

LOWER PAXTON TOWNSHIP
BOARD OF SUPERVISORS

Minutes of Workshop July 1, 2014

A special workshop meeting of the Board of Supervisors of Lower Paxton Township was called to order at 6 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 L. Lindsey.

Also in attendance was George Wolfe, Township Manager; Sam Robbins, Public Works Director; Matt Miller, Public Works Technician; Brian Luetchford, Parks and Recreation Director; David Johnson, Public Safety Director; David Hogentogler, Human Resource Manager, Tim Houck, Finance Director; William Weaver, Sewer Authority Director; and Watson Fisher, SWAN.

Pledge of Allegiance

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

Public Comment

No comments were provided.

Continuation of Strategic Plan development:

Review of items from the initial brainstorming session to determine if it is complete

Review of cost estimates for the items proposed to be included in the Strategic Plan

Review of ranking of the items proposed to be included in the Strategic Plan

and

Review of the initial Strategic Plan

Mr. Wolfe noted that the Board was provided the ranking from the initial April brainstorming session of projects to include in the Strategic Plan. He noted the purpose of this meeting is to review those items to determine if the list is complete and accurate or if there are projects on the list that should be removed. He noted that staff has prepared planning estimates for what it would cost to complete the items on the list, noting that it is as close an estimate as possible for planning purposes without securing prices.

Mr. Wolfe suggested that we should review the overall ranking of the projects to determine if it is accurate and move forward for what the plan will include, such as phasing the plan to determine an initial idea of what will be required for the 2015 budget.

Mr. Wolfe noted that the Board had an initial brainstorming session on April 29th and the ranking from that was provided to the Board during a May workshop session. He noted that it was determined that projects would include one-time expenditures, primarily capital in nature that would cost \$25,000 or more. He noted that these would be funded by the General Fund (GF) and it would not include enterprise funds such as the Lower Paxton Township Authority or Friendship Center.

Mr. Wolfe noted that the discussions should focus on the big picture and be at the 30,000 foot planning level; not putting together individual projects; rather a plan for overall capital improvements for a five-year period as opposed to individual project development. He noted that 40 specific projects are listed at this time and if we tried to develop each project individually in this process, we will be here forever.

Mr. Wolfe noted that Public Works Department listed: **Stormwater Improvement Program; Public Works Building Improvements;** Hire two additional laborers; **Hire Public Works Operations Supervisor;** Implementing ADA improvements; and Implementing MS4 Program. He noted that those items displayed in bold print were among the top ten items on the list. He noted that three were in from Public Works.

Mr. Wolfe noted under a separate category for Public Works are transportation improvements: Jonestown Road Bridge; Red Top Road Bridge; Nyes /Devonshire Roads; Colonial/Devonshire and Valley Roads; Traffic signal equipment upgrade; Spring Creek solution; Nyes and Jonestown Road; North Mountain Road and Blue Ridge Avenue; Hickory and Blackberry Alleys in Linglestown; and additional paving money. He suggested that the Jonestown Road Bridge could be removed from the plan as it is underway and funded. He noted that Nyes and Jonestown Road traffic signal improvements has a turning phase project that will be completed this year.

Mr. Wolfe noted for the Police Department the following projects were listed: **Hire four additional officers;** Add K-9 services; Equip police officers with tazers; replace in-car video equipment; **and replace in-car computers with tablets.** He noted that none of the transportation improvements made it into the top ten list; however two made it for the Police Department.

Mr. Wolfe noted that the Parks and Recreation Department list include: **Fill Wolfersberger;** Wolfersberger Park Development; Heroes Grove Project; Complete George

Park; Implement Greenway Plan; **replace existing parks equipment/facilities**; ADA improvements; and the purchase of Mateer Field.

Mr. Wolfe noted that Administration list includes: Enhanced use of PEG Channel; Reverse 911/Facebook/Twitter; **Investment in Information Technology**; Succession Plan due to retirements; early retirement non-uniform; and Re-codification of Ordinances.

Mr. Wolfe noted the Community Development Department list included a Comprehensive Plan Update and **hiring an additional Enforcement Officer**.

Mr. Wolfe noted the Fire Department list included a **Fire Services Study** and Capital Replacement Plan.

