

WEST HEMPFIELD TOWNSHIP SUPERVISORS
Minutes of Budget Workshop November 2, 2015

The West Hempfield Township Board of Supervisors met on Monday, November 2, 2015 at the Township Municipal Office, 3401 Marietta Avenue, Lancaster, Pennsylvania to conduct a Budget Workshop. David Dumeyer called the meeting to order at 2:15 p.m. Board members Frank Burkhart, Edward Fisher, Kent Gardner and Naomi Martin were present. Also in attendance were Ron Youtz, Township Manager, and Mary Gildea, serving as recording secretary.

Township Manager Ron Youtz informed the Board that the proposed 2016 All Funds Budget totals \$7,005,639. This is a 6.65% increase from the 2015 Budget. The General Fund revenues and expenditures are balanced and equally budgeted at \$5,359,456 for 2016. This is a 3.8% increase from the 2015 budget. As drafted, this proposal will require \$40,000 of our Highway reserve funds to allow for the necessary engineering services to accommodate the design and permitting for projects on Eby Chiques Road and Kames Hill Road.

This proposed spending plan as submitted is balanced and maintains the Real Estate Tax at 1.34 mills. The most significant initiative is the proposed Municipal Services Complex which will accommodate Township Police, Fire and Administration in one building. The 2016 budget proposal includes a transfer of funds to a building account which would assist in covering costs for the necessary architectural design.

Mr. Youtz expects a small percentage increase in revenues in 2016, due in part to the slow economic rebound from the 2008-2009 time period. The tax increase of 2015 provides relief for the Township from relying on reserve funds, and has also provided funds towards the proposed Municipal Services Complex.

Regarding finances, it appears that 2015 will show positive results. Overall revenues are anticipated to be approximately \$40,000 or 2% more than budgeted. The increase in revenues over budget is due mainly to two sources: the Earned Income Tax and the Real Estate Transfer Tax in conjunction with a well-performing real estate market.

Zoning permits and building permits have underperformed in 2015, but not so much as to have an impact on the 2015 budget. With the Township holding the line on the Real Estate Tax, we are in good shape for 2016 to not only carry out the operating budget but also to set aside funds for the proposed new Municipal building.

Mr. Youtz said that Lancaster County is possibly planning a property reassessment in 2017, but whether that benefits the Township remains to be seen. Mr. Youtz said property values have increased somewhat in the area but not drastically enough to have an impact.

The policing contract with Mountville Borough continues to go well. The Township is in its seventh year of covering Mountville Borough (2016 is Year 2 of the second contract, or Year 7 overall). Both the Borough and the Township are happy with the arrangement.

Mr. Youtz reported that expenditures for 2015 will be at least \$100,000 less than what was budgeted for, which is a credit to Township staff and the overall efforts to control costs. Mr. Burkhardt asked if this was Year 4 of the police contract. Mr. Youtz said the current contract took effect in January 2013, so we are entering Year 4. He said that in the latter part of 2016 contract negotiations can begin. Police services represent about 59% of the 2016 budget. Over the past 7 years, expenditures usually have been less than or right about what was projected. Staffing levels for 2016 have not changed - 36 fulltime and 4 part time employees. There will be some staffing issues in the Police Department as personnel retire or move to outside positions.

GENERAL FUND – EXPENDITURES

- 400100 Board of Supervisors
The budgeted amount is \$22,000 which covers salaries, general expenses and contributions to the Inter-Municipal Consortium. Mr. Youtz budgeted \$5,000 based on the Township having to catch up with unpaid fees from previous years. Mr. Gardner stated the fee is \$500 a quarter or a flat fee of \$2,000. Mr. Dumeyer noted that what is budgeted in that category is twice what the membership fee is. Mr. Gardner said it is a good idea to have a reserve as the LIMC will be doing its budget next week. Also, the LIMC has cut the Township's dues by more than 60%.
- 401100 Township Manager and Finance/Personnel Salaries
The proposed budget of \$137,697 reflects the salaries of both the Township Manager and the Finance/Personnel Director.
- 402140 Administration Salaries
The clerical salary number listed reflects one full-time position and one part-time position. The remaining subcategories include all health care benefit costs, Social Security costs and pension payments for all non-uniformed Township staff, including Public Works employees. There are no dramatic changes in this category.
- 402700 Administration Capital Outlay
Mr. Youtz pointed out the budget figure listed for 2015 is \$250,000, which is where the Board agreed to put the remaining amount from last year's tax increase. This was done knowing that some funds would be dedicated to the new building. From the 2015 estimated expenditure of \$208,898,

\$8,000 of that was used to remove the underground storage tank at the Township building and to get the closure report done with DEP. It is Mr. Youtz's suggestion that the Township take \$200,000 out of Capital Outlay and establish a Building Fund. For the proposed 2016 budget, there is a surplus of around \$150,000 and he would like the Board to earmark that money for the building project as well. Mr. Dumeyer noted that the amount set aside is roughly \$350,000. Mr. Youtz said that with the Township's money and West Hempfield Fire & Rescue's money, the total amount will far exceed the costs of the building design along with the engineering costs for the land development fee.

