

LOWER PAXTON TOWNSHIP
BOARD OF SUPERVISORS

Minutes of Workshop Meeting held November 25, 2014

A workshop meeting of the Board of Supervisors of Lower Paxton Township was called to order at 6:40 p.m. by Chairman William B. Hawk, on the above date in the Lower Paxton Township Municipal Center, 425 Prince Street, Harrisburg, Pennsylvania.

Supervisors present in addition to Mr. Hawk were: William C. Seeds, Sr., William L. Hornung, Gary A. Crissman, and Robin Lindsey.

Also in attendance was George Wolfe, Township Manager; Steven Stine, Township Solicitor; Chief Tom Swank, Colonial Park Fire Company; Chief William Payne and President Mike Kraska, Linglestown Fire Company; David Johnson, Public Safety Director; Robert Grubic and Steve Fleming, Herbert, Rowland and Grubic, Inc. (HRG), and Watson Fisher, SWAN.

Pledge of Allegiance

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

Public Comment

No comments were presented.

Review of a proposed agreement for operation and maintenance of the proposed Heroes Grove facility

Mr. Stine noted that this is a draft agreement from Attorney Bob Knupp who is representing the Heroes Grove Committee. He noted that part of the agreement was already in existence, having new information providing more detail for staff in order for them to know how to administer the construction contract. He noted that the agreement is divided up into several parts, noting that paragraph two deals with construction of Heroes Grove. He explained that it deals with the administration of the project so everyone will know what their responsibilities are. He noted that the Township is the actual grant holder and will hold the construction contract for Heroes Grove. He noted that the only responsibility that the Heroes Grove Fund will have is to review change orders and provide advice for the payment of those change orders. He noted that they may provide input in regards to the project itself, but their role is very limited.

Mr. Stine noted that staff wanted to provide the Committee the opportunity to review the invoices prior to the Township approving the invoices; however, staff can only provide so much time for the invoices to be reviewed as the bill must be paid within 45 days. He noted if the bill is not paid within that time, it will include interest charges. He explained that the agreement states if the Township does not receive notice from the Heroes Grove Advisory Board within twenty days of the date of an invoice then the Township may pay the invoice.

Mr. Stine noted in section "g", The Township must administer the grant funds, since the grants are in the name of the Township, noting that the Township will be paying the invoice and then it will be reimbursed from the various grants for the project. He noted that paragraph "h" shows that the Heroes Grove Fund would provide a matching grant of \$45,000, noting that it will be a lump sum donation with those funds residing in the Foundation for Enhancing Communities, the Township will be required to invoice them for the matching grant funds which is supposed to be done first.

Mr. Stine noted that Section Three deals with the Heroes Fund and what their responsibility is in helping the Township to pay for maintenance and the replacement of capital improvements. He noted that they have offered to continue to raise funds for a period of not less than 30 years after the completion of the construction project and to provide up to \$3,000 in a maintenance fund to be established by the Township. He noted, on an annual basis, Heroes Grove will donate to the Township up to \$3,000 to be put into a maintenance fund for Heroes Grove were it will be used for repairs and capital improvements. He noted as a starter to that there is also some additional funds from the Foundation for Enhancing Communities in the amount of \$12,000 which could be used as a credit against the first four annual payments by Heroes Funds for the maintenance fund. He noted that it would provide some starting money for the maintenance fund.

Mr. Stine noted that Section Four deals with the ownership and operation of Heroes Grove. He noted that the Township owns it, will operate it and program it. He noted that Heroes Grove Fund reserves for its own purpose, the right to conduct memorial services and events on Memorial Day, September 11th and Veteran's Day.

Mr. Stine noted that it will be an annual renewable term which will basically renew automatically unless one of the parties terminates it at least one year prior to the expiration. He noted that the Heroes Fund cannot terminate the agreement until they have paid all the maintenance contributions as previously discussed.

He noted that it is a summary of the terms and conditions of the agreement and he would be happy to answer any questions the Board may have.

Mr. Seeds noted if the -Heroes Fund does not provide its funding through the Foundations for Enhancing Communities and they change their collection for non-profit would it create a problem for the language that is in the agreement. Mr. Stine answered that the money is still held within the Foundation for Enhancing Communities. Mr. Seeds noted for now. Mr. Stine noted that it will be there as they are not going to take the money out of there. He noted that we will invoice for that money in the not too distant future.

Mr. Wolfe noted that once the money is deposited with the Foundation, it does not come out unless it is for an appropriate use.

Mr. Crissman noted in Section 3, the wording for their donation for maintenance states that they will donate up to \$3,000 per year and if they have no money they don't have to make any contribution. He noted that he does not like the words, up to \$3,000. Mr. Stine noted that is what they offered to us. He noted that it was in the correspondence that they sent to the Township a couple of months ago. Mr. Wolfe answered that was correct. Mr. Crissman suggested that some year they could provide a payment of \$50 or another year it could be \$2.

Mrs. Lindsey questioned if Mr. Stine questioned the Heroes Fund on that item. Mr. Stine answered yes, noting that we discussed it and that was their offer. Mr. Crissman noted that they may only contribute \$100; that wording provides no protection for the Township. Mr. Seeds suggested that it could be similar~~or~~related to the Possibility Place that was built in George Park as it will. ~~He noted that it will~~ become the Township's responsibility to maintain. Mr. Crissman noted ~~that for~~ the Rotary Clock that will be installed in Linglestown, there is a fund and the Rotary Club has established an amount that will be given to the Township for maintained~~its~~ maintenance. He noted that the contribution will go on in perpetuity and the Township is guaranteed that it will not have to bear any financial responsibility for maintenance and upkeep.

He noted that he has a problem with the phrase “up to \$3,000.” He stated that he did not care if the amount is reduced, but he does not like the words, “up to”.

Mr. Seeds stated that he thinks that it is good thing. Mr. Crissman agreed but it is a county-wide project with Lower Paxton Township having the full responsibility for it. He noted that money should be set aside monthly for the ongoing maintenance in perpetuity. He noted that it is not fair for the taxpayers in the Township to have to pay for the ongoing maintenance.

Mr. Seeds noted, at one time, there was a bandstand in Koons Park and it eventually became a hangout for undesirable activities and was eventually torn down. He noted that he hopes that will never happen for the Heroes Grove facility.

Mr. Hawk noted that Mr. Crissman’s comments are exactly correct as it was designed to be a Heroes Grove located in Lower Paxton Township but not a Lower Paxton facility. Mr. Stine noted as for any facility that the Township owns, sooner or later the Township will have 100% responsibility for that facility. Mr. Hawk noted that the Township is responsible for scheduling events at that location.

Ms. Lindsey questioned if we could ask for an exact amount to be guaranteed for each year. Mr. Stine answered you can. He explained that this is Heroes Grove’s proposal to the Township. Mr. Seeds noted that he did not know how they would do that.

Mr. Hawk questioned if we should clarify this point, otherwise, we can put it on the agenda for approval for the December 2nd meeting. Mrs. Lindsey questioned if they can clarify what they mean by “up to”. Mr. Stine noted that he can clarify that for you really easy. Ms. Lindsey noted that we might get a better answer than we think. Mr. Stine noted that their intent was to provide to the Township up to \$3,000 annually. He noted if they only have \$1,000 that is what we will get. He noted that is what their intent is. Mr. Crissman noted that he does not mind if the total amount yearly is reduced, even if it was \$1,000, he would be satisfied with that as long as we know that there is a guarantee that \$1,000 would be on top of the \$12,000 initial payment. Mr. Stine noted that the \$12,000 is credited against what they would have to give for four years so it is part of their 30-year payment.

Mr. Wolfe noted that one option that the Board could have is that this agreement provides for the use of the facility by the Heroes Grove Association for its activities. He noted if they

don't meet the dollar amount then you could require them to pay to use the facility. Mr. Hawk noted that will go over well. He stated that you are looking for money from a group who does not have the ability to guarantee payments.

Mr. Hornung noted when you are in the fundraising mode and you are building it everyone is excited and will contribute money. He noted when you are in the built and maintenance mode no one wants to contribute to it. He note that the key is that it may not be \$12,000 but it could be \$50,000 and the Township would set aside the funds for future maintenance for the facility. He noted that it is easier for them to raise the funds now. Mr. Stine noted that they would have to come up with \$38,000 in a hurry or we have an issue. He stated that he does not know what the answer is to that.

Mr. Crissman noted when the Rotary Club was raising funds to build the clock, as they were building the treasury to build the clock, they also built in the total amount for the continuation and maintenance beyond. He noted that they had it up front to set it aside to give to the Township. Mr. Hornung noted when something is typically under construction, people jump to see it happen, so that is always a good fundraising time. He noted that the Board could provide for the Committee to have a year to raise the additional funds or include a clause that they would have to pay for their facility use. Mr. Stine noted if they start raising money, the agreement already will be signed and the project will be under construction. Mr. Hornung noted that we would have to add a clause stating if the Committee wants to use it and we didn't get the \$50,000, then it will cost you. He questioned if they don't have the \$50,000 would it postpone the construction.