Mr. Wolfe distributed a new spreadsheet for the 40 projects with cost estimates. He noted that the all the presentations provided this evening are based upon this spreadsheet. He noted that the Board was provided a list of projects, color coded by department, and the ranking. He noted that he has maintained that for this list and developed base cost estimates for the projects.

Mr. Wolfe noted that the rules for ranking from the initial meeting include ranking the items from one to five with one being the least important and five the most, and also ranking the items twice if the Board so desired. He requested the Board members to look at the ranking to determine if this is what its want. He noted that the plan and cost estimates are based upon doing all the projects that are listed, which is a total of 40; however, the Board may only want to undertake the first ten, 15, or 20 projects. He noted if the Board takes that approach to the strategic plan, which is what the Board did the last time, your ranking is far more important than if you include everything that you listed. He noted that now is a good time to discuss the ranking.

Mr. Seeds noted that Mr. Wolfe added the Compost Facility and Koons parking lot. Mr. Wolfe noted that he added these two items that were not identified during the brainstorming session, since Mr. Seeds brought up the first item during a previous executive session. He explained that the compost facility has equipment coming to the end of its useful life, but also an ability to buy equipment through state grant programs to have a good portion of it paid for. He noted that he added both to the bottom noting that they don't have a rank but we could re-rank them if the Board desired.

Mr. Seeds questioned if these are ball park figures for the cost of purchasing the land. Mr. Wolfe answered that it would include the cost to purchase, design and construct the additional

parking area. He noted when you discuss the cost of hiring employees, those numbers are not to the penny but they are very close. He noted when you are talking about building a parking lot where we haven't developed a number of spaces on land that we don't own, that number is far more a general estimate.

Mr. Wolfe noted that the importance of the ranking will become more evident as we discuss the numbers. He noted if the Board thinks it can afford everything then ranking is not important.

Mr. Wolfe noted that the cost estimate for ranked items includes annual expenditures to implement the strategic plan. He noted that the chart shows the first year cost to implement the plan, and the costs for year five noting that he did not do the costs for years two through four. He explained that there is a column for a five-year total cost. He noted to hire four additional police officers in year one the loaded rate would cost roughly \$200,000 but those officers will increase in compensation very rapidly and in year five those four officers will cost \$416,000 with the five-year cost being \$1,540,000.

Mr. Wolfe noted that the annual cost to implement the strategic plan in year one is \$850,000 increasing to \$1,102,000 in year five. He noted that one mill of real estate tax equals \$3 million so to do all the projects in year one, it would require a .28 additional mills and for year five it would require a .36 additional mills. He noted that you would have to increase the rate of taxation by .80 mills over the course of the plan to fund annual expenditures that would continue to occur on an annual basis.

Mr. Wolfe noted that a second type of expenditure and this is one that the Board has already committed to, are capital facilities that will be funded by the 2014 General Obligation Bond. He noted that the Board borrowed \$7 million to fund stormwater and public works building improvements. He noted that the first year cost for those in 2015 is \$205,000 and in years 2016 through 2019 it increases to \$500,000. He noted that the additional mills for the bond money to undertake these two projects is .07 mills in 2015 increasing in 2016 through 2019 by .1 mills to .17 total mills.

Mr. Wolfe noted that the one-time capital expenditures can be found in the last column on the spreadsheet. He noted that these projects will only occur one time; such as a Fire Services Study at a cost estimate of \$50,000. He noted that it would not occur on an annual basis as it would be a once-and-done deal. He noted that these projects have a total cost of \$4,810,000,

noting that the annual average would be \$960,000. He explained if this was spent over five years for the one-time projects, the Board would fund all of them for .23 mills. He noted that it could be done in other ways, such as borrowing the \$4.8 million and spreading the payments out over 25 years as it would decrease that number substantially. He assumed that the Board did not want to go to the market anymore to borrow additional funds; instead funding the cost of the plan within the plan time period.