Mr. Gardner asked what funds would be earmarked in the proposed budget if the Township were to use the intern program at Millersville University for the mandatory street sign mapping project. He feels we should take advantage of the program. Mr. Youtz said it could be put under Salary for Clerical or create a separate line item just for interns. The salary amount is small, \$2,000 at the most. Mr. Gardner stated that with the new building project, Mr. Youtz is putting in a lot of time and the Township is being told by the State to get the street sign project done. Mr. Burkhardt said perhaps the intern salary amount could be put under Repairs and Maintenance or General Expense. Mr. Youtz said if the salary amount were to go over \$5,000 it would be prudent for the Board to direct him to create a line item for this category. Mr. Gardner suggested that we keep the extra money in the LIMC allocation there, which would leave a \$3,000 cushion to pay a Millersville University intern.

Mr. Dumeyer suggested we may want to discuss creating a line item for an intern since Millersville University is aggressive in placing people in its program and it is a time and money saving option for the Township. If the Township employs an intern in 2016 it may be a good idea to revisit this idea for 2017, especially since we have no idea what the State may require from the Township in the future.

Mr. Fisher said the street sign project could be done in less than two weeks. According to Mr. Gardner, the State wants each street sign checked for reflectivity, location and bar code placement on the back of every sign. That way if a sign is ever stolen we can track it down, although the consensus was that stolen street signs are not a big problem for the Township. There are approximately 4,000 traffic signs in the Township that we are responsible for. Mr. Fisher said it only takes a couple of minutes to test the reflectivity of every sign. Mr. Youtz said the State

keeps changing the timeline for the reflectivity portion of the project and therefore the Township is not under any strict deadline to get that done.

Mr. Youtz said the first step for the project is to do an inventory and then come up with a plan as to how we are going to bring all those signs into compliance in terms of reflectivity. The older signs in the Township do not comply with PennDOT standards and eventually will have to be replaced. Mr. Fisher said once the inventory is completed, the Board can decide how much money to budget (\$1,000 a year) for the next 20 years to replace these signs. Mr. Youtz said getting the inventory done is key.

402313

Professional Services/Engineering

The amount is the same as 2015. The guidance we get from Attorney Josele Clery helps to keep costs down. She is a bargain and we greatly appreciate her input. In years past the engineering budget has been creeping up due to MS4 costs and compliance. Township employee Dwayne Steager had been checking outfalls and has done an outstanding job.

409300 - 409370

Township Building

In terms of utilities, maintenance and repairs we will exceed the budgeted amount for maintenance costs this year due to repairs for the building's boiler. Mr. Youtz said the Township is no longer using Frey-Lutz due to the multiple trips Frey-Lutz made last winter to work on the boiler without resolving the problem. He switched to Neffsville Plumbing who only had to come in one time to solve the issue, and those costs were mostly labor-related, not parts. The boiler burns a lot of oil so hopefully this winter will be mild and oil prices won't rise. Mr. Burkhart pointed out that the boiler's size is inadequate for the building because the building was enlarged but the boiler was not.

410121

Police Administration Salary/New Captain

There is a line item in here for a captain which is open ended. We know that we are losing one officer at the beginning of the year (Miles Bixler elected to District Magistrate) and another possible retirement in January but there is nothing in writing yet. Sgt. Mullin will also retire in the later part of 2016. Do we promote from within or create the captain's position and hire from the outside? As officers retire the upside is that the new officers' pay rates are much lower than the retirees' pay rate. The downside is that the Township is currently paying for services that are not being performed, such as unused vacation days and sick leave, and these

numbers are substantial. The light at the end of the tunnel is that there should be a decrease in salaries beginning in 2017. The new officers will be making much less annually than the current senior officers. When the first wave of retirees goes through it means the Township won't have these additional costs.

Mr. Dumeyer questioned the line item "Heart and Lung." Mr. Youtz explained that it is rarely used and an officer must request it. The Township is credited back most of the money through the Workers Compensation Fund. Since 2008 this is the only year the Township has paid Heart & Lung.

The Police pension issue was a topic discussed at the convention this morning. Mr. Youtz remembers when Act 205 money would fully fund the police pension with money left over for non-uniformed employees. The budgeted amount for 2016 for pensions is \$328,000. The Township is picking up the difference from the amount of the MMO which is \$211,000 plus fully funding the non-uniform employees' pension fund which is \$138,000. We are feeling the impact but our pension plans are in good shape, and there has been the suggestion that the Township change how the pension plans are designed.