Mr. Hawk questioned if we should clarify this before we put it on the agenda for the next meeting. Mr. Stine noted that someone will have to speak with Heroes Fund directly, and explained what the Board wants in regards to the maintenance fund. Mr. Hawk noted that we need some assurances that we are not left without any funds for maintenance. Mr. Hornung noted that we would at least have some funds for a while. Mr. Stine noted that eventually the entire maintenance obligation will be the Township's and that will occur when you have to start replacing physical facilities as they will only last so long. He noted that is when it will be expensive, after ~~the~~ 30 years ~~is~~ has past.

Mr. Hawk noted that Ms. Lindsey stated that the Heroes Grove Fund has a meeting next Monday and Mr. Wolfe will make sure they get the information tomorrow and they can take it before their group at that time.

Continued discussion with the Meadowview Village Homeowners Association regarding construction of retaining walls

Mr. Wolfe noted that he was contacted by the Meadowview Village Homeowners Association who asked to have this item removed from the agenda this evening moving it to the December workshop meeting.

Review of the 2015 operating and capital budgets for the Colonial Park, Paxtonia, and Linglestown Fire Companies

Mr. Wolfe noted that the Board requested the operating and capital budgets for each of the three fire companies which is a standard request from the Board every year. He noted that each has provided their approved budget or proposed budget for your review this evening. He noted that two of the fire companies have representatives at the meeting this evening to discuss their budgets with you.

Chief William Payne, Linglestown Fire Company, stated that he did not realize that the Board was planning to discuss the fire companies actual budgets as he did not realize that they needed to be approved by the Township. Mr. Wolfe answered that it does not need to be approved, but you have always provided the budgets to the Township and we have reviewed them. He noted that nothing is different other than we are now televising all of our meetings.

Chief Payne stated that he thought his presence was required to discuss the Fire Equipment Capital Plan for the replacement of fire apparatus. He noted that he would be happy to answer any questions you may have ~~on~~ for the fire department ~~on~~ budget. Mr. Seeds questioned what the new OIC purchase is. Chief Payne answered that it would be the purchase of a new duty officer vehicle. He noted that we have a 2003 Ford Explorer, that when he proposed the budget, it was sitting on the fire house floor thinking that the transmission was out of service. He noted that the vehicle is only worth about \$5,500 and a new transmission costs \$2,800. He

noted that one of his members was able to fix it. Mr. Seeds noted that OIC means Officer in Charge.

Ms. Lindsey questioned if they budgeted anything for National Night Out, noting that Paxtonia's budget's included \$2,500. She questioned why they would need to do that. Public Safety Director (PSD) Johnson answered that they rent a jump house for the event and the other two fire companies put on demonstrations.

Mr. Seeds noted that there is a debt reduction for the fire station. Chief Payne explained that it is for the renovations to the social hall and a small amount owed on the reserve truck.

Mr. Hornung questioned how you balance your income with your expenses. Mr. Kraska answered that the budget is set up for both the old and new fire houses. He noted that he shows the operating expense for the old building at 5901 Linglestown Road. He noted that the debt reduction is the number we use that fluctuates to balance the budget. He explained that if he has to spend \$35,000 of new money, the debt reduction listed above would be \$35,000.

Mr. Hornung noted that your fundraising revenues are incredible. Mr. Seeds noted that he is impressed with it as well.

Mr. Hornung noted that you have catering listed at \$3,000 and questioned for what events the fire company does catering as there doesn't seem to be any income offsetting that catering. Chief Swank answered that was for the annual open house. He noted that \$13,000 is put in the budget for vehicle maintenance is for the ladder truck to cover the rust and corrosion. Ms. Lindsey noted that the open house was very nice.

Mr. Hawk questioned what is a pull tab. Chief Swank answered that they are rip off tickets, small games of chance. Mr. Seeds noted that you made a good deal of money on the sales of Christmas trees.

Mr. Crissman questioned if we could discuss the capital projects, the money that you are asking the Board to provide to you for what you need to do. Chief Swank explained that he spoke in the past that the Fire Equipment Capital Plan needs to get caught up with inflation. He noted that he has heard numbers that it needs anywhere from \$250,000 to \$340,000 to get caught up. Mr. Crissman requested Chief Swank to identify the specifics and approximate costs.

Chief Swank noted that a piece of aerial apparatus goes from \$1 million to \$1.4 million. He noted that an engine would cost about \$540,000. Mr. Crissman noted that many members of the community have no idea what the cost is for the pieces of equipment that the Board pays for so the fire fighters can work in the community. He noted that it is important for the people to hear what you need and how much it will cost. Chief Swank noted that he presented a program through Director Johnson eliminating two pieces of equipment. Mr. Crissman noted that Director Johnson is not the whole community, he is only one person. Chief Swank noted that the chiefs sat down and came to an agreement limiting two pieces at the end of their life expectancies so there should be a cost savings there. Mr. Crissman questioned if that was a joint agreement between the two chiefs that are present. Chief Swank answered yes.

Mr. Seeds questioned if Chief Swank suggested that we need to put more in the budget for the capital fund. Chief Swank answered yes. Chief Payne noted that we discussed a dollar amount and he did not remember what it was. He suggested that it was \$75,000 more a year to get caught up. Chief Swank suggested that it was mentioned by Mr. Blain before he left office.

Mr. Seeds noted that we are pretty far along with our budget as we only have one more month until we have to adopt it.

Chief Payne explained that he and Chief Swank have talked about this issue and have come to the Board for the four past years discussing the Capital Plan and told you that it is behind the times and yet we still go to Public Safety Meetings and still present these proposals and we feel that we are wasting our time. He noted that he doesn't mean to be rude but there is never an answer and last year we had the same issue. He noted that he heard the same thing last year that the Board was too far along into the budget to make any changes and you just said that tonight and he questioned why is he is here. He noted that he would appreciate some honest answers from the Board; if there is no money in the budget this year for fire trucks ~~and in~~ the capital plan, then we must make do with what we have. Mr. Seeds noted at this point there isn't more money. Chief Payne noted that he saw on Penn Live this morning that there will be a tax increase but he will have to figure out more ways to raise funds as the ladder truck last month cost him another \$5,000 to \$6,000 for more repairs. He noted that he will have to figure something out.

Ms. Lindsey questioned how old are the trucks. Chief Payne noted that the ladder truck was bought in 2000 so it is 14 years old. Ms. Lindsey questioned if that is all the trucks that you have. Chief Payne answered that they are the two oldest. He noted that Paxtonia has the two oldest fire trucks in the Township along with Colonial Park's ladder truck. He noted that they were purchased in 1997 and 1998. He noted that his trucks are 2000 and more, and his proposal was not to replace the ladder truck at \$1.2 million. He noted that he wants to replace the engine as it is busiest unit in his fire house as it is used to responds to every call from an accidents to a structure fire. He noted that it is a 2000 model. He noted that is the unit that he depends on the most. He explained that the last price that he got to replace it was \$540,000. He noted that he did not bid it with Chief Swank. He suggested if we were not permitted to bid how we did in the past were we were not allowed to pick what we wanted, like the good old days, rather the Board told us that it will approve an engine, a tanker and a ladder truck, and put it out on bid and as long as it met the criteria of what we need, the price should be a good bit better. He noted that the days of the Board members telling the fire companies that the money is coming in and buy what will make you happy and what you need are gone.

Ms. Lindsey questioned if the truck will have on it what the fire companies really need. Chief Payne answered that he thinks so.

Mr. Seeds noted that we will be discussing the budget more in a few minutes.

Mr. Hawk questioned if you have any other questions.

Mr. Crissman noted that he is happy to see the two chiefs working together to prioritize overall expenditures, keeping in mind that the Board is also restricted to the total amount of dollars that it has to share so he appreciates that you are working cooperatively and supporting one another.

Ms. Lindsey questioned if we can't do anything the rest of this year we should put this on the agenda for next year earlier than the end of November so we know what they need for the capital plan and can adjust accordingly. She noted if we are behind in what we should be putting in that capital plan we need to know that ahead of time in order to discuss putting more funds into the capital plan.

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Chief Swank suggested that the money that the Board takes out of the capital fund for the LOSAP, maybe that needs to come out of the General Fund and that money could get dedicated towards the purchase of equipment in the capital plan. Mr. Seeds noted that it would be restoring the \$77,000... Mr. Wolfe noted when the Board established the LOSAP, the contribution was \$250,000 to the Fire Equipment Capital Plan. He noted that the proposal that you acted upon which was submitted to the Board by the fire companies was to take the cost for the LOSAP out of the Fire Equipment Capital Plan which it did up to \$50,000. He noted that the Board funds anything over that amount from the General Fund. He noted since 2008, the Fire Equipment Capital Plan has been funded at \$200,000 with the LOSAP funded at about \$80,000. He noted that the costs to manage the LOSAP have increased and you have been paying those costs out of the Fire Tax much like you do for the Fire Equipment Capital Plan.