Mr. Wolfe noted that there are \$850,000 in annual expenditures in year one, \$205,000 of bond expenditures in year one and a one-time expenditures of \$960,000 in year one providing a total of \$2,015,000 or .67 mills. He noted that is the costs for 2015. He noted for 2019 the annual expenses would be \$1,100,000 with bond expenses being \$500,000 and one-time expenditures not funded at \$960,000 resulting in a total cost of \$2,560,000 or .85 additional mills.

Mr. Wolfe noted that the Township addresses millage on property assessed at \$200,000 and .67 mills would require an additional \$134 per year; .85 mills would be a \$170 cost per year. Ms. Lindsey questioned if it would include the 2014 bond payments. Mr. Wolfe answered yes. He noted that this would be on top of the current 1.3 mills assessment. He noted that .85 mills on 1.3 mills would be a 60% increase in the real estate tax. He noted if the Board feels that it is reasonable then we have a plan. He suggested that going from 1.3 mills to 2.1 mills continues to make the Township's rate of taxation lower than Swatara and Susquehanna Townships and on par with Derry Township. Mr. Hawk noted that the two highest municipalities are Swatara and Susquehanna Townships.

Mr. Wolfe noted that he has provided planning numbers and staff will argue, for instance, Mr. Luetchford stated that it is not enough money for capital improvements for parks. He noted that each director would argue that Mr. Wolfe's numbers are below estimates, however, he was trying to be conservative in the overall budget preparation and did not want to throw the Board a number that was completely outrageous. He noted if you don't find these numbers to be outrageous, we have a plan of capital improvements and operational improvements to move the Board from 2015 to 2019 at a rate of taxation that is still very reasonable for the Harrisburg area. Mr. Hornung agreed.

Mr. Wolfe suggested that further discussions should be held on the ranking and where to draw the line for the ranking process for what should be done.

Mr. Hawk questioned if we should look at those projects that could be put on hold.

Mr. Seeds questioned if the traffic signal equipment upgrade is a PennDOT project. Mr. Wolfe answered that Mr. Seeds was talking about the traffic coordination project for Route 22. He noted that the listed item concerns what holds the traffic signals in place, such as wires from telephones poles that need to be upgraded to mast arms and the aging signal heads. He noted that any significant Township project that falls under PennDOT's 12-year program would require 20% for matching funds with the 80% funded by State or Federal Highway Agency. He noted that the Township does not have the funds to replace 25 of its 37 traffic signals that are outdated as they hang from wire extending from telephone poles and the signal heads are shot. He noted that the new transportation bill directs funding towards these types of capital upgrades.

Mr. Seeds noted that the Nyes and Devonshire Roads project is in PennDOT's five year plan. Mr. Wolfe noted that the Township has not funded its portion for this project and if Township's portion of the \$2 million project is 20% the Township will need \$400,000 to pay for it. Mr. Seeds noted that we can eliminate them from the plan. Mr. Wolfe noted that you can't predict the Township's ability to generate other sources of revenue for some of these projects. He noted in the Village of Linglestown project, the Township was able to generate funding to pay for part of its 20%, paying about 10% of the total project.

Mr. Crissman noted that Mr. Wolfe has asked the Board to look at the dollar amount in terms of what it is willing to do for millage. He noted if we are willing to spend those funds then we don't need to re-rank. He noted that he does not want to discuss individual items until the Board determines how much it wants to spend.

Mr. Seeds noted that some of the items have to be done and the Board has no choice. Mr. Wolfe noted that is why this is a concept plan, reviewing it every year to re-evaluate it. He noted that we are guessing about the future as it is better to do that now as opposed to waiting for something to happen noting that we should have done more planning to put some money aside.

Mr. Hornung questioned if what is on the list has no funding at all and would require a tax increase. Mr. Wolfe noted that the Township borrowed \$7 million that will fund the Public Works Building and the stormwater program through the end of 2017. Mr. Hornung noted that aside from that funding, if the Board added any new projects that are on the list, there is no available funding other than raising taxes. Mr. Wolfe answered for the most part yes. Mr. Wolfe noted that there are two caveats, the bond funds and the new liquid fuels funds which will increase from \$1 million to \$1.7 million for paving. He noted those three items will be taken care

of but the rest of the items are not funded. He noted if we would hire four additional police officers, hiring one each year in the first four years of the plan, we don't have additional funds to pay those police officers. He noted that they would require tax dollars.

