

WEST HEMPFIELD TOWNSHIP SUPERVISORS MEETING

Minutes of October 30, 2023

Budget Work Session

The Budget Work Session meeting of the Board of Supervisors was held at the Township Municipal Office, 3476 Marietta Avenue, Lancaster, Pennsylvania at 9:00 am on Monday, October 30, 2023. This was an advertised meeting open to the public. Chairman David Dumeyer and Board members Edward Fisher, Kent Gardner, and Robert Munro were present. Board Member Naomi Martin was unable to attend. Also in attendance were Township Manager Andrew Stern, Finance Director Amy Slutter, Assistant Finance Director Ellen Rinier, and one resident.

A. CALL TO ORDER.

- a. Chairman David Dumeyer called the meeting to order at approximately 9:00 am.

B. PUBLIC COMMENT.

- a. No public comment was provided.

C. 2024 BUDGET DISCUSSION.

SUMMARY

	<u>2023</u>	<u>2024</u>	
Property Tax:	1.75 Mills	1.75 Mills	NO CHANGE
Fire Tax (Hydrants):	0.10 Mills	0.10 Mills	NO CHANGE
Fire Tax (Capital/Operating):	0.10 Mills	0.10 Mills	NO CHANGE
Street Lights:	\$0.57/Front Foot	\$0.57/front Ft.	NO CHANGE
Trash Collection:	\$72.50/quarter	\$72.50/quarter	NO CHANGE
	\$285.00/year	\$285.00/year	NO CHANGE

* See separate memo about trash fees!

2023 Summary:

- Another GREAT year!
- Anticipate about \$208,957 actual general fund surplus to be carried into 2024 (Anticipated revenues less anticipated expenses).
- 2023 General Fund Revenues higher than budgeted by about \$220,472.
- 2023 General Fund Expenses lower than budgeted by about \$135,805. (includes the purchase of three unbudgeted police cars).

2024 Summary:

- General Fund increase in revenues = 3.94%

- General Fund increase in expenses = 4.53% (without replacing 3 officers, increase is about 1.27%).
- Police increase 5.76% increase (without replacing 3 officers, increase is about 0.21%)
- All Funds increase in expenses = 0.96% (without replacing 3 officers, DECREASE is about 1.22%)

Personnel:

2023 Full-Time Employees: 37 (October 2023)

2024 Full-Time Employees: 37 (including proposed 3 replacement officers)

2023 Part-Time Employees: 3 (at end of 2023)

2024 Part-Time Employees: 3

Things to discuss:

- **Police staffing.** Police Chief is requesting three additional officers over allotment (20+1 DTF allotted, requesting 23+0). See attached spreadsheet showing cost implication.
- **Refuse costs.** See attached memo.
- **Tuition Reimbursement.** Staff would like the Board to consider budgeting \$10,000 toward non-union tuition reimbursement, with a policy to be presented to the Board prior to implementation.
- **Library.** For our library contribution, I am showing a slight increase to reflect new 2020 census population increase, so we would maintain our existing \$1.727 per capita contribution.
- **Penn State Ambulance.** Penn State Health parks their ambulance here at our building and uses an office in the fire station. They pay our fire company \$700/month for rent. Staff is suggesting we reimburse Penn State for that rent (or simply add \$8,400 to FD allotment with FD agreement not to charge rent for ambulance provider).
- **2024 Pay Increases.**
 - Police will receive 3.5% increases per contract.
 - Proposing 3.5% for non-union (consistent with CPI). SSI COLA is 3.2% for 2024

General Fund Revenue:

- Interest revenue has been huge in 2023 and helped us stay above projected surplus for the year.
- Benecon refund delayed until 2024. For 2024, we anticipate a \$86,557 surplus, with \$225k being that one-time refund. (assuming 3 replacement officers). Note: Actual refund amount is not 100% known at this time. \$225,000 is our best guess.
- For 2025, I expect a budget deficit, if we hire the three officers requested by the Chief in for 2024.
- Reserves are in excellent shape.
- Property tax revenue is increasing about \$72,144, or 3.0% for 2024 (2023 budget to 2024 budget), meaning our development growth continues to be slow.
- Losing \$110,000 reimbursement for our officer 'on loan' to the Drug Task Force.

