

LOWER PAXTON TOWNSHIP
BOARD OF SUPERVISORS

Minutes of Board Meeting held May 5, 2015

The business meeting of the Board of Supervisors of Lower Paxton Township was called to order at 7:35 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., Gary A. Crissman, and Robin L. Lindsey.

Also in attendance was George Wolfe, Township Manager; Steve Stine, Township Solicitor; and Watson Fisher, SWAN.

Pledge of Allegiance

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

Approval of Minutes

Mr. Crissman made a motion to approve the minutes from the business meetings held on April 7, 2015 and April 21, 2015. Ms. Lindsey seconded the motion. Mr. Hawk called for a voice vote and a unanimous vote followed.

Public Comment

No public comment was provided.

Board Members Comments

No comment was provided.

Manager's Report

Mr. Wolfe noted that the Linglestown American Legion Post 272 will host its 96th annual Memorial Day Parade event to be held on Monday, May 25th starting at 1 p.m. He noted that many fire departments and other groups march in the parade, including a float with the Lower

Paxton Township Supervisors. He noted that a memorial wreath will be placed in Koons Park at the end of the parade.

Mr. Wolfe noted on Sunday, May 10th, Mother's Day, the Friendship Center will provide free passes for mothers to join their children to swim. He noted that it would be valid with the purchase of a son or daughter day pass. He noted that a similar event will be held in June for Father's Day.

Mr. Wolfe noted on June 20th, the Capital Area Sportsmen's will conduct a Youth Field Day at the Harrisburg Hunters and Anglers organization on Hunters Run Road. He noted that it is geared to young children and their parents to show the benefits of outdoor activities such as fishing, archery, firearms, and boating safety. He noted that the event runs from 7 a.m. until 3 p.m. and is for children ages eight to eighteen.

OLD BUSINESS

Action on an appointment to the Zoning Hearing Board alternate vacancy and South Central Emergency Medical Services vacancy

Mr. Hawk noted that the first action is the appointment of an alternate to the Zoning Hearing Board, noting that Chairman David Dowling has recommended Mark Emery to fill that position. He noted the Board interviewed Richard Krieger to fill the vacant position for the South Central Emergency Medical Services Board for a three-year term.

Mr. Crissman made a motion to approve Mark Emery as an alternate for the Zoning Hearing Board and Richard Krieger to fill a three-year term on the South Central Emergency Medical Services Board. Ms. Lindsey seconded the motion. Mr. Hawk called for a voice vote and a unanimous vote followed.

NEW BUSINESS

Presentation of the 1st Quarter 2015 Key Indicator Report

Mr. Wolfe noted that staff prepares a quarter financial report in a non-financial format for the Board to review and he is presenting the Key Indicator Report for the 1st Quarter of 2015. He explained that he owes the Board the end of year report for 2014 but is still waiting for the final audit to be completed. He noted that he will present it very shortly and will also present the Department annual reports as well.

Mr. Wolfe noted that the summary of the 2015 General budget shows General Fund revenues and expenditures of \$20,985,300. He noted State Aid has revenues and expenditures of \$1,233,749; General Improvement Fund, the capital facility fund for capital projects has a budget of \$4,042,500; and the Friendship Center Operating Fund has revenues of \$2,191,893 and expenditures of \$2,191,855. He noted that the Lower Paxton Township Authority (LPTA) Operating Fund budget has revenues of \$13,915,451 and expenditures of \$13,930,921, and has expenditures for capital projects of \$11,104,000.

Mr. Wolfe noted that the General Fund balance at the beginning of the year was \$6,402,787; General Improvement Fund was \$8,299,007; Fire Equipment Capital Fund balance was \$1,183,933; LOSAP fund balance was \$447,459; Friendship Center Capital Fund balance of \$60,695; and the Operating Fund balance is a negative of \$246,713. Mr. Wolfe noted that the LPTA Fund balance was \$33,389,919 and the two Pension fund balances totaled \$34,546,222

Mr. Wolfe noted that the historic trends prior to 2008 showed growth in revenues and expenditures as the Township addressed increasing demands for municipal services. He noted from 2008 to 2010, the “great recession” caused reductions in municipal services in response to diminished revenues. He noted that the Board took steps to adjust revenues by reducing levels of employment and services to meet the municipal operation financial needs with the revenues that

the Township received. He noted that the Board dipped into its General Fund Balance to meet operational costs and during that time, it dipped below the mandated 25% threshold. He noted from 2011 to 2014 there has been a moderate rebound in revenues, but not to pre-recession levels, and the Board has continued the conservative approach to municipal spending. He noted in 2013, the Township ended the year with a fund balance.