Mr. Hornung questioned if we are up to \$280,000. Mr. Wolfe answered that is close. Mr. Seeds noted that it is \$200,000 plus \$81,000. He noted that Chief Swank is suggesting that we take the \$81,000 out of the General Fund and go back to putting in \$250,000 to the Fire Equipment Capital Plan. Chief Swank noted in speaking to the fire chiefs when the fund was started, although he has nothing in writing, it was to be a one-time thing. Mr. Wolfe answered that is not correct. Chief Swank suggested that the LOSAP be funded out of the General Fund and that money be put back towards the Fire Equipment Capital Plan. Mr. Wolfe noted that he is not involved in the decision but the correct history was that the Fire Equipment Capital Fund would be reduced to \$200,000 and the \$50,000 that was previously going to that plan would not pay for the LOSAP, with any additional costs in the LOSAP borne by the Township from another source. He noted that it was never a one-time deal.

Mr. Seeds noted that it all comes out of the fire tax. Mr. Wolfe explained, after we established the LOSAP and established the Fire Equipment Capital Plan, we totaled the amount of those expenditures and added in the cost of the fire hydrants taking the total cost and adding it to the dedicated fire tax which is .381 mills, roughly 25% of the overall tax rate goes to fire service for real estate.

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Mr. Hornung questioned what that represents in money figures. Mr. Wolfe suggested that it would be about \$1 million. He noted that it is part of the budget summary coming up later. Mr. Seeds noted that SCEMS contribution comes out of the General Fund.

Chief Payne noted that in the 2013 budget \$275,000 went to South Central Emergency Medical Services, and when Jason Campbell took over SCEMS he bid it out and he came in at \$40,000. He questioned where the \$230,000 went. He questioned if it would have helped to offset the Fire Equipment Capital Plan when we brought this to you four or five years ago. He questioned if we could have used some of those funds to cover the Fire Equipment Capital Plan. Mr. Wolfe noted that it is separate accounting, and the Board allocated it to something else as it was no part of the fire tax. He noted that in 2015, the cost for EMS service will increase without impacting the fire tax revenue.

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Mr. Seeds noted in 2008, the recession provided a lot less money to spend. He noted that it is hard to say where those funds were spent.

Mr. Hornung questioned if we can make a commitment to the fire chiefs to come up with a five year capital plan this year. Mr. Wolfe noted that we are having budget discussions tonight, and whether it is fire or the Township engineer or his budget review, these are all part of the 2015 budget. He noted that we began these discussions in May of this year with the Strategic Plan. He noted that it has three items that we plan to implement sometime over a five-year period. He noted that one of those was an increase in the Fire Equipment Capital fund Plan. He noted by the Strategic Plan, it is either scheduled to begin in 2016 or 2017. He noted that the Board can review that at some point in time but you have been discussing this through the course of the years and you have recognized future needs. He noted that you did not put those future fire needs in the 2015 Budget. - Mr. Crissman noted that we can adjust the time table.

Mr. Seeds noted that we would have to find the money somewhere else.

Mr. Wolfe noted that it probably has been four months since we started the 2015 budget, since you looked at the long-term budget. He noted, the SP and as a part of the December 9th workshop session, before we act on the Strategic Plan, he would put it on the agenda P, he will

~~put the SP on f~~for a final review and you can see where you actually have ~~the increased in~~ the Fire Equipment Capital Plan ECP programed over the next five years.

Discussion with the Township Engineer regarding 2015 rates for service

Mr. Steve Fleming from HRG noted that he and Mr. Grubic are present to talk about the proposed 2015 retainer agreement. He noted that he wanted to take a couple minutes to review some of the things that HRG has accomplished this year in addition to the standard subdivision and land development review, noting that it is a task that the Township Engineer does. He ~~noted~~ explained for the Township's capital projects, he has had a couple of significant successes in projects that are going on. He noted that he wanted to recap that at this time.

Mr. Fleming noted that HRG will be moving into the final design phase for the Winfield Street project which is one that HRG was successful in obtaining a disaster relief grant for the Township in the amount of \$1.4 million which will cover all of the project to include engineering, construction, and observation services. He noted that it saved the Township a lot of money to pay for a project that would have been very difficult to budget for. He noted that dove tailing with that project, he has started ~~working to work~~ on a design project for North Houcks Road from Route 22 to Devonshire ~~RoadRoad, which-Which~~ will include sidewalk improvements as well as some pavementing widening from the traffic signal on Route 22 through the intersection of ~~at~~ Devonshire Road. He noted that it is right next to the Winfield Street stormwater design project. He ~~noted explained that he anticipates that we are looking at~~ doing that project and getting that whole neighborhood completed next year.

Mr. Fleming noted in close proximity to the other projects is the Colonial Road signal timing review. He noted that he has been working with Public Works Department to reevaluate the signal timing on Colonial Road to make sure the traffic is moving efficiently from Route 22 to Linglestown Road. He noted that it will help traffic at all those intersections. He ~~noted~~ explained this year, we embarked on the 2014 Stormwater project and have tackled projects like Goose ~~V~~alley ~~Road-Road~~, Catherine Street, a culvert repair at Earl Drive, not the large one but a smaller one, and culvert replacements at Tee Road, Bradford Road, and Pearl Street which is a rehabilitation project, ~~and~~ the installation of new storm sewer on Marblehead Street, and the

Dowhower Road project at the entrance to Kohl Park which was very successful. He noted in addition to Winfield Street being funded by Community Development Block Grant ~~FDR grant~~ funds Dowhower was also funded by the Sewer Department's Community Environment Fund ~~EP fund~~. He noted if it is spent on Township projects, it is added through the Department of Environmental Protection, ~~therefore, DEP so~~ he was able to capture those funds that would otherwise go out of the Township ~~doing to a restoration and which moves~~ the stream away from the roadway ~~and that~~ should hopefully cut down on the repair and guiderail costs for the year. He noted that next year ~~we staff plans to do will do~~ a similar project working with Public Works Department again to include South Houcks Road working on a large culvert that runs from El Rodeo across Houcks Road ~~and to~~ the old township building property and Prince Street, ultimately discharging behind the homes in that area. He noted that he is waiting for utility coordination and ~~planning on building other items, that next year.~~

Mr. Fleming noted there is a project on the Parkway and also one at Sir Thomas Court ~~is that are~~ in the design phase at this time.

Mr. Fleming noted in addition to the capital projects for the Township, ~~we his staff~~ ~~has have~~ been assisting, for the first time, the Sewer Department and supplementing their inspectors for paving placement which eased the burden on GHD's staff. He noted that we have done a lot this year and are looking forward to doing even more next year. He noted that he would be happy to entertain any questions about those projects.

Mr. Fleming noted that the retainer agreement that you have before you has no proposed increase in the fee schedule. He noted this year ~~we he~~ offset a proposed fee schedule increase with the replacement deletion of the discount which was in the previous retainer agreement. He noted that it was a discount of 5% on capital projects over \$100,000.

Mr. Seeds noted instead of raising the fees, you eliminated the discount. He questioned what the discount saved last year was in a dollar figure. Mr. Fleming answered that it was around \$15,000 to \$20,000. He noted with many of the projects being tackled next year, ~~you the Township~~ should have a saving ~~next year~~ because funds will be coming from another source and ~~we it~~ won't have as large of a capital program expense on the Township side. He noted that this year we were working with funding ~~capital from a as a result of a~~ bond issue from the previous

year ~~and for what funds were working staff for the money~~ available. Mr. Seeds noted that we did close to \$500,000 worth of work this year. Mr. Fleming noted that the total includeding all the services.

Mr. Crissman noted with the Authority work, it is more like \$750,000.

Mr. Crissman questioned what the Township is going to get on Black Friday from HRG in the way of our best price. Mr. Fleming answered that the proposal before you is the best price. Mr. Crissman noted that the Board appreciates the fact that you are holding the line on the fee schedule but we have lost our bonus at the end. He noted that we would like that back.

Ms. Lindsey questioned what would have been the increase if you would not have increased the hourly rates ~~2% or 3%.~~ Mr. Mr. Fleming answered that typically it ~~runs is 5%~~ like %5 to 7% depending on what our expenses are projected for the year. He noted when he looked at what the proposed fee schedule would have been with the discount without any changes to the agreement and he evaluated ~~he-it, he~~ felt it was more beneficial to the Township to do away with the discount and hold the fee schedule for this year in lieu of holding the discount and increasing the rates. He noted that he could reinsert the discount but the fee schedule would have to be reconsidered. Mr. Crissman answered that is not what he ~~is-was~~ looking at as. ~~He noted that he~~ was looking for the same rates with the discount.

Mr. Robert Grubic ~~noted-stated that~~ first of all he would like to thank the Board for its business this year and ~~that-for the~~ many years in the past. He noted that ~~we-at~~ HRG ~~appreciate~~ appreciatess working with Lower Paxton Township. He noted that ~~we-HRG has~~ have been working for the Township since 1973 and ~~we~~ have a tremendous institutional knowledge of the Township. He noted that he has worked with a lot of great Boards in the past but the Board that you have now is super to work with. He ~~noted-explained~~ that we appreciate the fact that you want to get the best value for ~~the-our~~ services and he will do everything that he can to keep the costs within limits, within the limit of our contract. He noted if there is a concern regarding the discount, ~~let-he would-as~~ take the opportunity to look at it to see what ~~we-he~~ can do about it, but as in the past, ~~we-when we~~ have had these discussions before ~~and~~ he will continue to do everything he can to give you the Township a value-based services that a Township of the stature of Lower Paxton deserves.

