

WEST HEMPFIELD TOWNSHIP SUPERVISORS MEETING

Minutes of November 4, 2019

The Budget meeting of the Board of Supervisors was held at the Township Municipal Office, 3476 Marietta Avenue, Lancaster, Pennsylvania on Monday, November 4, 2019. Chairman David Dumeyer and Board members Edward Fisher, Kent Gardner, Naomi Martin, and Robert Munro were present. Also in attendance was Township Manager Andrew Stern.

I. CALL TO ORDER.

Chairman David Dumeyer called the meeting to order at approximately 2:40 pm.

II. 2020 BUDGET DISCUSSION

1. **General Fund Revenues:** The DRAFT 2020 budget shows we are in 'ok' shape for 2020. We are projecting about a 2% increase in revenues, which concerns me, but as we were able to cut costs for 2020, it is acceptable. Overall our property tax is not increasing as we do not currently have an abundance of development. Our earned income tax revenue is increasing, but much slower than I'd like, again in part due to a lack of new residential development (which brings in residents and their income!). For 2021 I am anticipating a \$50,000+ decrease in revenue due to the closing of QVC and the lost LST tax (\$52/per employee) associated with it.
2. **General Fund Expenses:** The DRAFT budget shows we are in good shape for 2020. As explained later, we have been working hard to reduce expenses across the board. We are proposing only a 1.68% increase in general fund expenses. We are proposing a 0.75% increase in the police budget, which is almost unheard of, given the increase in contractual costs (salary, health insurance, and pension in particular).
3. **Other Funds:**
 - **Sewer:** With the completion of the Raintree Sewer Extension, we are closing this fund.
 - **Refuse:** We will need to increase our rates for 2020 (see memo). As such, revenues for this fund are proposed to increase approximately 22%.
 - **Streetlights:** With the conversion of about one third of our streetlights to LED, we will see a decrease in expenses of about 13%. We are proposing to keep our rates the same as 2019 in order to build our fund for future LED conversions.
 - **Fire Hydrants:** For 2019 we moved this from a billed service to a fire tax. We will see a slight increase in revenues for 2020 and relatively flat expenses. Our biggest issue with this has been that the County will not separate out the fire tax so we must separate the revenue properly and move to the appropriate fund.

- **TDR:** This fund is for Transferable Development Rights. Little has been done with this fund for a few years. We have occasional deposits to it and occasional legal and/or audit expenses from it. Supervisor Munro led a discussion as to our thoughts on the future of the TDR program in the Township and whether or not we need to carry the \$600,000 fund forward. Staff will be researching these questions and update the Board at a future meeting.
- **Liquid Fuels State Fund:** We use what we get! We are expecting a slight decrease in revenues for 2020 and will remain flat with expenses.

4. Cost Savings/Revenue Increases:

- **Interest Income:** We began moving our banking accounts from Northwest (formerly Union Community) to Fulton in April of 2019. Since that time we have received approximately \$25,000 in interest (5+ months). Our predictions for increased revenue associated with changing banks has been more than met! We anticipate \$65,000+ for a 12-month period.
- **Workers Comp Insurance:** We will see a reduction of \$8,803 in our Worker's Comp insurance premium for 2020. This is about a 10% reduction. In addition we received a nice dividend in 2019 and are hopeful to receive another in 2020.
- **Health Insurance:** For 2020 we will have a 7% increase in our health insurance premiums. This is significantly lower than expected. While we cannot prevent people from getting serious illnesses, we have been working hard to educate our employees about how a self-insured co-op works and how their medical decisions affect our costs.
- **Property/Casualty Insurance:** For 2019, we paid approximately \$116,500 for insurance. We were informed by our current carrier to expect a 3.5% increase, taking it to \$120,577 for 2020. We have been applying for coverage elsewhere and have received preliminary amounts in the range of \$80,000 from another reputable municipal insurance carrier. This will be a reduction of about \$40,000/year. I will have final numbers for the December meeting for the Board to make a decision.
- **Pension Advisor:** We have solicited proposals for a new pension advisor. We will be prepared to recommend a firm at the November 7, 2019 Board meeting. I anticipate a cost savings of about \$50,000/year, although it will not all be noticeable until late 2020 when we prepare our 2021 MMO as our 2020 MMO is based on our current numbers.

- **EIT – NON-RESIDENTS:** It came to my attention by way of the LCTCB that our Township does not have a non-resident earned income tax. While limited in scope, it would have brought in additional revenue during the recent pipeline project. I will be proposing an ordinance amendment to fix this loophole.