Mr. Hawk noted that the Jonestown Road Bridge is currently funded and not a consideration. Mr. Wolfe noted that there is a \$1.6 million cost but it is not included in the financial commitment.

Mr. Wolfe noted from staff level there isn't a project on the list that is not viable, noting that all 40 items have significant merit noting that we have taken the operations of the Township over the past five years to a minimal level and in some regards we are talking about reestablishing services that were lost in the adjustment due to the great recession.

Mr. Hornung questioned if the borrowing that the Board did for Public Works and stormsewer work requires a tax increase itself. Mr. Wolfe answered yes. Ms. Lindsey noted that it amounted to \$39 per taxpayer for a home assessed at \$200,000. Mr. Wolfe noted that in year one the tax increase will be .07 mills and after that until year 2019 it will be .17 mills. He noted that the Board will raise the millage rate from 1.3 mills to 1.5 mills next year providing a little bit of a pad. He noted that the Board has committed to this tax increase already. Mr. Weaver questioned if it was included in the .67 mills increase and .84 mills increase. Mr. Wolfe answered yes.

Mrs. Lindsey noted if you deducted \$39 from the \$134 that would be the cost for the strategic plan. She noted that it would only be an additional \$95 per year. Mr. Wolfe noted that is true for year one.

Mr. Hawk noted that the Spring Creek solution... Mr. Wolfe noted that is the only item that he does not have a number for. He explained during the road tour the Board saw a road that was falling down the hill on one side and the roadway was falling on the other side. He noted if you continue to have that road as a two-way road it will cost a lot of money to repair; however, if you make it a one-way road with only one operational lane it could be fix for much less. He noted that staff will be bringing options for those repairs sometime in the future. Mr. Hornung questioned if it would cost \$1million. Mr. Robbins noted that you could spend \$2 million easily. Mr. Hornung questioned if the Liquid Fuels Funds could be used for that work. Mr. Wolfe answered that it could but we have already pledged those funds for paving. Mr. Robbins noted that we have to determine if we want to close it, make it a one-way street or improve it to use it

as it currently is used. Mr. Crissman answered that he did see a one-way street as an option. Mr. Robbins agreed but it is costing the Township money to keep operational noting that he spent \$30,000 this year.

Mr. Hornung questioned who made the Hunters Run Road repairs. Mr. Robbins answered that the Township did. Mr. Hornung questioned if we had an agreement with Hunters and Anglers to do that work. Mr. Wolfe answered not for the work for the pipe out front. He noted that the liability was significant enough that we had to do the work. He explained that staff has maintained the road for multiple years; even though Hunters Run Association won't agree that we own it, a judge or jury would find that differently. Mr. Hornung noted the person the Board spoke to was positive that he could come up with an agreement but it never happened.

Mr. Hawk noted if you look at the total costs for Wolfersberger, it is a no cost. Mr. Wolfe explained that the idea behind using it as a fill site is for those who fill it from the sanitary sewer projects their cost savings is applied to our costs for developing the site for fill. He noted that the Township gets a filled park at no cost and the Sewer Department hopefully saves money in the I&I Program by providing the contractors a permitted place to deposit their materials.

Mr. Hawk noted that additional paving has no cost. Mr. Wolfe explained that is as long as the Board maintains that the Liquid Fuels allocation totally dedicated to paving. Mr. Wolfe noted if it says no cost it is not in the number already. Mr. Hawk noted about eight projects list no cost. Mr. Wolfe noted that either they are funded in some fashion or they don't have a cost.

Mr. Crissman questioned if you want to look at ranking or at the entire cost. Ms. Lindsey suggested that Mr. Hawk is trying to take the stuff out of the list that we don't have to pay for. Mr. Crissman noted that Mr. Wolfe already did that. Ms. Lindsey suggested that Mr. Hawk is trying to reduce the list for how many projects there are.