Mr. Crissman noted that he appreciates the many years of dedicated service that your organization has provided, and ~~the your~~ staff who have grown with us and have matured ~~and~~ ~~have~~ done an excellent job. He noted anything you can do will be greatly appreciated especially ~~when since~~ we are family. Mr. Fleming noted that he appreciates that too, and he thanked the Board for their support and service. He noted that Mr. Fleming indicated that the projects that we have had the opportunity and pleasure to work ~~on~~ with you this year, in the past, and going forward, ~~he provides him gets~~ a lot of satisfaction, ~~not~~ only serving the Township and designing projects, but seeing them built and finished in the proper way so that the entire community can benefit.

Mr. Hornung noted that the area of contention with the Board concerns the fees for inspectors. He ~~questioned if Mr. Grubic could re~~ ~~noted that how you come back and wo~~ork the numbers, ~~if you could~~ ~~looking look~~ at the multiplier for the inspectors, even if they don't need CAD programs, or computers ~~and as~~ there is less demand on overhead for inspectors. He noted that the Township is getting inspectors at a much lower price from GHD and that comparison is what has caused a focus on the inspectors. He noted that you will be doing less inspections, as we use your firm as a float depending on ~~how how many~~ GDH's inspectors are available. He ~~noted explained that they work at that they are~~ a much lower rate, ~~and e.~~ ~~He noted if~~ ~~questioned if~~ ~~he could you can come back and give provide us~~ ~~with~~ your percentages on the projects that have been done in the past for engineering costs. He noted that he wants to see how good a deal the Township is getting. ~~He noted that is another way of looking at how good a deal we are getting.~~

Mr. Grubic noted that he would be happy to do that but he has two comments. He noted that in regard to inspections. He noted that the level of inspection necessary for any construction project is directly proportional to the quality of the contractor and the relationship between the contractor, ~~and~~ the Township, ~~and~~ the Engineer as the inspector. He noted that many times there are variations among inspection efforts based on the quality of the work that is going in the ground. He noted with respect to the percentage of construction, he would be happy to do that. He noted that it used to be there was a direct correlation between the percentage of construction costs and engineering fees; ~~however, -He noted~~ with the increase for permitting, timing and all the factors that he has as engineers, noting with municipal clients, many times the smaller the

project, the higher the percentage of engineering costs. ~~He noted noting~~ that there are fixed costs that are not related to the size of the ~~of the project, and that~~. ~~He noted that~~ he will take a look at those two items. He noted what he deals with is not a linear relationship. He noted that there is a certain cost to overseeing projects and ~~that all he needs to ensure that~~ the constituency that you serve gets the best value for the dollar.

Mr. Hornung noted that you live in the Township too. Mr. Grubic answered that he does ~~as~~. ~~He noted that~~ he has lived in the Township since 1977.

Mr. Hawk noted that he did not realize that the relationship went back that far. He noted that all the employees in the firm are quick in their responses to requests and it is greatly appreciated. He noted that they are always willing to go the extra mile. Mr. Grubic noted that is one of the core values at HRG, noting that he would put his staff up against any staff ~~and~~ his people are really dedicated ~~not only~~ to serving the clients ~~but to serve the clients through his organization as well~~. He ~~noted explained~~ that he serves over 60 municipalities and Authorities and he has seen a lot of variations in sizes of municipalities, how they are run, ~~and~~ the quality at Lower Paxton Township is right up there. He noted that you are the 17th largest municipality in the Commonwealth of Pennsylvania.

Mr. Seeds questioned if Mr. Grubic ~~will would~~ be coming back with something ~~and that could be will it be~~ on the agenda for next Tuesday. Mr. Wolfe noted that we can wait until the December 16th meeting. Mr. Grubic noted that he will be coming back with something else.

Mr. Fleming noted that he does not have the financial analysis that you asked for but a couple things in relationship to some of the projects that HRG's staff is working on noting that we are constantly analyzing our workload to ensure that we have enough staff to respond to the Township's needs. ~~understanding and understand~~ that a large municipality has a lot of unexpected needs; ~~however and~~ we maintain enough people on board so they are busy ~~but and can provideing~~ flexibility in ~~its their~~ schedule to respond quickly. He noted that ~~they HRG~~ employ ~~see~~ several ~~other townships~~ residents and some of those are our inspectors. He noted that several of our inspectors, particularly the ones that he has supplied to the Authority, are highly trained pavement inspectors. He noted that they work above and beyond a normal inspection ~~and~~ ~~he noted that they~~ are not the run-of-the-mill inspector. He noted that the equipment that we

provide for the inspectors such as a vehicle and other things, ~~it~~ is similar to what our office ~~guys~~ ~~staff has, have~~ in addition to the fact that some of the office ~~guys-staff~~ are trained to go out in the field to do inspections ~~and~~ that helps us to respond to unexpected needs. He noted that we have pulled from that resource a lot this year.

Mr. Fleming noted for Winfield Street and some of the other more complicated design projects that he has worked on, there is a greater level of effort than just going out and designing a culvert. He noted on Winfield Street, the original construction estimate for the grant application was \$1.4 million and he worked with staff to reevaluate the design a couple times and ~~he~~ was able to cut ~~back-the~~ construction costs considerably. He noted, until we bid the project, we won't know what it will be but he expects to save ~~several several~~ hundred thousand dollars in construction costs by readjusting expectations and paring down the scope and working with the design to make sure that we are working with all the tools that are available. He noted that there is a higher effort in the design but you are realizing a savings in construction that ~~is~~ far greater. He noted that he will put that report together and when he does he will ~~be-bringing~~ back some of those comments again as to why some percentages may be a little higher on projects.

Mr. Hornung noted that you should note where you have been able to obtain savings due to your expertise. He noted that we need to know how good a deal we are getting. He stated that ~~the was~~ ~~he was~~ not sure if Mr. Fleming has shared these items in the past ~~and-although~~ he is not one to ~~toot~~ ~~your-his own~~ horn, but maybe we need a little more of that.

Mr. Grubic noted that one of his hobbies is running and he runs every morning. He ~~noted~~ ~~explained~~ that a couple of the areas that he runs through are projects that are under construction for the replacement of sanitary sewer lines and he has seen some things over the years that he didn't care for when he was running so when he gets to the office he immediately tells ~~Steve-Mr.~~ ~~Fleming~~ to make sure the correction is made.

Review of the 3rd Quarter 2014 Key Indicator Report

Mr. Wolfe noted that he will ~~run through this providing~~ ~~provide~~ a picture of where ~~we-we~~ ~~currently~~ stand ~~know~~ before moving to the next agenda item which is the summary of the 2015 proposed budgets. He noted that the Key Indicator Report (KIR) starts with the summary of the

Township financial budgets ~~at from~~ the beginning of the 2014 fiscal year. He noted that he is not going to concentrate on that since the 2014 budget documents are not important at this point in time. He ~~E~~ noted what is important is the year end 2014 ~~and and the~~ 2015 budget. He ~~noted~~ ~~explained that the report that he~~ goes through a historical analysis of the Township ~~and explained that the Township in the next section of the KIR; tha was we were~~ adversely effected by the great national ~~recession recession that started starting~~ to hit the Township in late 2007 and early 2008. He noted that the Board did significant cost cutting to adjust to a reduced revenue stream and ~~we it~~ started to come out of the recession partially in 2012 and 2013. He noted in those two years the Township ended the fiscal year with fund balances because ~~we it continued have continued~~ the belt-tightening philosophy. He noted that the prior years in the recession ~~we~~ had negative numbers ending the year in the red, drawing down the fund balance to survive those years. He noted that we did not undertake any significant new capital projects during the recession period although we did complete projects that were in the pipeline. He noted that the capital spent ~~d~~ in those years was anywhere between \$1 and \$2 million which is about half of what we are proposing for 2015, which is over \$4 million.

Mr. Wolfe noted that the Board has a fund balance policy ~~is that that~~ 25% of annual expenditures are maintained on account during the course of the fiscal year ~~and with the required the fund balance policy would for require in~~ 2014 ~~for the Township~~ to have a little less than \$5 million on account. He noted at the beginning of ~~this 2014 year~~, the fund balance was \$7.2 million and now it is at \$7.1 million. He noted that ~~we the Township is are~~ within ~~out its~~ fund balance guidelines as established by the Board of Supervisors.

Mr. Wolfe noted ~~that at the end of the 3rd Quarter, the General Fund at the end of the 3rd Quarter had , we have~~ a small net gain of \$82,353 on approximately \$13.1 million worth of revenues and expenditures. He noted if you look at the percentages for revenues and expenditures for major budget items, they are all in line with where ~~we it~~ should be at this point in time. He noted that there is nothing that is significantly out of whack.