General Fund Expenses:

- 2023 Health Insurance costs were extremely low! We expected this.
- 2024 Health Insurance numbers are not in yet, but we expect an increase of at least 15%. We were aware we were given a very low-rate our first year while our new provider evaluated our claims. For 2023 we have had several significant claims due to employee and family illnesses and surgeries.
- The Police Chief is dropping her body-cam request FOR NOW. We need additional time to gather more facts on this topic. We will revisit during 2024 for possible consideration in 2025.

MS4 Fund

- Expenses will exceed revenues by \$256,100.
- We will be paying for the NFWF PRP project off Stony Battery Road. This will also show up on the revenue side as most of this project will be grant funded.
- We will be moving funds from the Municipal Authority, which we have not yet done, as we were using proceeds from our loan as well as grant reimbursements to pay for projects.
- We will begin to repay the Loan (A). We did not draw on Loan B, and do not anticipate doing so.

Refuse Fund

- There is a separate memo from Amy Slutter explaining where we are with the refuse fund for 2024.
- We have done very well the last several years with our refuse fund, with respect to increased revenues, decreased expenses, and increased fund balance.
- Amy and staff have implemented new billing software that allows automatic and online bill payments. We have also been diligent with stopping refuse service for significant past-due invoices. This has significantly increased revenue.
- The “locked-in” bid rates ends December 31, 2024. We will have to go back to bid in the summer of 2024 unless Republic agrees to the year 4 option. If we go back to bid, I anticipate a significant increase for 2025-2027.
- We are proposing to again subsidize our customer rates with funds from our fund balance.

Street Light Fund

- Revenues and expenses remain relatively unchanged for 2024.

Fire Hydrant Fund

- Revenues and expenses remain relatively unchanged for 2024.

Fire Capital Fund

- Revenues and expenses remain relatively unchanged for 2024.
- The fire engine delivery and payment is now not expected until 2025, thus it will not be included in the 2024 budget.

TDR Fund

- No activity is expected in 2024. This may change depending on developments which might occur in 2024.

State Liquid Fuels Fund

- Revenues will remain consistent with 2023.
- Expenses will be a bit higher than revenues, but decreased from 2023. 2023 included the paving of Farmdale/Ferndale.
- For 2024, we will have approximately \$100,000 for the new dump truck upfitting (ordered in 2022).
- Streets to be resurfaced:
 - South Prospect
 - Oswego
 - Stone House
 - Oak Hollow
 - Blue Lane
- Streets to be sealed:
 - Horizon Dr, Druid Hill to Stony Battery

2023 Goals

(strikethroughs are complete)

- **HAS TO HAPPEN:**
 - ~~○ Complete con-ed to renew certifications (AICP, Floodplain, SW, Notary)~~
 - ~~○ Monitor awarded grants to ensure compliance~~
- Financial:
 - ~~○ Create new revised budget with condensed line items which are easier to track and line up with QuickBooks.~~
 - ~~○ Continue refining accounts and funds (in progress)~~
 - ~~○ Establish NEW billing system and online bill pay (via third party)~~
- Implement Stormwater Fee billing (if approved by Authority)
 - ~~○ Create consistency with 'crediting of expenses' in financial system (revenue credits an expense instead of showing as a revenue)~~
- Personnel:
 - ~~○ Monitor new Health Insurance with employee input.~~
 - ~~○ Review less costly Health Insurance options for employees~~
 - Update personnel manual (Current version adopted late 2021 – needs a few adjustments based on 2022 experiences). IN PROGRESS
- Emergency Services:
 - Continue working with WHFR and Mountville on a long-term financial plan for operating and capital needs. IN PROGRESS
- Planning / Zoning:
 - Complete Comprehensive Plan. IN PROGRESS