Mr. Wolfe noted for municipals debt, in 2012 the Township issued \$2,000,000 in new debt for municipal capital projects and it received a PA Infrastructure Bank (PIB) loan in the amount of \$750,000 for road maintenance and improvement projects. He noted in 2013, the Township issued \$4,000,000 in new debt for capital projects, mainly for stormwater improvements, Friendship Center improvements, and the new Township financial management system. He noted in 2014, the Township issued \$7,000,000 in new debt for capital projects noting that \$4 million was for the addition to the Public Works Facility and \$3million for stormwater improvements.

Mr. Wolfe noted that the history for General Improvement Fund expenditures over the past 5 years are as follows: 2014 - \$1,901,190; 2013 - \$1,619,479; 2012 - \$2,078,509; 2011- \$1,071,041; 2010 - \$1,070,034; 2009 - \$1,273,680, with a total amount of \$7,112,743. He noted with the bond expenditures that amount will increase by another \$7 million.

Mr. Wolfe noted at the beginning of 2014, the General Fund balance was \$6,402,787, He noted by policy, 25% of the \$20,985,300 budgeted for expenditures is \$5,246,325. At the end of the first quarter of 2015, the fund balance was \$5,554,411 noting that we currently have \$1.2 million more than the minimum threshold requirement. He noted that it is necessary to dip into this fund until the April/May tax revenues are received.

Mr. Wolfe noted for the 1st Quarter General Fund, the operating revenues were \$3,463,381 and expenses were \$4,312,575, producing a net loss of \$849,376. He noted that the

loss at the end of the 1st Quarter 2014 was \$916,001. He noted that the significant source for real estate tax revenues does not start to come in until April and May. He noted that General Fund revenues were 1.5% lower, \$43,393 in the first quarter of 2015 as compared to 2014, primarily due to the timing of Real Estate Transfer Tax receipts. He noted that General Fund expenses were 2.5%, \$110,018 were lower in the 1st Quarter of 2015 as compared to 2014.

Mr. Wolfe noted that the State Aid Fund requires municipalities to use Liquid Fuels Tax receipts for local roads. He noted that this fund had a beginning balance on January 1, 2015 of \$161,130, with revenues of – \$1,240,720, expenditures of \$348,712 providing a balance as of March 31 of \$1,053,138. He noted that the Township spent \$286,002 for salt and anti-skid materials and exceed the budget by \$140,000 due to extreme winter weather.

Mr. Wolfe noted that the journal entries for the Fire Equipment Capital Fund will begin in the 2nd quarter. He noted that the beginning balance on January 1, 2015 was \$1,183,933, with revenues of \$114 and no expenditures, providing a balance as of March 31st of \$1,184,047. He noted that the Township will make a contribution of \$204,000 in the second quarter to this fund.

Mr. Wolfe noted as of March 31st, 11 members were receiving a monthly Length of Service Awards Program (LOSAP) benefit. He noted that the beginning balance in January was \$447,459, with revenues of \$10,846, and expenditures of \$7,290, providing a balance as of March 31st of \$451,015.

Mr. Wolfe noted that the General Improvement Fund (GIF) is for one-time capital projects. He noted that 2015 GIF expenditures for capital projects are budgeted at \$4,042,500. He noted that the beginning balance on January 1st was \$8,299,007, with grant revenues of \$51,623 and expenditures of \$147,976 providing for a net loss of \$93,354. He noted the balance as of March 31st is \$8,205,653. He explained in the second and third quarters of the year significant work will take place that is funded by this fund.