Mr. Wolfe noted ~~that for the~~ General ~~F~~fund revenues, the Sanitary Sewer and Friendship Center reimbursements which were posted in the 3rd Quarter last year ~~but~~ won't be posted until the 4th Quarter for 2014. He noted that they are in the neighborhood of \$1.5 million in

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reimbursements. He noted when you adjust ~~for that not being~~ the timing for the revenues, they ~~in the same quarter you get the revenues are~~ about 1% higher than they were in 2013 at this time. He noted that revenue growth has not occurred in Lower Paxton Township to any significant degree but it is in a positive direction, noting in the recession years we had negative revenue growth.

Mr. Wolfe noted that Real Estate taxes ~~are where they should~~ and Earned Income taxes (EIT) ~~are where they be with EIT is also about where it~~ should be and so are the Local Service tax (LST) ~~St-tax~~. He noted that there is nothing unusual or concerning for any one of the revenue items. He noted that General Fund Expenditures at the end of the 3rd Quarter are 9% higher than last year but ~~we the Township was were~~ still running a fund surplus at ~~this that~~ time and it does not take ~~into account the change the~~ timing for reimbursements. He noted in 2013, at the end of the 3rd Quarter, we had a surplus of \$2,468,031; ~~however, but~~ when you make the adjustments for reimbursements and book it properly we would have a \$1 million surplus which would get us through the end of the year ~~and maintaining~~ a balanced d budget.

Mr. Wolfe ~~noted that he~~ listed some expense items that occurred throughout the year in the report but nothing that would be exceptionally noteworthy to effect our budget. He noted if you look at the chart on page nine, for General Fund F revenues and expenses, he noted the net for 2013 was \$2,468,031 and for 2014 it is \$82,353 but you have to add \$1.5 million to the 2014 amount to properly compare d it.

Mr. Seeds noted on page three it mentioned that EIT fell 13% in 2008 and 2009 and another 9% in 2009 and 2010. He questioned if that was an additional 9%. Mr. Wolfe answered yes. Mr. Wolfe noted that the EIT numbers were all over the place before we went to the County-wide Tax Collection System. He noted that the number that we had going into the recession was over-inflated, ~~and, He noted that~~ we have never had a good number for EIT.

Mr. Seeds noted ~~that the revenues for the Authority is only for revenues was only~~ 11%. Mr. Wolfe answered that is correct as we have not received the reimbursement from the Authority yet. Mr. Wolfe suggested that it is \$1.2 million from the Authority and another \$ 250,000 from the Friendship Center. He noted that these payments were made in October and

total~~ed~~ \$1.5 million that ~~will show in the 4th quarter numbers~~~~should be in that number and it wasn't.~~

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Mr. Seeds noted that the ~~Information Technology~~~~T~~ expenses were up \$132,166. Mr. Wolfe ~~noted~~~~explained~~ that a large part of that was the conversion from Windows XP software to the Windows 7. He noted that we had to replace 65 desktop units, ~~and~~. ~~He noted that~~ there was also a file server issue, noting that a good portion of it is the hardware and software costs. Mr. Seeds noted that we would continue the contract and questioned Mr. Wolfe if he had a proposal for hiring. Mr. Wolfe ~~noted~~~~answered~~, not for in-house at this time. Mr. Seeds questioned if that will level out. Mr. Wolfe answered that it will, although the ~~S~~~~Strategic Plan~~~~P~~ discussions ~~included~~ ~~there continues to be~~ a need for investment in ~~Information Technology for T~~ in our operations. He noted in this room ~~alone~~, the sound system ~~was~~ ~~and camera system were~~ brought ~~up~~ from the old building and they ~~are old technology~~ ~~camera system as are old technology~~. He noted that we took a big step this year in upgrading essential ~~Information Technology~~, ~~IT~~ but we are still not there.

Mr. Seeds questioned if we have enough in the budget to cover this. Mr. Wolfe answered as part of the ~~Strategic Plan~~~~P~~, spending ~~the~~ funds over the next five years, we will have enough. He noted that we will be taking bites at the apple.

~~Mr~~~~R~~. Wolfe noted that the State Aid fund is the money you get from the Commonwealth of ~~Pennsylvania~~~~A~~ to maintain roads with revenues of \$1,126,870 and expenditures of \$874,482. He noted that the funds would be depleted as we complete the road paving projects and stock~~ing~~ up on materials for winter maintenance.

Mr. Wolfe noted that the ~~Fire Equipment Capital Plan~~~~FECF~~ began the year with \$979,360, ~~with a 2014~~ ~~and you have~~ deposit ~~of~~ \$204,421 ~~and providing a total fund of the total now is~~ \$1,183,781. He noted that it is a sizeable amount until you take into account ~~that~~ the equipment that the firemen are talking about ~~purchasing that is~~ ~~are~~ between ~~\$500,000 and \$500,000 and over~~ \$1 million ~~plus for each apparatus on total costs~~. He noted if we are looking at three of those, we will double the expenditures ~~in the RECF~~ for the plan.

Ms. Lindsey question with the apparatus that the fire chiefs were talking about, is it a fire and safety hazard to our residents. Mr. Wolfe answered that we would not be operating

equipment that would be a safety hazard and ~~it is not an issue not~~ to his knowledge. Ms. Lindsey noted that the equipment is old and they need to put more money into it. ~~He~~ Mr. Wolfe noted that it is like a car, when you get a car that is old, at year 7 or 8 you start to put more money into it then you did in years, 1, 2, and 3. He noted that the question is when you turn it over, noting that the plan is based upon 18 years for turnover. He noted that depending upon use, ~~that number-the generic number~~ may or may not be a good number.

Mr. Wolfe noted that the Le-ngth of Service Awards Program (LOSAP)-number, the awards program for volunteer fire fighters and police officers at the end of the quarter had a balance of a little less than \$444,199. He noted that the funds are invested like pension funds and it has done very well this year. He noted that we currently have 11 firefighters and fire police officers receiving a monthly benefit. He noted that the maximum benefit is \$250 per month. He noted that most of the beneficiaries are at the maximum level. Mr. Seeds noted that some of them are still out there making calls.

Mr. Wolfe noted that the General Improvement Fund is the capital project fund. He noted that the fund began with a balance of \$2,741,785, made up of bond funds on account from the 2013 bond issue. He noted that ~~you-the Board~~ issued bonds in 2014 to cover storm sewer work and also the expansion of the Township's Public Works building. He noted that expenditures are in the amount of \$344,284 providing a fund balance of \$9,585,031. He noted that \$4 million has been programed for the Public Works Facility and the ~~rest remained of it~~ has been programed for storm sewer work to be completed over the next three years. He ~~noted that he~~ listed the expenses to date, noting that there will be significant expenses booked in the final quarter as major construction activities ramp down for the end of the year. He noted that most expenditures for this fund are made in the second half of the year ~~in-during~~ the construction season.

Ms. Lindsey questioned what ~~is the Village of Linglestown expense~~ the Village of Linglestown expense is. Mr. Wolfe suggested that it could be for repair of lights and signs and mulch for the roundabout. Mr. Seeds noted that we would be paying ~~that~~ for any damaged signs in the Township. Mr. Wolfe noted that both flag lights were damaged in the roundabout.

Ms. Lindsey questioned what the Friendship Center bond improvements were. Mr. Wolfe answered that it was for the replacement of the HVAC units. He noted that they ~~are done~~

~~and~~ were partially supported by a Dauphin County Local Share Grant ~~which~~ and the reimbursement has been recently submitted-we are submitting at this time.

Mr. Seeds questioned what the \$15,000 road improvement project was for. Mr. Wolfe ~~noted-answered~~ that nothing was spent from that fund. Mr. Seeds questioned why it would be singled out. Mr. Wolfe explained that ~~we-staff carries~~ that fund ied that out for many years to cover any in case of an-emergency repairs-is needed.

Mr. Wolfe noted for the Friendship Center, the revenues and expenditures are both down from this time last year but the good news is the net difference is actually half of what it was last year. He noted at this time last year we were carrying a deficit of \$62,000 but this year we are carrying a fund deficit of \$38,000 and it is hoped that ~~we will make~~ the deficit will decrease-that up as we go through the remainder of the year. He noted that it will be close ~~to~~ when trying to determine-determine if the Friendship Center is operating at the end of the year in the red or black. He noted that there are no significant items that ~~you-the Board has have~~ not already ~~heard~~ discussed. He noted that the -although the health care memberships are funded through an insurance program and the revenues are adversely effected. He noted that it is not a usage issue, it is source of revenue issue that we have discussed in the past. He noted that the ~~F~~ Friendship Center Operating Board is working on its Capital Plan and have met with the Board once in regards to that. He noted that it hasn't gotten any worse but it is still pretty much unchanged.

Mr. Wolfe noted that he did not include the Township Authority given that Mr. Weaver provided that information to you at the Authority Budget meeting. He ~~noted-provided the~~ information for that the ~~Board has acted upon that but he has provided the~~ pension funds and the year-to-date investment returns. He noted that the police pension plan as of the 3rd Quarter has earned 5.2% and the Non-Uniformed Plan had a return of 4.9%. He noted that concludes his discussion on the 3rd Quarter Key Indicator Report.