Ms. Lindsey noted that there are 40 items on the list. Mr. Crissman noted that it would cost \$4,810,000. Mr. Wolfe noted that does not include the \$7,114,096, noting that the total plan cost is \$11.5 million. He noted that is what it would cost over a five year period. Mr. Crissman questioned if the \$7 million is already borrowed. He questioned how much the Board would need to raise taxes to do all the work. Mr. Wolfe answered that the list requires funding. Mr. Crissman noted that people would have to pay an additional \$134 from what they are paying now to complete the list.

Ms. Lindsey noted that 20 things are already done that could be removed from the list.

Mr. Hawk noted that people probably blow \$134 a year on stuff that they don't need.

Mr. Crissman suggested that we should work this process in reverse. He questioned how much the Board is willing to go out to the community for raising the millage rate. He suggested that we need to come up with the amount, market it, and ask staff what their priorities are with the funds available.

Ms. Lindsey questioned those who were present for how they felt about paying another \$134 a year. Mr. Wolfe noted that he is not the one to answer that question. Mr. Hornung noted that it is not fair to ask staff that question as they have their projects that they want funded. He suggested that the problem that we will have is if we want to do this, we will have to educate the public to justify the tax increase. He explained that he asked many customers who come into his store about how they would feel if they had a \$12 a year increase for their trash bill to have the ability to have their electronic, chemicals, paint, hazardous materials picked up at curbside and he did not get one yes for \$1 a month. Ms. Lindsey noted that maybe they don't paint their homes. Mr. Hornung noted that everyone has paint in their homes. He noted that he sells a ton of paint and he was surprised that they did not answer yes. He noted that everyone has televisions and computers that only last two years, and depositing it in your trash for \$12 a year is an easy answer. He noted that it is a good green thing to do. Mr. Wolfe noted that he would pay that in a minute. Mr. Hornung noted if you know where the funds are going and why, they will say yes. He noted if we don't explain it we will receive many negative comments. He noted when he asked that questioned their first comment was no as they are adamant against a tax increase and it was alarming to him.

Mr. Seeds noted that the Township's first attempt at yard waste removal years ago was \$.50 more and people dumped yard waste on his front porch.

Ms. Lindsey noted if people don't get what they want, they are the first to complain.

Mr. Hawk noted that everyone who works for someone expects at the end of the year a bump in pay for a job well done or cost increase, but the only way the Township can increase funds is to increase taxes. He noted that we face the same problems that everyone else does, rising fuels costs, grocery costs, etc. He noted that we are not allowed to get a raise but others can. He noted that we will have to sell this so people understand the benefits.

Mr. Crissman noted that we need to let the people know that they will have to pay an additional \$10 per month and they will want to know what they are getting for that \$10. Ms.

Lindsey noted if we are looking at the \$134 increase it would be \$12 per month. Mr. Crissman noted that he would prefer \$10 per month for marketing purposes noting that is what it would cost per month next year to live in the Township.

Mr. Wolfe noted that Mr. Weaver mentioned to him that the annual increase is what people spend monthly for their cable television service.

Mr. Lindsey questioned what the millage rates are for Susquehanna and Swatara Townships. Mr. Wolfe answered that they are both high, 2 to mid 3 millage rate and Derry Township is 1.8 or 1.9 mills. He noted that he could get the exact rates for the Board. Mr. Hawk noted that Swatara is 3.7 mills and Susquehanna is 3.5 mills. He noted that there is only one Township that does not have a municipal tax and that is Middle Paxton Township. Mr. Hornung noted that we were almost down to the level, noting if the recession hadn't occurred we probably could have made it. He noted that the problem is now when we go to increase taxes, the percentage looks horrible. He noted that we just need to tell the people that we have to raise taxes. Mr. Crissman noted that the rest will fall into place.

Mr. Wolfe noted if you decide to do a small portion of the list you will need to raise taxes. Mr. Hornung noted that we have to raise taxes in 2015 to cover the bond issue. Mr. Wolfe suggested that it is not if, but how much.

Ms. Lindsey noted that the Board has to raise taxes \$39 next year for the bond issue. She noted that now we are talking about raising it an additional \$95.

