

WEST HEMPFIELD TOWNSHIP SUPERVISORS
Minutes of Budget Workshop on October 31, 2016

The West Hempfield Township Board of Supervisors met on Monday, October 31, 2016 at the Township Municipal Office, 3401 Marietta Avenue, Lancaster, Pennsylvania to conduct a Budget Workshop. David Dumeyer called the meeting to order at 2:00 p.m. Board members Frank Burkhart, Edward Fisher and Kent Gardner. Naomi Martin was unable to attend. Also in attendance were Andrew Stern, Township Manager, James Williams, Interim Township Manager and Brenda Baumbach, Finance/Personnel Director, serving as recording secretary.

Andrew Stern, Township Manager, said he wants to thank Brenda for preparing the 2017 All Funds budget on such short notice. He said there are two sets of budgets being proposed, the first one does not include the new municipal building complex and keeps the tax millage rate at 1.34, the second budget shows the new municipal complex and a proposed real estate tax increase of .51 mills.

He said the proposed budget has to be advertised for a 30 day public inspection period and in prior years the budget was adopted at the Board's December meeting. He said because of the required time frame, the budget can not be adopted at the December 6 meeting. The proposed budget can be adopted at the joint meeting scheduled with the Planning Commission on December 15.

The estimated 2016 surplus for the general funds is \$340,000.00, unless there would be an unforeseen event that occurred that the surplus would be needed. If the Township would not construct the building, the current tax rate would be sufficient, noting the department heads had prepared their 2017 budget with no extra add-ons.

Frank Burkhart asked when the police contract expires and negotiation would begin. Mr. Stern answered their contract expires December 31, 2017 and negotiations will begin shortly after the new year.

Andrew Stern, Township Manager, felt the Board needs to make a decision on the construction of the new municipal complex. He is recommending the project continue and he felt the entire Board should all be in agreement or cancel the project if the entire Board is not committed. He said for this project to go forward, debt will have to be secured and a tax increase on real estate would need to be adopted. He said the rate should be increased by .51 mills which would bring the millage rate to 1.85.

Mr. Stern advised the Board that the County Tax Assessment office will be performing over the next two years a county wide re-assessment. He said if the Board would decide not to go forward with the building, the project would have to be suspended until 2019.

Kent Gardner stated the fire company will be contributing \$940,000.00 towards the project and the \$50,000.00 yearly donation would cease for five years and that money will be applied to the expenses of the building. Mr. Stern said also included in those figures would be the money

collected on the sale of both the Township and Fire Company building.

Kent Gardner asked if the money received from the sale of the Fire Company building, would go towards the new building. David Dumeyer said he believes the money received from the sale of their building would be used to buy items needed in the Fire Department, Mr. Burkhart agreed.

Andrew Stern, Township Manager, informed the Board that once a good number is submitted by the Architect, he will meet with Concord Finance to discuss the options of securing the debt. He said at the beginning we may use capital outlay funds towards the construction and finance the balance. He said an option could be to borrow the entire amount from a bank or obtain a bond.

Edward Fisher commented that the tax increase two years ago generated a little more than \$330,000.00 and it was to pay for architect and engineering services. When the architect and engineer are finished being paid from the money put into capital outlay, we would use the money towards payment of the debt.

Andrew Stern, Township Manager, said he has been here for a week and during that time, he says the current facility is outgrown and to make the necessary repairs to the structure would be a inefficient use of Township money. He recommends the Board continue with the proposed project. He provided each board member with a copy of Lancaster county entities millage rates and found that the millage rate for West Hempfield is not the highest or the lowest rate imposed.

Edward Fisher said the Earned Income Taxes are slowly increasing; he informed the Board that the Earned Income Tax (EIT) represents approximately 42% of the revenue of the General Fund Budget. He also stated that investments are not generating returns as they had in prior years. David Dumeyer asked if it would be possible for West Hempfield Township to increase the Earned Income Tax rate. Mr. Stern said with the strict timeline for adoption of this budget, he would look into this request for the next budget season.

Andrew Stern said the budget presented with the building numbers will be the budget addressed and advertised. The Board agreed.

Andrew Stern explained the proposed 2017 All Funds Budget Revenues totals \$15,078,741.00 which includes an increase in tax mills from 1.34 to 1.85 mills.

GENERAL FUND (#01) - REVENUES

#301.100 Real Estate Current – Proposed \$1,958,603.00 – This includes a projected increase to the Township millage rate of .51 and using the latest assessment information received from the County.

#310.210 Earned Income Tax – Proposed \$2,250,000.00 – This account produces and generates the most revenue funds.