Final review of the 2015 Budget

Mr. Wolfe noted that he has a power point presentation for where we stand currently for the proposed 2015 budget. He noted that changes can be made up to the point of adoption ~~on~~ during December ~~the December~~ 16th meeting.

Mr. Wolfe noted that Township is a Second Class Township, it has ~~with~~ five supervisors with a ~~having a~~ population of over 47,000 in 28 square mile areas. He noted that the Township owns 200 miles of road, 275 miles of sanitary sewer, and 320 acres of parkland. He noted that the Township employees 140 full-time employees and 400 part-time ~~and or~~ seasonal workers.

Mr. Wolfe noted that we provide basic services such as police, fire, ~~e~~Emergency medial services and eMS and Em emergency ~~p~~Preparedness. He noted that Public Works deals with road, storm sewers, municipal properties and the compost facility. He ~~noted explained~~ that ~~it~~ staff provides for sanitary sewer service, ~~and~~ the parks and recreation and Friendship Center ~~are~~ overseen by staff. He noted that staff is involved with cCommunity dDevelopment, sSanitation, ~~and h~~Health ~~and with a~~ Administration covering the f ~~the~~ Finance and pPersonnel issues.

Mr. Wolfe noted that the 2015 Municipal Budgets for the General Fund ~~is are~~ balanced ~~s~~ at \$20,985,300; Liquid Fuels is \$1,233,749; Expenditures for the General Improvement Fund, \$4,042,500; Revenues for the Fire Equipment Capital Fund, \$204,300 with no expenditures proposed at this time; LOSAP revenues of \$80,520 and expenditures of \$30,000; Friendship Center Operating Fund revenues of \$2,191,893 against expenditures of \$2,191,855; Lower Paxton Township Authority revenues of \$14,403,451 against expenditures of \$13,930,621; and Authority Capital Fund with \$11,104,000 in expenditures. He noted that the proposed 2015 spending plan is \$53.5 million not including pension funds.

Mr. Wolfe noted that the General Fund operates on a calendar year basis and is balanced at \$20,985,300. He ~~noted explained~~ that it is the primary source of revenue for the General Improvement Fund, the Fire Equipment Capital Fund, the Police Pension Fund, and the Non-Uniformed Employee Pension Fund. He noted to catch up with municipal needs, the Board is planning to increase revenues in 2015, which can only be accomplished by raising the R ~~real~~ Estate tax rate by .4 mills.

Mr. Wolfe noted in 2015 the new spending will include: 1) equipping the Police Department with a K-9, an additional officer and vehicle; 2) hire two police officers noting in

2007, we had 62 ~~officer and~~, currently we have 54; 3) expand the Public Works maintenance garage noting that \$4 million in bonds was issued in 2014 to fund this project; 4) repair and replace failing storm sewers. The Annual stormwater spending is estimated at \$1.2 million per year for the next three years; 5) hire ~~a~~ technician to assist with stormwater management; 6) hire an additional laborer in the Public Works as the Department has 30 employees and this has not changed in many years; 7) upgrade parks to include mandatory ADA improvements; 8) Implement Phase I of the Wolfersberger Park; and 9) expand the capacity of the Compost Facility through the purchase of a screener and windrow turner. He noted that the .4 mills increase is to undergo new projects as deemed necessary by the Board of Supervisors through the ~~S~~Strategic Planning process.

Mr. Wolfe noted that the State Aid Fund for 2015 is budgeted and balance with revenues and expenditures of \$1,233,749 for road maintenance and repairs. He noted that the ~~Fire Equipment Capital Plan ECF~~ will receive another \$204,300 taking the fund balance which is ~~currently~~ \$1,185,000 to approximately \$1,400,000. He noted that the LOSAP will have a Township contribution of \$80,520 noting a fund balance of \$440,000 at the beginning of the year expecting to pay out \$30,000. He noted that the General Improvement Fund will undertake capital projects, primarily stormwater at \$4,042,500. He noted that the ~~Friendship Center~~ budget has revenues in the amount of \$2,191,893 against expenditures of \$2,191,855. He noted that the Capital Fund for the ~~Friendship Center~~ is expected to have a zero balance on January 1, 2015; however the ongoing capital improvements are being funded by bond funds. He suggested that there is approximately \$700,000 in bond proceeds remaining from the 2013 bond issue. He noted that the Authority Operating and Capital budgets have been adopted by the Authority with revenues of over \$14.1 million and expenditures of \$14 million in general operations with ongoing capital projects of about \$11 million expecting to have funds on hand of \$24.5 million at the beginning of the year.

Mr. Wolfe noted that the fund balance policy for a \$2.1 million General Fund would require a fund balance of 25% of \$5,246,325. He noted that the fund balance at the end of 2014 will be \$6.9 million, ~~exceeding the~~ ~~He noted that you will exceed your~~ fund balance threshold by \$1,653,675.

Mr. Wolfe noted that for 2015, the largest source of revenue is the EIT expected to be \$7.2 million. He noted that the Real Estate tax is \$5.1 million and LST is \$1,050,000. He noted that the Township levies no other taxes that are paid by residents on an annual basis. He noted that the only tax that the Township can change is the Real Estate tax as the other taxes are fixed by State Law. He noted that the Township's Real Estate Tax rate will increase to 1.7 mills that will generate \$5,075,770 providing only 24% of the General Fund. He noted that 19% of the Real Estate Tax, nearly \$1 million funds volunteer fire services. He noted that only \$4 million in Real Estate Tax is available for municipal operations in 2015.

Mr. Wolfe noted in regards to Dauphin County Real Estate Millage rates, the average is 2.508 mills noting that two township have no real estate taxes and 4 with have millage rates above 10 mills. He noted that the Township's rate is currently 1.300 mills in 2014 and is proposed to be 1.700 mills in 2015. He noted that the Real Estate Tax for a house with an assessed value of \$200,000 is \$340. He noted that 1.337 mills for general funds is \$267.40; .322 mills for fire protection at \$64.40 and library service is .041 mills is \$8.20. He suggested that it is an increase of \$60 from the 2014 rate. He noted that in Lower Paxton Township, property owners paid Real Estate taxes at the rate of 23.1268 mills; to CDS at 14.6008 mills; Dauphin County at 7.226 mills; and LPT at 1.3 mills. He noted that the Board will have until December 16th to continue discussions on this budget.

Mr. Wolfe noted that the Township's total spending plan is over \$53 million and it is not a small operation. He noted that we provide basic governmental services but we do provide many of them.

Ms. Lindsey questioned if Mr. Wolfe had received any phone calls as a result of the Board members article in the Township Newsletter. Mr. Wolfe answered no. Mr. Hornung questioned if any Board members have received any comments. Mr. Crissman answered no. Mr. Hornung noted that he had two people come into his business and commenting that they really liked the information up front as it was informative and understandable, and that they understood it as well. Ms. Lindsey noted that having the residents know what their money is going for helps to explain what the Board is doing.

Mr. Crissman noted that the silence means that people read the article and understand it. He noted if that was not the case we would get more negative comments. Mr. Hornung noted that the only negative comment that he received ~~that was~~ they didn't know what the .4 mills represents in dollars. He suggested that it represents about \$80 a year on average or a little under \$7 per month ~~of an for the~~ increase for a home assessed at \$200,000. Mr. Seeds noted that Mr. Wolfe stated that it was roughly \$60 increase. Mr. Hornung noted that you stated in your presentation that .41 mills equaled \$8.20 for a year. ~~Mr. Wolfe noted at 1.3 mills we are \$188, 630 and 820 and we were currently in the budget presentation...~~ ~~Mr. Hornung~~He suggested that it is \$20 per a tenth of a mill so if it goes up four tenth's it should be around \$80 per year. Mr. Wolfe noted that he stands corrected as it would be \$80.

Review of municipal fees and charges for services

Mr. Wolfe noted that the list does not cover all the municipal fees and charges but a significant portion. He noted that other than the ones that have been proposed in the budget for increases he is not recommending that the Board do anything with this but he wanted ~~you the~~ Board to see it as you have not looked at it since 2010. He noted that most of the fees that have been set in this document were set in 2010 and took effect four years ago. He noted that the fees that are scheduled to change next year are the leaf waste ~~r~~ permit fees which are budgeted to increase for the residential permit from \$35 to \$40 and a commercial permit will ~~go~~ increase from \$500 to \$550 ~~and with~~ a day pass increasing from \$10 to \$12 and a commercial day pay increasing from \$50 to \$60. Ms. Lindsey questioned the reason for the increase. Mr. Wolfe answered that the Board previously increased that fee every two years to do its best to offset the operating costs, trying to keep the Compost Facility closer to a bottom line for net neutrality. He noted that you don't have to increase the fees but that is ~~what they y they ww~~ere proposed for in 2015. He noted that residents have the opportunity to dispose of their leaf waste curbside at no cost.