Mr. Crissman questioned how much the Board is willing to raise taxes. Mr. Weaver questioned if you can spread out the capital projects, you would have to raise the millage but you wouldn't have to do it all at once. Mr. Wolfe noted if the Board wanted to take the \$4.8 million of capital expense and borrow it, it could be spread out. Mr. Crissman noted that he does not want to borrow any more funds as we need to suck it up and pay it now. Mr. Wolfe noted that the Board will have to borrow after 2017 to continue to fund stormwater projects. Mr. Crissman noted that it is not a good time to borrow more money as his great-grandchildren will be paying for it.

Mr. Crissman suggested that \$10 a month is not a bad request. Mr. Hawk agreed. Mr. Crissman questioned how much more thunder would we get from the community if we ask for \$12 a month. Mr. Hornung noted that there is a difference between \$9 and \$12 but not \$10 and \$12. Ms. Lindsey questioned if \$12 is okay. Mr. Hornung answered that is not what he said, he

noted that there is very little difference between \$10 and \$12 but there is between \$9 and \$10. Mr. Crissman noted if the Board is going to get negative comments for \$10 then why not \$12.

Mr. Wolfe noted that it sounds like the Board is willing to do the projects on the list for the next five years, not removing any from the list, and if that is the case, then staff should prepare the 2015 budget picking the priority projects first and then move from there. He noted when one project is completed then we move on to the next.

Mr. Crissman noted that everything on the list is important, and he thinks that everyone present feels that these are important issues. He noted if the Township is to survive with the quality that we expect and the community wants to have happen then we are obligated to do these projects.

Mr. Hogentogler noted when you talk about monthly costs, the way we implement these 40 projects can also affect how this would cost. He noted that the hiring of police officers was for four officers but if we hire one each year, it could be spaced out. He noted that the same would occur for the multiple hires for labor. Mr. Hawk noted once we implement the tax increase does it really matter. Mr. Hogentogler noted if the Board stretched out or managed the plan in a certain way; the cost may not be the same as the projection. Mr. Wolfe noted when the plan is done, the projection of .85 mills is good, and how we get there is another thing. He suggested putting the budget together for next year to include the items of importance and to develop a phasing schedule for the next five years.

Mr. Crissman questioned if we could phase in a millage rate for each year as well. He noted that it may only cost \$5 the first year per month and then what it would cost for each year after that.

Mr. Seeds noted that there are items on the list that may not be desirable or wanted. He noted that Mr. Johnson indicated that he was not in favor of purchasing tazers for the police officers. He questioned why it should be on the list if the Department does not want it. Mr. Wolfe suggested that the way it worked in the past was if you want the project on the list, staff would investigate an item like tazers and come back to the Board with a formal recommendation, including specific information on the pros and cons for the item for how much it would cost, and at that point the Board would make a decision. He noted if at that point you don't want to do it, it will be removed from the list. Mr. Seeds noted from what Mr. Johnson stated, it could cost more in lawsuits and other things. He noted that he did not know if he would want the officers to have

the tazers. Mr. Johnson noted that his comments came from the majority of the officers that he spoke to including the supervisors. Ms. Lindsey questioned if it should be removed from the list now. Mr. Johnson noted that it was discussed to put tazers in the supervisor's vehicles and only train certain people in the use of the device. He noted that the Department currently has one tazer. Mr. Hawk noted that it is only a \$30,000 item. Mr. Crissman noted that staff would come back with a recommendation to scratch it from the list.

Mr. Wolfe noted as the Board goes through the course of the plan, it will change.

Mr. Hornung noted that it all boils down to how much you want to increase taxes in 2015. He noted if you look at the list and the dollars per month, it doesn't look too bad, but you know what the press will put in the paper, a percentage for the increase and he suggested that we should look at what percentage we would be comfortable with. He questioned if the Board is willing to go with a 35% increase. He noted if you go with 50% you will get a pushback from the public. He suggested that we could do a 30% or 35% increase.

Ms. Lindsey noted if you market what the percentage is going to do, we need to educate the people for what projects will be done.

Mr. Seeds noted that there is a lot of cost for starting a K-9 unit for the Police Department.

Mr. Hornung suggested that the Board should stay in the 30 to 35% range for a tax increase, which is .45 mills for 2015 and then he would be willing to look at another increase in two years.