- Begin planning for a Village Plan, Recreation Plan, and Transportation Plan (to be led by our new Director of Planning).
- Explore options for a property maintenance code for Board to consider
- Projects:
 - ~~Finish DEP 902 Grant projects (leaf collection vehicle & woody waste)~~
 - ~~Start (and finish?) PRP stormwater projects. Final project underway~~
- Miscellaneous
 - ~~Tackle whatever 2023 brings to us unexpectedly~~

2024 Goals - DRAFT

- **HAS TO HAPPEN:**
 - Put refuse contract to bid for 2025-2027 or obtain extension from Republic for current contract.
 - Finish final PRP stormwater project for this past 5 year permit cycle.
- Financial:
 - Continue refining accounts and funds (in progress)
 - Identify and review all contracts for services provided to the Township by outside vendors.
 - Successful transition of the payroll provider to Keystone Payroll Services.
 - Review payroll accounting functions with Keystone Payroll Services and option of QuickBooks interface.
 - Review prospect of utilizing Keystone Payroll Services for leave accruals and time off requests.
 - Stormwater Delinquent Accounts – Determine if we will move the delinquent accounts to collections with CrediTech or choose an alternate 3rd party vendor to do the collections on the stormwater accounts.
 - Woody Waste Renewals – Decide approach to annual billing for Woody Waste. Options are to do the billing out of QuickBooks, El Dorado, or no bill at all. Only turn cards back on for the Spring as people come in to pay.
 - Look for opportunities and/or necessary improvements to accounts receivable and accounts payable tasks.
 - Continue to streamline invoice scanning to QuickBooks process.
 - Cashiering – Continue to search for another cashiering solution rather than Freedom.
 - Determine an investment plan to routinely review Fulton Cash funds and whether to move funds to a PLGIT interest bearing account.
 - Improve Contract Management, tracking contract renewal timelines.
 - Continual review of appropriate job task assignments to each of the Finance Department members.
- Personnel:
 - Begin seeking health insurance options for 2025.
 - Update personnel manual (Current version adopted late 2021 – needs a few adjustments based on 2022 experiences).

- Emergency Services:
 - Continue working with WHFR and Mountville on a long-term financial plan for operating and capital needs.
 - Work with WHFR to provide Township staff assistance as requested/needed by them.
 - Continue to move Police closer to accreditation.
 - Review options for body-cams for 2025 budget consideration.

- Planning / Zoning:
 - Complete Comprehensive Plan.
 - Begin planning for a Village Plan, Recreation Plan, and Transportation Plan (to be led by our new Director of Planning).
 - Explore options for a property maintenance code for Board to consider

- Projects:
 - Depending on DEP permit issuance (already behind schedule by DEP!), determine projects for next 5 year cycle and identify potential grants.
 - Determine best utilization of new traffic engineer(s).
 - Begin to identify Oyster Point project ideas and funding sources.

- Miscellaneous
 - Tackle whatever 2024 brings to us unexpectedly.

D. ACTION

After significant discussion on the draft budget, the following motion was made:

Motion by Rob Munro, seconded by Kent Gardner, to advertise the 2024 Draft Budget for public comment in accordance with law and to advertise for possible action on the budget and proposed tax rate, to remain the same as 2023, at the December 5, 2023 regular Board meeting, with the following changes and additions:

1. \$120,000 expense is to be added to the State Fund for 2024 for the Silver Spring Culvert Replacement project.
2. \$8,400 expense is to be added to the Fire Capital Fund as additional allotment to WHFR, if they agree to reduce the Penn State Life Lion Ambulance lease to zero going forward.
3. The three additional police officer positions in the 2024 budget are to be reduced to one position, but with the condition that the Chief obtain specific approval from the Board prior to filling this additional position.
4. The staff pay increase is to remain at 3.5% as shown in the draft budget, but a \$3,000 bonus is to be provided to each non-uniformed employee at the last pay of 2023 in lieu of a higher 2024 pay increase.

Motion carried 4-0.

E. ADJOURNMENT

- a. Chairman Dumeyer adjourned the meeting at approximately 10:45 am.

Respectfully submitted,



Andrew Stern, Township Manager