Mr. Wolfe noted that there are no changes proposed to the zoning, conditional use, escrow, and variance fees. He noted that the proposed fees on the list for January 2011 are the

current fees in effect noting what they were in 2009 before they were increased. He noted that he is not proposing to increase them from the 2011 amount but he wanted that Board to see where we are at this time. Mr. Hornung noted that we made the increase in 2011 as the Board had gone many years without an increase but he ~~does-did~~ not know if that is totally fair noting that he would like to see an increase of 5% or 3% but it might provide a fee of \$473 dollars and he would prefer to round off the numbers for a fee. He noted that rather than wait five or six years to increase the fees, he would prefer to do it incrementally. Mr. Seeds noted that most of the fees were increased in 2010. Mr. Wolfe noted that they took effect in 2011.

Mr. Seeds noted if we did an increase by a percentage it would provide for an odd figure. Mr. Hornung questioned how that would affect the operations using an odd figure. Mr. Wolfe noted that it becomes very difficult noting that customers what-want to know how much a variance or conditional use would cost. He noted if they are all odd numbers ~~it would be very difficult and~~ it would be better to round the number for fees. He noted if you have a special exemption fee of \$300 and it went to \$325 that would be fine but if it was increased to \$319.50 that would be an issue. Mr. Hornung noted that 5% of \$300 is \$15 and he questioned if you could make it \$315. Mr. Wolfe noted for many of these fees, we must have a legal justification for the cost of services which we can compute but if the Board is amenable to a 5% increase in all of these he can provide a new schedule. Mr. Crissman noted that you could put a percentage in but also a clause for rounding so it does not provide for an odd number.

Ms. Lindsey questioned if the Township's fees are low compared to other municipalities. Mr. Wolfe answered when they were checked in 2011, they were representative. He noted that you will find ~~the-fees~~ all over the place, noting that the recreation fee ~~-in- lieu~~ noting that it could be half the price or five times the amount in other municipalities. Mr. Crissman ~~noted-suggested~~ that we that you could increase fees using the cost of living index and round ~~it~~ the number.

Mr. Hornung questioned Mr. Stine if we could use the cost of living index to raise fees, rather than do a re-evaluation to justify it. Mr. Stine answered in regard to fees, especially for building permits and so forth it is supposed to be a net wash and not a profit center for the Community Development Department. He noted that it should be what it costs to process the permit and that is pretty much true for most fees. He noted that the ~~M~~Municipalities Planning

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~~Code state that PC based~~ fees are ~~there~~ to reimburse a municipality for costs, for instance when an engineer does a review, we don't get their fee plus something, it is whatever their fee is. He noted that you will find that a lot in other areas as well. He noted that you could do that cost of living but it is not necessarily representative of whether you are actually making money or just paying for your costs. Mr. Hornung ~~noted-questioned, that~~ assuming there have been some increase in wages, even if you assume 1% over the last few years it would be around 3% or 4%, can we apply that without too much difficulty. Mr. Stine answered probably, but depending on what year it is, you actually started making money and you would further that.

Ms. Lindsey noted that the rates were raised three years ago, but prior to that when were the rates raised. Mr. Wolfe answered that some had been more than ten years.

Mr. Hornung questioned what the Board thinks. Mr. Seeds suggested that we should raise the rates in 2016 providing staff time to look at what the actual costs are and maybe increasing the fees by 5% as costs have gone up. Mr. Hornung agreed that costs have increased. Mr. Hawk also agreed that we should look at it next year.

Mr. Crissman noted that Mr. Stine mentioned about making a profit, but would someone slap our fingers if ~~a fee~~ happened to be over because the cost of living rate is higher. Mr. Stine answered no one has done that yet. Mr. Crissman noted that he likes the concept of increasing by the cost of living as it just slides in and we don't have to revisit it every four or five years. Mr. Stine noted that it would only come up if someone challenged the fee schedule and typically it would only come up if they were thought to be way out of hand. Mr. Crissman noted that he would be incline to support a percentage increase or cost of living increase. Ms. Lindsey noted that she agrees as long as Mr. Stine says we ~~are~~ working with the limits. Mr. Crissman noted that nothing will happen unless someone challenges the rates. Mr. Hawk noted that he is concerned that we say it is only, it is only, but, you can it is only into bankruptcy. Mr. Hornung noted that his issue is that we are heading for the same thing that we did before in that we waited five to ten year to increase the fees and when we did it we ~~did-completed~~ a valuation of other townships, looking at their costs and ended up raising the fees considerably, with some ~~being-having~~ a 50% increase and he does not want to put the Board back into that situation so ~~if-we needwe don't to~~ do some intermediately type of adjustments. He noted that it was 2010 since we last adjusted the

fees and ~~we are going~~we are now ~~into~~ five years without adjustments. He noted using a 2% per year increase, it would be a 10% increase to catch up. He noted ~~that~~ at some point we need to make an adjustment but we don't need to do it by a percentage, rather it could be increased by \$10 or \$20 ~~increase~~. He noted that he would hate to keep waiting. Mr. Crissman noted if you wait five years and ~~then~~ increase the rates, ~~and then~~ everyone ~~is~~ complaining ~~to about the~~ the high increase, but a little bit here, everyone understands that. Mr. Hornung noted especially if it follows somewhat of an inflation factor. He noted if we raised the fees 20% someone will come in to complain, but even then if you raise it 25%, you could be judged d as neglectful in the previous year ~~in~~ by not raising the fees. He noted that he is in business and if we are going to be raising taxes on the homeowner, should we not also have some tax increase on the business side of the equation for people who want to come in and do business with the Township. Mr. Hawk noted that a little bit would be fine. Mr. Crissman ~~noted~~ suggested that it would be in fairness to all. Mr. Hornung noted for one rate in the last increase we went up 20% from \$250 to \$300. He suggested that the Board does not want to put itself into that kind of situation again and that is why ~~maybe~~ we should just raise the rate \$20 depending on the percentage. Mr. Wolfe answered that he was thinking roughly 5% and rounding it. ~~He noted that~~ ~~and~~ he will bring a new fee schedule ~~it back~~ to the Board for the December workshop. Mr. Hawk noted that he does not want the increase to become a penalty for people.

Presentation of the 2015 Compensation Program for Administrative Employees

Mr. Wolfe noted that this is another budget item that we typically look at this time of the year. He noted that he has a short report that he is required to present each year. He noted explained that the first few pages are boilerplate detailing the purpose of the plan, how it was prepared and what he is supposed to do. He noted ~~on page two~~ that he is required to conduct an ~~the~~ employment market survey every year, taking, ~~he is required to take a s a~~ survey of comparable municipalities for administrative increases over the past year. He noted in addition, ~~he must~~ ~~and he is required to~~ determine the cost of living, CPI for the northeast urban areas and merge the two into a blended average that turned out to be 2.14%. He noted that the plan then provides that the 2.14% is applied to the minimum, midpoint, and maximum for each grade of

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employees and ~~that the salary structure chart should be~~ chart is a salary structure which he has amended in accordance with the provisions of the plan.

Mr. Wolfe noted after the employment market survey, he provides a history of the Township's compensation to its administrative employees over the past five years, noting rates of increase or when there was no increase, and other factors that affect the compensation such as institution of contributions to employee medical benefits and the increase in contributions to employee pension benefits.

Mr. Wolfe noted that ~~we have~~ the position assignments are listed by grade and he is recommending some minor changes to this based upon the way ~~we~~ he has classify current positions today. He noted that we are not actually effecting the location of anyone who is in the salary structure but we are better defining the position that we currently have by their current description. He noted that the salary structure has been increased by 2.14% which is the blended average between the survey of comparable Pennsylvania municipalities and the CPI. He noted that his recommendation to the Board is a rate of increase for administrative employees for 2015 is 2% in base salary. He noted ~~that he also explained in paragraph he notes~~ what the compensation plan reflects in regard to that of employees who are undercompensated. He noted that the vast majority of employees covered by this plan are believed to be under compensated.

Mr. Wolfe noted that the Township has 26 employees covered by this plan and the goal ~~of the Township~~ is to pay their employees who are fully satisfactory and mature in their position at midpoint plus or minus 10%. He noted if the Board approves the 2% increase that he has recommended ~~by paragraph three above~~, five employees will be compensation at midpoint or above with 21 employees are being compensated below midpoint. He noted that nine of those employees will be compensated between 0% and 10% below midpoint. He noted by the plan that would be acceptable.

Mr. Seeds questioned what midpoint means, noting that it is the middle of the pay rate range. He noted that paragraph 4-e states that anyone who is 10% over midpoint the raise would be reduced by 1.5%. Mr. Wolfe noted that would ~~cause provide~~ for the employee to fall back to the plus or minus 10% of the midpoint. Mr. Seeds questioned how an employee gets from the midpoint to the top. Mr. Wolfe answered that you don't ~~get that~~. He noted that the plan has been

in place for a long time, since 1992. He noted that the policy is not to pay people at the top, he noted that it is a theoretical amount. He noted that the policy is to pay people at plus or minus 10% of the midpoint. Mr. Seeds noted if someone ~~when they start working~~ tomorrow, in 20 years or so they should not be at the top. Mr. Wolfe noted that is correct, but they could be and there would ~~be not nothing be anything~~ wrong with ~~the~~ that as there could be reasons ~~for that~~ that the Board may authorize, but if they are at the top, their rate of compensation increase would reduce over time. Mr. Seeds noted in regards to the 2%, if they are 10% over midpoint, they would only get a .5% increase. Mr. Wolfe noted that there is only one employee who is 11% over and they would only get a .5% increase. Mr. Seeds noted if they would go to 15% over they would be subject to review. Mr. Wolfe noted that ~~if it is if they are~~ 10% over midpoint, there may be one who is 11%, the other four that he was referencing are under 10% over.