- #321.800 Cable Franchise Fee – Proposed \$225,000.00 – With the current franchise agreement, the Township receives 5% of revenue that the cable company receives for the cable service provided to our residents.
- #341.000 Interest Earnings – Proposed \$8,600.00 – With the interest rates so low and the restrictions the Township has on how money can be invested.
- #361.340 Zoning Permit/Fees – Proposed \$11,500.00 – This increase is due to the new storm water regulations and the issuance of those permits.
- #355.120 State Pension Aid – Proposed \$216,522.00 –The State contributes this amount per Act 205 to this pension account. The Township still has a financial responsibility beyond this amount. When the money is received into the General Fund it is dispersed within 30 days to an investment company.
- #355.130 Foreign Fire Insurance – Proposed \$110,000.00 – This amount is determined by insurance companies. This money is received into the General Fund and is dispersed within 60 days to West Hempfield Fire Company and Mountville Fire Company.
- #358.100 Police Service Contract – Proposed \$376,156.00. This is money we receive for providing Police Services in Mountville Borough.
- #391.000 Sale of Property – Proposed \$5,000.00 – The Township will sell a vehicle from one of the departments in 2017.
- #392.360 Transfer From PLGIT Highway Capital - \$72,000.00 – This is money to be used on Kames Hill Road Project.
- #393.100 Debt for Building Complex - \$7,000,000.00 – The amount estimated to be received for the construction of the building complex.
- #395.000 Insurance Refunds - \$62,500.00 – Township receives from Municipal Trust.

GENERAL FUND (#01) – EXPENDITURES:

Mr. Stern, Township Manager said the All Funds Expenditures total \$7,775,144.00.

- #400.100 -400.500 – General Government – Proposed \$19,000.00 – This includes Supervisors' pay of \$216.66/month each and attendance at various seminars and meetings outside the regular business agenda. There is also \$2,000.00 included for dues to the LIMC.
- #401.100 Compensation – Proposed \$148,000.00 – This is the salary for the Township

Manager and the Finance Director.

Mr. Stern announced that he has proposed a 2.5% wage increase for all Non-Uniform Employees.

- #402.140 Salary Clerical – Proposed \$54,326.00 – This amount reflects one full-time clerical worker’s salary and includes funds allocated for a part-time employee. The other full-time clerical worker is budgeted entirely out of Refuse/Recycling.
- #402.160 Pension – Proposed \$104,734.00 – This is the allocation for all Non-Uniform Employees annual pension contributions.
- #402.300 General Expenses – Proposed \$10,000.00 – This includes office supplies, funds for the postage meter, and \$2,880.00 to the Lancaster County Tax Office for mailing of tax bills.
- #402.314 Legal – Proposed \$19,900.00 – This includes work that the Township Solicitor does on behalf of the Administrative Department. Most of the legal fees are budgeted under Zoning.
- #402.320 Communications – Proposed \$8,200.00 – This includes cell phones, postage, and telephone/cable.
- #402.340 Advertising/Printing – Proposed \$8,000.00 – This includes the advertising of various meetings and the printing of the Township newsletter two times a year.
- #402.450 Contracted Services – Proposed \$44,000.00 – This includes payroll service, maintenance of the Township web page, off-site back-up of computers and yearly consulting fees from Freedom Systems for our computer programs and cleaning of municipal office.
- #402.700 Capital Outlay – Proposed \$247,100.00 – This includes the fees due to the Architect and Engineering firms.
- #409 Municipal Building – Proposed \$38,500.00. This includes the costs for maintaining the Township Building utilities, including heating fuel, electric, sewer and water.

#410 Police Department

- #410.120- #410.161 Accounts are the outlines of the salaries and benefits for the Police Department at \$2,905,815.00.
- #410.460 Education & Training – Proposed \$10,390.00. Required training for all officers.

#410.740 Capital Outlay – Proposed \$145,185.00 Mr. Stern informed the Board that the following items are the components of this account:

3 computer workstations & 2 laptops	\$ 11,715.00
2017 Ford PI Sedan (Car 3) Dodge Charger Sedan	\$ 42,500.00
2017 FORD PI SUV (Car 6)	\$ 43,300.00
Body Cameras	\$ 10,500.00
License Plate Reader	\$ 37,120.00
 Total Capital Outlay for Police Department 2017	 \$ 145,135.00

The budget for police department operation and supplies is \$207,967.00.

#411 Fire Protection

#411.500 Township Allocation – Proposed \$61,000.00 - The proposed allocations are:

West Hempfield Twp.	\$40,000.00
Hempfield Fire Co.	\$ 4,500.00
Mountville Fire Co.	\$10,500.00
Susquehanna Fire Co.	\$ 3,000.00
Columbia #1	<u>\$ 3,000.00</u>
	\$61,000.00

#411.700 Capital Reserve – Proposed \$55,000.00 – Mr. Stern stated this is money allocated to the two Fire Companies to assist with the payment of their major purchases and projects. He said we are in year 3 for this allocation, which will continue for 2 more years.

West Hempfield Twp. Fire Co.	\$50,000.00
Columbia #1 Fire Company – (Ladder Truck)	\$ 5,000.00

#412.500 Ambulance Service – Proposed \$15,000.00 – This is the same budgeted amount as 2016 for ambulance service. Susquehanna Valley Emergency Medical Services stations one of its ambulance at the West Hempfield Fire and Rescue.

#414 Zoning and Planning

#414.140 Salaries – \$52,600.00 - This account includes the Zoning Officer and Zoning Hearing Board Members' wages.

#414.314 Legal Services – \$25,000.00 – This includes fees from both attorneys.