Mr. Hawk questioned Mr. Fisher for what his comments were. Mr. Fisher stated that he had no comments. Mr. Hawk noted that you will have to pay the bill. Mr. Fisher responded that the Board will have to pay it as well. Mr. Fisher noted that his comment would be positive.

Mr. Crissman noted that he would like to see projections for 30, 35 and 40% increase, but would also like to see a phasing plan for a three-year period. He noted it would provide room for adjustments in each year. Mr. Hawk noted that the people will say that the Township is nickel and diming them and every time they turn around it is raising taxes. Mr. Crissman noted that having this information would provide more options for the Board.

Mr. Hornung noted that he would rather have the comments that Mr. Hawk mentioned as opposed to a room full of people who are screaming at the Board since they raised the taxes too much. He noted if we do 35% every year we will get feedback but if we provide a break every so often we could phase in the increases, possibly making it a six-year plan. He noted that it will

take a lot of education since so many people are on fixed incomes. He noted that they will be the ones screaming the worst. He noted that there are many other items that are impacting the citizens noting that the increase in people's pay is not keeping up with the increase of costs for goods. He noted that the people feel that they are losing out and if you add a tax increase it will make it worse. He noted that there are things that need to be done and if a decision is made for how much we want to raise taxes, he would like each Department Head to provide the pros and cons for each item on their list.

Mr. Crissman noted that you will also have to look at the impact on the borrowing in terms of the principal and interest noting that it is only \$39 for this year but it bumps up in the next four years. Mr. Wolfe noted that it increases in 2016.

Mr. Hornung noted that the timing for some of these projects may be to the Township's benefit but eventually it will have to catch up. He noted that it may take six years and he would like to know what the other Board members think.

Mr. Wolfe noted that from what he has heard, he will prepare a phasing plan and more detailed cost estimates for one final strategic planning meeting before the budget process starts in September. He noted that this may occur during the August workshop session.

Mrs. Lindsey explained that she attended Dianne Moran's retirement reception this past Friday and listened to all those in attendance that have 35 and 36 years of service. She noted in the next two to three years the Township will see a mass exodus of people retiring as they will be going at the same time. She noted that she mentioned the early retirement and it was downplayed, as it would not be a savings, but she thinks that the pension fund would take a hit but the Township could save money in the end if we offered an early retirement to get a few people in to replace some of those who are near retirement. Mr. Wolfe noted if they are going to retire why fund them early. Ms. Lindsey noted that her concern is that many will leave at the same time and take along their expertise with them. Mr. Wolfe noted that the room was full of people in the 55 plus age range. Ms. Robbins noted that Mr. Robbins has a couple of employees who are ready to retire soon. She noted that she is worried that the Township will have a mass exodus with no expertise. She explained that is something the Board needs to look at.

Mr. Wolfe noted that he will prepare for the third and final meeting and after that meeting he will put the plan into an adoptable format in order for the Board to adopt the plan and then begin the 2015 year budget process.

Mr. Hornung noted that he would like to hear from Ms. Lindsey what her thoughts are for the strategic plan. Ms. Lindsey noted that 20 items need to be funded and she thinks the Board should narrow down the list for what needs to be done in the first year and determine what can wait for the second year. She noted that we have to do a tax increase in order to keep up services. Mr. Hornung noted that the Board has been living under austere environment and we can continue to do so; however, he does not think it is the best way to run the Township. He noted that we don't have to raise taxes other than what is needed to cover the bond payments and we can continue the status quo. Ms. Lindsey noted that there is a list of items that need to be done. Mr. Hornung noted that we can work at them as the Departments have whittled things down to get projects done on almost nothing. He noted that he is not voting for that. He explained that we can sell things off, even a park if we had to. He noted if we want to provide certain services we can raise taxes, but we don't need to do this.

Ms. Lindsey noted if Mr. Hornung doesn't plan on doing anything then it is a waste of time to do the plan. Mr. Hornung noted that he did not say that but he said we don't need to do those things. He noted that his point is that he has not gotten a number from the other Board members for how much they are willing to raise taxes. Ms. Lindsey answered that she did not know. She noted that she would like Mr. Wolfe to provide data for where the different millage rates would get us.