Mr. Seeds noted over the last few years we have been trying to raise the salaries for those who were below the minimum so now we have four that are below the minimum. Mr. Wolfe answered yes. Mr. Seeds questioned if there is anything we can do for them. Mr. Wolfe noted that you have injustice all over when it comes to this plan for the employees. He recommended at the end of his memo is to do what we did last year. ~~He, is as a result of the above, he~~ recommend that the Board authorize an additional half percent for employees whose compensation is greater than ten percent but less than 15% under midpoint and he also recommended that the Board authorize an additional 1% for employees whose compensation is greater than 15% under midpoint. Mr. Seeds noted if they are 20% ~~%, would it be~~ an additional 2%. Mr. Wolfe noted ~~that~~ if you look to number four, the text that is not bold, lists from A to F, which is verbatim from the plan. He ~~noted that he~~ recommended a modification to that which the Board implemented last year and that is the bold italicized language on the top of the next page which is less than what the plan would provide.

Mr. Seeds noted that eventually everyone will be at least within the scale noting that prior to this year we had more below the scale but now we only have four.

Mr. Wolfe noted that part of the issue when it comes to the four that are below, noting that it is very difficult because as we talked in the past, ~~as they are~~ Friendship Center facility managers and those positions turn over. He noted that the highest facility manager is now above

minimum but we have three facility managers that are relatively new hires. He noted ~~when that we filled the position and have you fill a position, three~~ facility managers ~~at minimum when we have three people~~ who are below minimum, ~~so we don't~~.

Mr. Crissman noted that is why we have to get them to ~~o~~ minimum so everyone is on the schedule.

Mr. Wolfe noted that it is a complicated plan, one that has been in effect for a long time, one that was implemented and not in verbatim but in principal at least the last several years. He ~~e~~ noted that he is looking for direction tonight as he would like to put it on the agenda in December for action.

Ms. Lindsey questioned if it was hard to keep track of that. Mr. Wolfe answered that it is not as hard as it looks, harder to keep track of the plan and explain it.

Mr. Crissman noted that he will make a recommendation that after January he would like ~~to sit down to assist in revamping and revamp~~ the entire Administrative Compensation Plan. Ms. Lindsey questioned if it would be different from what is proposed tonight. Mr. Crissman noted that since we are too far into the budget process ~~that we have to~~ we need to continue this for the end of the year. do what we need to do for this year. He noted ~~that~~ the entire concept that the goal has been to compensate employees on an average at midpoint, within 10% plus or minus, that is a real fallacy in terms of trying to do Administrative Employees. He noted that you pay employees ~~where for the you pay the~~ position, identify what it is worth and establish a salary range. He noted that everyone moves within the salary range but he objects to the second bullet that says that everyone is to be compensation to get to the midpoint when he does not believe that is accurate. He noted what happens when people are hired and they are paid ~~for at~~ the starting salary for the position and move ~~into up~~ based on their years of service and based on the amount that is granted to them and then you have an added piece if you want to do a bonus based on merit. He noted that some of those components are missing and this is a very cumbersome process. He noted that it can be simplified.

Mr. Crissman noted that Mr. Wolfe has tried to do that in past years but you can't have people below the minimum for the beginning salary range and then try to hire new people as it ~~exasperates aspoirates abhoriate~~ the entire system by keeping people under the salary range.

Mr. Wolfe noted that ~~one way to address this, noting that~~ the position for facility manager at the Friendship Center ~~is one that is od very d. He noted that it is~~ difficult to properly structure ~~beeuaes~~because there are very few comparable positions out there in government work in Central Pennsylvania~~A~~. He noted that we have hired three people in the last 18 months, all willing to accept a rate below the minimum, maybe we should look at a complete reanalysis of it as part of the revamp of the system. Mr. Crissman noted if we revamp the entire system, then we won't have a different beginning salary and a different pay range. He noted that the entire system should be revamped in order to do that. He noted that is something that we really need to do in January or February ~~of or Feb or~~ next year. He noted at that point in time he would have the time to volunteer at no extra expense as it is an area of expertise that he has.

Mr. Wolfe noted if that is acceptable to begin a complete plan review in January and put the current report on for adoption by the Board on the December 2nd meeting, that is his recommendation at this time. Mr. Hawk noted that the Board is in agreement.

"Otta Know" Presentation: Capital Area Regional Council of Governments transmittal of a Cumberland County Commissioners Resolution regarding the stormwater regulations

Mr. Wolfe noted that the Cumberland County Commissioners have adopted a resolution and transmitted to the Capital Region Council of Governments (COG) and they are urging their member municipalities to consider adopting a similar resolution. He noted that it is in regard to stormwater management regulations and the Chesapeake Bay. He noted that ~~the~~ Cumberland County is requested that we ~~urges~~ the federal and state governments to fully fund all federal and state regulatory mandates as they relate to the Chesapeake Bay. He noted that Cumberland County requests that the federal and state governments make informative regulatory decisions based upon scientific evidence and following cost benefit analysis. He noted that they request the federal and state government to provide financial assistance to support non-mandatory locally-initiative projects, and locally ~~imitative~~imitative collaborative projects, to keep our county's

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rivers and streams clean and that the signed resolution be forwarded to the Governor of Pennsylvania and ~~Cumberland~~ Dauphin County's state legislative and congressional delegations.

Mr. Wolfe noted that the COG is asking its members to adopt a similar resolution and he questioned if the Board wants to do this.

Mr. Seeds noted that he and Ms. Lindsey were at the COG meeting last week and Jim Hertzler, who is a Cumberland County Commissioner, ~~comes~~ came to that meeting and recommended this to the members. Mr. Seeds noted ~~He noted~~ that it was the consensus of the membership to adopt this resolution and send it along. Mr. Hawk agreed that the Board should do the same.

Improvement Guarantees

Mr. Hawk noted that there are four improvement guarantees.

Charleston Riding

An extension in a letter of credit with Susquehanna Bank in the amount of \$137,835.00 with an expiration date of November 25, 2014.

Kendale Oaks, Phase IV

A change in a letter of credit from M&T Bank to Integrity Bank in the amount of \$1,198,986.00 with an expiration date of November 25, 2014.

Amber Fields, Phase I

An extension in an escrow with Lower Paxton Township in the amount of \$8,144.36 with an expiration date of November 25, 2014.

Amber Fields, Phase III

An extension in an escrow with Lower Paxton Township in the amount of \$9,062.90 with an expiration date of November 25, 2014.

Mr. Crissman made a motion to approve the four improvement guarantees. Mr. Seeds seconded the motion. Mr. Hawk called for a voice vote and an anonymous vote followed.

Resolution 14-35; Acceptance of roads for Kendale Oaks,
Spring Creek 1A and maintenance bond

Resolution 14-36; Acceptance of roads for Kendale Oaks,
Phase 5 and maintenance bond

Resolution 14-35; Acceptance of roads for Kendale Oaks,
Phases 2 and 3 and maintenance bond

Mr. Wolfe noted that there are three resolutions to accept portions of streets in the Kendale Oaks development. He noted by accepting these resolution you will also accept the deed of dedication and the maintenance bond for all three.

Mr. Seeds noted that HRG recommended the bonds, which ~~is~~ are a part of the resolution but ~~all he also three~~ noted that HRG recommended a walk through by Township staff. He questioned if the roads have been inspected by staff. Mr. Wolfe answered that he ~~has cannot~~ confirmed ~~with if~~ staff ~~if has they have~~ done a walk-through. He noted that he can confirm that and put these three resolutions on the December 2nd agenda. Mr. Hawk noted that would be a good idea. Mr. Wolfe noted that ~~the~~ the developer would like to get the roads dedicated since they are calling for snow tomorrow.

Ms. Lindsey noted that HRG was out and approve it. Mr. Seeds noted that the letter does not read that way. Mr. Crissman noted that Mr. Wolfe offered to have staff do an inspection to have this on the agenda for next Tuesday's meeting. Ms. Lindsey noted that there is a concern that the builders doesn't want to plow the snow tomorrow. Mr. Seeds noted that the letter dated ~~in~~ April of 2014 stated that HRG has reviewed the original improvement guarantee estimated for the purpose of establishing a maintenance bond for the roadways. He noted that the maintenance bond is established in the amount of \$18,350 but the next sentence states that Township staff shall perform a walk thru of the roadways to confirm their acceptability prior to the Township taking ownership. Ms. Lindsey questioned if we normally have Township staff do that. Mr. Wolfe answered yes but he does not have personal knowledge that it was done.

Adjournment

There being no further business, Mr. Crissman made a motion to adjourn the meeting. Ms. Lindsey seconded the motion and the meeting adjourned at 9:10 p.m.

Respectfully submitted,

Maureen Heberle
Recording Secretary

Approved by,

William L. Hornung
Township Secretary