Mr. Wolfe noted for the Friendship Center (FC), an enterprise fund of the Township, funds generated by the FC are used to operate the FC and it is designed to operate with limited support from the Township. He noted that revenues of \$488,109 were received in the first quarter and expenditures were \$325,300 providing a net gain of \$162,809. He noted that the reimbursement for employees is made twice during the year and those have not been expended at this time. He noted for the first quarter, revenues were 4.6% higher as compared to the 1st quarter in 2014 and expenditures in the first quarter were 5.3% higher as compared to the 1st quarter in 2014. He noted that the Operating Fund is expected to annually generate \$170,000 to fund the Capital Reserve Fund, and at this time it is not budgeted to generate the necessary revenues. He noted in 2015, the Township will transfer \$296,743 from the General Fund to the FC; composed of the \$100,000 annual contribution, \$25,000 to offset the costs to operate the Senior Center, and \$171,743 to smooth the debt by extending the debt over a longer period of time. He noted that the \$25,000 contribution for the senior center is approximately half of what it costs to maintain the center.

Mr. Wolfe provided a membership chart showing total memberships for the FC. He noted that that total membership is still on the increase, a good sign, however, many member have a health insurance provided membership and the revenue generated by those memberships is not as great as if it were a member purchasing a membership from the center itself.

Mr. Wolfe noted that the LPTA operating revenues were \$3,262,198 with expenditures of \$3,024,668, producing a net gain of \$237,530 for the 1st quarter in 2015. He noted that LPTA capital expenditures were \$951,536. Mr. Wolfe explained in 2014, the LPTA borrowed \$25 million for continuation of the multi-year I&I Program, and as a result, cash on hand at the end of the 1st quarter was \$27,889,296

Mr. Wolfe noted that the Township maintains two employee pension plans, a plan for police officers and a plan for full-time non-uniformed employees. He noted at the end of the 1st quarter, the two plans had combined assets of \$35,013,411, and experienced an annualized return of at least 8.5%.

Mr. Wolfe noted that completes his summary of the 1st quarter Key Indicator Report.

Mr. Crissman thanked Mr. Wolfe for presenting this report quarterly as it provides the Board and its citizens the financial opportunity to see what is going on in the community.

Improvement and Stormwater Guarantees

Mr. Hawk noted that there were four Improvement Guarantees and one Stormwater Guarantee to approve.

Maiden Creek

An extension and 10% increase in a letter of credit with Fulton Bank, in the amount of \$141,255.40, with an expiration date of May 5, 2016.

New One Story Office Building

An extension and 10% increase in a letter of credit with Fulton Bank, in the amount of \$37,534.05, with an expiration date of May 5, 2016.

Deaven Woods

An extension and 10% increase in an escrow with Lower Paxton Township, in the amount of \$141,255.40, with an expiration date of May 5, 2016.

Robert L. Leo Property

A release of a letter of credit with Mid Penn Bank, in the amount of \$8,954.00.

Claude Fanelli and Susan K Bainbridge – 6485 Gallop Road

A new escrow with Lower Paxton Township in the amount of \$4,424.75 with an expiration date of May 5, 2016.

Mr. Crissman questioned what the background is for the release of the guarantee for the Leo Property. Mr. Wolfe answered that the public improvements have been completed and Andrew Kenworthy of HRG recommends a full release of the funds.

Ms. Lindsey questioned what the address is for the One Story Office Building. Mr. Wolfe answered that there is no address for it at this time. He noted that is what the plan has always been called. He explained that staff numbers the plans by the number received and year but developers tend to name their plans with weird names.

Mr. Crissman made a motion to approve the four improvement guarantees and one stormwater guarantee as presented. Ms. Lindsey seconded the motion. Mr. Hawk called for a voice vote, and a unanimous vote followed.

Payment of Bills

Mr. Seeds made a motion to pay the bills of Lower Paxton Township, Lower Paxton Township Authority, and the Payroll checks. Mr. Crissman seconded the motion. Mr. Hawk called for a voice vote, and a unanimous vote followed.

Adjournment

There being no further business, Mr. Crissman made a motion to adjourn the meeting, and the meeting adjourned at 8:05 p. m.

Respectfully submitted,

Maureen Heberle
Recording Secretary

Approved by,

William L. Hornung
Township Secretary