410740

Police Administration Capital Outlay

The Chief is proposing expenditures of \$119,000. Insurance premiums, vehicle maintenance and repairs are part of the Capital Outlay budget, which is elaborated on page 67 of the budget document.

Mr. Burkhart questioned the estimated \$12,055 spent on legal costs in 2015, which is over the budgeted amount. Mr. Youtz explained this is over the budgeted amount for of \$8,944 in 2014, which was residual from the contract negotiations. He felt comfortable in budgeting \$5,000 for 2015 but is now projecting spending \$12,000, of which \$10,000 went toward the recent settlement issue. If not for that case, we would be under budget.

Of the request for two police vehicles, one is for a regular cruiser and the other is to replace the detective's car, which costs half of what a new cruiser would because it does not require the features that a cruiser must have. The Chief is hoping to replace the current DUI testing equipment, a portable unit used to check blood alcohol content. This equipment doesn't always work properly, in which case officers must take the person somewhere else to be tested. For other police equipment, the Tasers have a

life expectancy (5 years) and Chief is proposing to replace those. Also \$11,000 is earmarked for duty weapons, some of which go back 15 years. The current weapons are valued at approximately \$5,000 so with \$11,000 in expenditures, the cost is closer to \$5,000 to \$6,000 for the Township.

411500

Fire Departments Funding

The budget is same as last year. There are some options regarding the West Hempfield Fire and Rescue should the Township be able to reach an agreement with them. In turn that would impact future budgets in terms of reduced annual contributions to WHFR, but mostly likely it will be two to three years out from realizing this option. Regarding the Columbia Borough fire companies, Mr. Youtz explained that three different sums of money go to Columbia Borough – one is to Susquehanna Fire Company, which has merged with Columbia No. 1 Fire Company. The \$3,000 is given to Susquehanna because of the mutual aid it provides at the border of the Township. Another \$3,000 goes to Columbia No. 1 for the service it provides at the Susquehanna River and the Township will continue to give that on an annual basis. The \$5,000 commitment is to help with the purchase of the ladder truck. If the fire companies decide to restructure in the future, the Township will have to decide what monies to contribute. It could be combined into one fund at \$10,000. Mr. Burkhart likes the idea of helping other fire companies, for example with the purchase of a ladder truck. WHFR doesn't have one because it does not have the personnel to operate a ladder truck. Mr. Youtz agreed, saying that a ladder truck costs about \$1,000,000 and Barry Carter of West Hempfield Fire and Rescue told Mr. Youtz he couldn't guarantee that WHFR would have the personnel to operate a ladder truck. With the proposed fire company consolidation, equipment purchase decisions might be worth revisiting.

412500

Ambulance Service

This budget amount is the same as last year. It is convenient for EMS to be stationed near or at WHFR. With the proposed new building the Township should talk with the EMS service personnel to see if space can be allotted for an ambulance at the new facility.

414140

Zoning and Planning Salaries

There are no changes in the Zoning budget for 2015.

- 414314 Zoning and Planning Legal Services
The largest expense item under Zoning is for the legal services of Josele Clery and Matt Creme. These numbers start to go up when the Township has to take action on proceedings to enforce zoning ordinances.
- 421300 Health and Welfare/General Expense
The need for Sewer Enforcement Officer Marv Stoner is decreasing as more properties in the Township hook up to public sewer. Mr. Youtz said there are still about 900 properties in the Township with on-lot septic systems.
- 430140 Highway Department Salaries
There was a significant increase in the Township's workers compensation. Some positive news received at the last meeting of the ICC (insurance co-op) was that the Township's increase in hospitalization coverage was 4.7%, which is low in comparison to other municipalities. There are no proposed changes to staffing levels in the Highway Department.
- 430245 Highway Materials
Mr. Youtz said the Township will be getting free internet service at the Public Works building, which will save \$50 to \$60 a month.
- 430331 Highway Gas and Oil
Expenses are holding the line on the cost of gas and oil prices and hopefully prices will stay down in 2016. It appears that we are slightly under budget for gas and oil for 2015, which is good in light of the past harsh winter weather when the Township used a lot of fuel.
- 430370 Highway Road and Maintenance Building
The budgeted amount includes a concrete floor at the building, and sealing and painting the Dryvit on the exterior.
- 430600 Highway Capital Construction
This line item represents the design and permitting costs involved with improvements to Eby Chiques Road and culvert replacement on Kames Hill Road.
- 452500 Recreation Contributions-HARC
The Township's obligation to Hempfield Area Recreation Commission will remain the same for next year. There may be a slight change in this amount based on the formula used to calculate the Township's

contribution (\$2.12 per resident) and the annual census done by the Hempfield School District.

