

Mr. Blain noted that he would agree to hire one officer. Mr. Crissman agreed. He questioned if the \$443,000 deficit included the cost of hiring the three police officers. Mr. Wolfe answered that it does. Mr. Crissman noted that he would be willing to support the hiring of all three if that was included in the \$443,000 deficit, however, staff will have to look to make up the \$443,000 deficit between now and November.

Mr. Hawk suggested that the Board has reached a consensus to hire one officer. Chief Johnson noted that he would staff the SRO and DCDTF positions regardless of how many officers he has.

Mr. Hornung noted that he would move to hire no officers. He explained that his daughter works at his store during the evening, after the store is closed, and the police come by to check on her to see if she is okay. He questioned if the Board wants to sacrifice his daughter's safety because its wants to cut the budget. He noted that personally, he says no, and that is why he is fighting for at least one officer. He noted that there are incidents where items are stolen from his store, bad checks are written, and he stated, that it is good to have a detective interrogate an employee or customer to keep some sanity in his business. He noted that his business is constantly under attack from thieves, and it is harder to make money. He noted that it is hard to deal with thefts from customers and employees. He noted that he lives this everyday and that is why he is so passionate to hire one officer.

Mr. Blain made a motion to hire one officer. Mr. Crissman seconded the motion. Mr. Hawk called for a voice vote, all members voting aye, except Mr. Seeds.

Mr. Wolfe noted that funds could be reallocated away from paving, and put towards other activities. He noted that there are things in the General Improvement Fund that could be removed that would not affect the deficit for operations. He noted that the deficit for 2009 is projected at \$663,000 and for 2010, it is \$434,000. He noted that the deficits would affect the overall fund balance. He noted, if the pavement management system, financial management system, wash bay for Public Works, and the last phase of George Park, were not purchased or done, this would create a total savings of \$600,000 from the General Fund Balance, He noted that it would increase the balance from \$4.7 million to \$5,350,000. He noted that this would be

part of budget discussions as the Board moves forward, and the Board could look at the General Improvement Fund budget next year to determine what it wants to do.

Mr. Blain noted that he would like to know what the short-term and intermediate-term savings would be from the early retirement program, and rolling layoffs. He noted that Mr. Houck needs to focus on programming out to look at different scenarios for the next five years. Mr. Blain noted that the \$5.3 million figure is what is needed for the rainy day fund for the Township. He noted that either the resolution must change for the 25% mandate, or the Board must find a way to increase the savings account. He suggested that the only way to do that is to raise taxes. He noted that .875 mill rate is very low, and by programming out for five years, the Township could determine what tax increases would need to be made. Mr. Wolfe noted that one thing that he has learned from this early budget exercise is that he can program expenditures; however, he has no idea of how to predict revenues. Mr. Blain noted that the Board will have to visit the budget quarterly to determine how revenues are trending out and apply that trend to the next five years.

Mr. Wolfe questioned if another budget meeting could be scheduled. Mr. Wolfe suggested that it could be the agenda for the August workshop or Monday, July 20th. He suggested that he would not have the Key Indicator Report ready for July 20th. Mr. Seeds noted that he would miss the COG meeting scheduled for that night. Mr. Wolfe noted that he would get back to the Board members with a date.

Adjournment

There being no further business, Mr. Blain made a motion to adjourn the meeting. Mr. Crissman seconded the motion, and the meeting adjourned at 9:07 p.m.

Respectfully submitted,

Maureen Heberle
Recording Secretary

Approved by,

Gary A. Crissman
Township Secretary