5. **2020 Refuse Fees:** For 2020, we need to increase our refuse fee, again. The 2019 quarterly fee is \$59.25 and the annual fee is \$228.75. The 2019 fee is broken down as follows:

\$123.58	Republic, trash collection
\$ 75.00	LCSWMA, trash tipping fees (average cost, actual varies)
<u>\$ 25.00</u>	Administration fee (Township costs)
\$225.00	TOTAL

For 2020, our collection rate with Republic increases to \$159/yr per customer. Costs increased due to rising labor and fuel costs. In addition, we must start paying LCSWMA directly for recycling, which has also increased in per ton cost to \$60 (and they are authorized to raise it to \$120/ton, but they decide each quarter so we have no way to plan ahead so I am budgeting for \$90/quarter.).

For 2020, the refuse fees will be:

\$159.00	Republic, trash collection
\$ 80.00	LCSWMA, trash tipping fees (average cost, actual varies)
\$ 24.00	LCSWMA, Recycling Disposal (\$90/ton estimated cost)
<u>\$ 22.00</u>	<u>Administration fee (Township costs)</u>
\$285.00	TOTAL

There will also be an increase for extra services:

Yellow (extra bag), \$2.00/tag (2019: \$1.50)

Red (large item), \$5.00/tag (2019: \$4.00)

Green (yard waste), \$1.50 (will stay the same but will not include bag)

For historical comparison, the following were our past five year's fees:

2016: \$ 163.40; **2017:** \$ 198.90; **2018:** \$ 198.90; **2019:** \$228.75

6. **2020 Permits, Licenses, and General Fees:** Our current permit, license, and general fees schedule has not been updated in many years. Our fees are not consistent with many of our nearby Townships. Our staff is currently finishing their research and recommendations. I hope to have a new fee schedule ready for the Board's consideration December 7.
7. **2020 Hempfield Rec:** Per agreement of the member municipalities (East and West Hempfield, Mountville, and East Pete), we contribute \$2.12 annually per resident (\$34,933). The agreement also allows for additional voluntary contributions. For 2019, East and West Hempfield contributed an additional \$1.46 per resident (\$24,058) towards capital improvements. Hempfield Rec has asked for the same amount for 2020. In addition, the Township has a park maintenance agreement with a rate of \$115,960 for 2020. All total, Hempfield Rec is seeking \$174,951 for 2020. As we are their largest contributor and our employees have been working closely as partners, I have been working with them to try to obtain memberships for our employees. For 2020, I am recommending in lieu of \$15,336 of our additional contribution (out of the \$24,058), we simply purchase an individual membership for all full-time employees. Hempfield Rec would still get their full funding from us and our employees get an additional benefit.
8. **2020 General Property Tax:** I am proposing leaving the rate as-is, 1.75 mills
9. **2020 Fire Tax:** I am proposing leaving the rate as-is, 0.10 mills
10. **2020 Holiday Schedule:** Although not part of our budget, I am seeking approval for the 2020 holiday schedule as attached.
11. **2020 Pay Increases:**
 - **Police:** 3.0% increase for the police, as per their contract.
 - **Non-Uniformed:** 2.5% for purposes of preparing the budget.

The Board also set the salary of the Township Manager for 2020 and authorized several additional salary increases to employees whose positions and responsibilities have grown over the past year.

III. **STORMWATER DISCUSSION**

At the October 30, 2019 Road Tour meeting, staff presented to the Board our recommendation to consider establishing a municipal authority and stormwater fee to cover our increasing costs for our stormwater management obligations, including MS4, PRP, and repair/replacement of our aging stormwater infrastructure.

The Board authorized staff to work with our Solicitor to begin preparations for the establishment of a Municipal Authority and to obtain proposals from Rettew and CS Davidson for the creation of a stormwater fee. The intent would be to start the fee at the beginning of 2021.

IV. ADVERTISEMENT OF BUDGET

Motion by Ed Fisher and seconded by Kent Gardner to accept the proposed 2020 budget and to authorize staff to advertise public review of the budget for adoption on December 3, 2019. Motion carried 4-0 (Supervisor Martin left prior to this vote).

V. ADJOURNMENT.

Chairman Dumeyer adjourned the meeting at approximately 4:30 p.m.



Respectfully submitted,

A handwritten signature in black ink, appearing to read "Andrew Stern".

Andrew Stern, Township Manager