Mr. Hornung noted that Mr. Wolfe has already done that as he showed that on the board. Ms. Lindsey noted that is the high end but Mr. Crissman wants to see what it would be for a little bit lower or higher above the 35%. Mr. Hornung questioned if that is the area that Ms. Lindsey is comfortable working in. Ms. Lindsey answered that she would like to see what would be included in the percentage. She noted that she may find that is does not include what she thinks needs to be done.

Mr. Hawk noted that he agrees with what Ms. Lindsey said. He noted if you have to beat me up do it right the first time and don't keep coming back at me.

Mr. Hornung questioned Mr. Hawk if he was in the same 30% to 40% range. Mr. Hawk noted that he is willing to listen to the 35% as it is reasonable. He noted that he does not want for Lower Paxton Township to become the land of taxes.

Ms. Lindsey noted that the Board has been very good in what it has done in the past going 19 years without a tax increase. Mr. Hawk noted that people forget that. He noted if you

raise taxes they complain all the time and if you don't raise taxes you get no comments. He noted that they don't say thanks. He noted that as a Township we get more kudos for what we do and everyone says that we have a great Board that works well together.

Mr. Crissman requested Mr. Wolfe for when he prepares the percentages to provide what the flat dollar would be noting that we may have to tweak the percentage if it is an odd number of dollars.

Ms. Lindsey noted with the K-9, the community is willing to give, providing for a lesser amount for that project.

Mr. Hawk noted that some will think that \$134 is not significant but then you have the people that are struggling day-to-day who find it hard to make ends meet.

Ms. Lindsey questioned Mr. Wolfe if he receives many phone calls when the taxes are increased. Mr. Wolfe answered yes. He noted that we do get complaints and those we get can be rather nasty. He noted that Mr. Weaver has been the brunt of those now for a while noting that the number of complaints is small but the tone is very nasty. Mr. Weaver noted with the sewer rate, until the City of Harrisburg's refund hit the newspaper, we did not get many complaints, noting that we were raising the rates 5% every year, but once they saw that we were getting the rebate from the City of Harrisburg...He noted that we did not raise rates once in the past four years because of the delay to the Beaver Creek program.

Mr. Crissman noted that now you are raising the rates and have all this new money. Mr. Weaver noted that is the issue with the City of Harrisburg. Mr. Wolfe noted that the Authority will spend the funds anyway. Mr. Weaver noted that it will be interesting to see how the community responds to the sewer rate increases over the next five years. Ms. Lindsey questioned if the Authority should have waited until next year to raise the rates. Mr. Hornung noted that you always want to catch it early on. Mr. Weaver noted that having a target and you need to determine how to get there, having so many ways to do it. Ms. Lindsey noted that our rates are still a lot cheaper than Cumberland County. Mr. Wolfe noted that you don't want to raise the sewer rates the same year you raise the real estate tax. Mr. Weaver noted that he can budget that not to happen. Mr. Seeds suggested that we were planning to raise the sewer rate by \$5 next year. Mr. Weaver noted that the Authority has a lot of cash so we would not have to raise rates next year. He noted that the Board wanted to keep \$5 million in the bank so Mr. Wendle spread it out. Mr. Seeds noted that we did not have to raise the rates last year but were afraid that it would

provide for a huge bump if we didn't. Ms. Lindsey noted that the Authority discussed a \$10 rate increase and that would have met with disapproval.

Mr. Hornung noted that everyone sees the work that is being done in the Township for the sewer and it provides a visual proof.

Mr. Wolfe noted that 99% of the people do not see the police officers until they are ticketed.

Mr. Weaver noted that he meets with all the people who are getting their sewers replaced and at the end of the day they are okay with it.

Ms. Seeds noted that most people understand that the Township is at the cutting edge throughout the State and they like the fact that the Township is fixing things. He noted that some of the reasons why people like to live in Derry Township is because they like having the services that are provided to the residents. He noted that some people like that and some don't.

Mr. Crissman noted if you want the services you move to the community that you are interested in.

Adjournment

Mr. Hornung made a motion to adjourn the meeting and the meeting adjourned at 7:15 p.m.

Respectfully submitted,

Maureen Heberle
Recording Secretary

Approved by,

William L. Hornung
Township Secretary