- #414.324 MS 4 - \$79,750.00 – This is a new line item attributed to our obligations under the Municipal Separate Storm Sewer System (MS4) requirements dictated by the PA Dept. of Environmental Protection (DEP). The budgeted amount will be used primarily for engineering expenses to plan for our 2018-2023 MS4 General Permit Application preparation.
- #414.600 Capital Outlay – Proposed \$1,950.00. This is the annual maintenance cost for the permit manager program. This program has the capability of tracking building and zoning permits and applications for new storm water basins.
- #421.300 Health and Welfare/General Expense – Proposed \$4,150.00. Mr. Stern stated that we pay Marvin Stoner, the Township’s Sanitation Officer, on a per inspection basis.

#430 – Highway Department

- #430.140 Salaries – Proposed \$366,000.00 which includes, as in all salary line items, a 2.5% increase. There are times when the park maintenance crew assists the Road Department with fall leaf collection and if needed, helps with snow removal.
- #430.245 Highway Material – Proposed \$1,200.00. Mr. Stern informed the Board that when a highway material is not covered by State Liquid Fuels money, the Township uses General Funds to purchase those material.
- #430.330 Vehicle Operation Expense – Proposed \$10,000.00. Mr. Stern stated that this covers inspections, tires and preventative maintenance on vehicles for the Road Department.
- #430.331 Gas & Oil – Proposed \$21,990.00. Mr. Stern informed the Board that if fuel prices keep going down, it will help to control the expense of this line item.
- #430.370 Repair & Maintenance to Road Maintenance Building – Proposed \$13,900.00. Mr. Stern stated this money is used for the maintenance and upkeep of the maintenance building.
- #430.460 Education & Training – Proposed \$1,600.00. Mr. Stern stated this amount covers training for MS4 and PA One Calls.
- #430.600 Capital Constructions – Proposed \$65,000.00. Mr. Stern informed the Board that this is for the Kames Hill Road Project. This budget number reflects the money from Highway Capital/PLGIT Fund.

#452 & #454 Park and Recreation

- #452.500 Contributions – Proposed \$35,520.00 - This amount reflects our share to participate in the Hempfield Area Recreation.
- #454.140 Salaries – Proposed \$49,000.00. Mr. Stern informed the Board that there are 3 part-time employees. He also said to keep in mind that this line item includes wages for our Road department working in the Township's parks.
- #454.600 Capital Construction – Proposing \$27,900.00 to be used to re-stripe and seal Fairview hockey rink/basketball court.
- #456.500 Library – Proposing to keep the allocation to the Library the same at \$27,900.00.
- #472.000 Debt Principal - \$531,000.00 – is the project municipal service complex debt payment.
- #484, #485, #486 – Insurances - \$295,476.00 Includes Fire Company workers comp.

REFUSE/RECYCLING (#09)

Mr. Stern informed the Board that bids were let and contract has been awarded to Republic Services for 2017-2019. The fee charged to our customers will increase from \$43/quarter to \$51/quarter. There will be a new recycling toter delivered to all customers that participate in our recycling program. There will be more recycling items collected in 2017.

- #426.100 Salaries – Proposed \$45,449.00 - One full-time employee's salary and benefits will be paid entirely from the Refuse/Recycling account. The proposed raise is also 2.5%.

SEWER (#08)

Mr. Stern informed the Board the revenue that comes in from the \$146.52 per quarter usage fee pays for the expense to Columbia Borough. He informed the Board that there is an area that still needs installation of sewer lines and once those lines are installed the Township will be in compliance with our Act 537 plan. LASA and the Township are in discussion of LASA purchasing the sewer lines from the Township.

STATE FUND (#35)

Revenue: \$552,389.00 – Proposed 2017 Allocation received from Dept. of Transportation.

Expenditures:

- #430.740 Major Equipment Purchase – Proposed \$85,000.00.

Mr. Stern stated that he and the Public Works Director are looking at the possibility of purchasing a new truck for 2017.

Mr. Stern informed the Board that the money received from Liquid Fuels will be used for maintenance and upkeep of our roads and the maintenance of the traffic signals.

#432.000 Snow/Ice – Proposed \$55,000.00. Mr. Stern stated that the anti-skid and salt purchased is used on the roads during the winter season.

TRANSFER DEVELOPMENT RIGHT'S – TDR's (#18)

Mr. Stern feels that there will be no expected activity in 2017.

FIRE HYDRANT – (#14) and STREET LIGHT – (#13)

Mr. Stern informed the Board that Sylvan View Development will have street lights and fire hydrants that will be billed to the adjoining property owners.

Motion: Motion by Kent Gardner, seconded by Frank Burkhart, to authorize the Township Manager to advertise the proposed Resolution that sets the tax rate at 1.85 mil rate. Motion carried, 4-0.

Motion: Chairman David Dumeyer called for a motion to adjourn into Executive Session to discuss a personnel issue. Kent Gardner moved, seconded by Frank Burkhart, to adjourn the budget workshop at 4:45 p.m. and to go into Executive Session to discuss a personnel issue. Motion carried, 4-0.

Respectfully submitted,



Andrew Stern
Township Manager