- 454140 Township Recreation Salaries
This account covers both full and part-time Public Works personnel who service the Township's parks.
- 454600 Township Recreation Capital Construction
The amount of \$15,000 budgeted for 2016 includes funding for replacing the fence at Silver Spring Park. We will need assistance to come up with an Erosion and Sedimentation plan to lay the bank back in order to make it a safer place. Mr. Youtz is proposing that most of the work be done in house once the Township gets an Erosion and Sedimentation plan put together. Mr. Burkhart suggested that the project could be segmented and not done all in the same week so as to not require NPDES permitting. Mr. Youtz said the Township has been told it needs an Erosion and Sedimentation plan for the road bank. Mr. Fisher said the Erosion and Sedimentation plan should be pretty simple by placing some sod at the bottom and the top. The key thing now is to keep the water off it until it is stabilized.
- 456500 Library
The last time this item was increased was in 2009 and it will remain the same for 2016.
- 484000 Insurance
Mr. Youtz reported that the Township did pursue some options regarding containing property/casualty insurance costs. One option is to go to a self-funded pool similar to how health insurance is handled. In terms of policy prices, because 2015 was such a bad year in the number of claims, no projected payment amounts coming back were favorable. He is hoping in 2016 we may realize some money rebated to the Township.
- The other increase in funding is Workers Compensation. This is one downside of being in a self-funded pool (Susquehanna Municipal Trust). The Township will see a substantial increase due to one significant claim (in terms of time lost) and several smaller claims regarding workers compensation in 2015. The upside of a self-funded pool is that if in 2016 the number of workers compensation claims drops, then the Township will see a decrease in costs in the form of rebates from self-funded pools.

Mr. Dumeyer asked if the insurance company tells the Township what it needs to do to help decrease claims. Mr. Youtz said that every December a third-party risk-control inspector from the insurance company comes in and does a Workplace Audit and gives the Township feedback on what needs to be done. Some years the audit takes one hour and may only require examination of one department. In response to Mr. Dumeyer's question about available training, Mr. Youtz said yes, the insurance company has all types of training programs, webinars, etc. and the Township does take advantage of these opportunities. The 2015 update of the Township's Safety, Accident and Illness Prevention Manual was mandated by the insurance group. The Township has to meet a certain standard and certain language must be used in its safety and loss control policy. The same criteria applied when the Personnel Policy Manual was revised a few years ago.

OTHER FUNDS

426000

Refuse/Recycling

Mr. Youtz pointed out the revenue totals (\$769,400) and the expenditure totals (\$764,324) in this fund and noted that once again revenue slightly exceeds expenditures. The Township just entered into the final year of its contract with Republic Services. In 2016 the Township is required to re-bid the contract, so we could have Republic Services/York Waste for 2017 and beyond or it could be another hauler. The difference between expenditures and revenue is a healthy reserve in the Refuse Fund. Depending on the bids (which open in August or September), we may have to raise the trash rates to our customers for the first time in years. For the short term Mr. Youtz would like to hold rates for another year and then re-evaluate based on the new contract. This may require a slight increase in rates that would carry through for another 5 years or so. Mr. Burkhart commented on Lancaster County Solid Waste Management Association's tipping fee of \$62 per ton. Mr. Youtz said LCSWMA's goal is to hold the tipping fee charge unchanged for 15 years. It was noted that LCSWMA is a very well-run organization.

427000

Sewer

The sewer fund shows revenues significantly exceeding expenditures, mostly due to the sale of the Columbia System to the Lancaster Area Sewer Authority (LASA). The Township is not recognizing lower bulk rates now that we now pay LASA instead of Columbia Borough. The goal

for us is to maintain the rates we charge our customers at least through 2016 which will allow us to generate enough surplus in the sewer account to fund the Raintree Road project without tapping other accounts. Mr. Youtz believes we are on a good track to do this to and to share this cost among the Township sewer customers. There will be approximately 300 properties with Township sewers by the time we transfer the system to LASA. Mr. Burkhart noted that it will be a great day when the Township is out of the sewer business.

432000

State Fund/Liquid Fuels

The Township is seeing increased revenues as a side benefit of the Transportation Bill passed two years ago in Pennsylvania. Conversely, the price of everything else is also increasing. The Township will spend slightly less money in 2015 than what was budgeted. There was a proposal to buy a road widener, but due to the \$62,000 spent on last winter's weather events, the account is well over what was budgeted (\$48,000).

Mr. Youtz said we did a better job in budgeting for the bids for resurfacing, which were higher. The Township will not be doing as much resurfacing and so we are purchasing less tonnage for 2016. There is \$90,000 proposed in the equipment category to purchase a dump truck. Purchasing a used truck may be an option. We are trying to determine what trucks are available for the amount of money we have to spend in order to get the best deal possible. Mr. Youtz recommends spending a little bit more than what we are taking in, with \$40,000 in reserve funds and the state fund as well. Township staff will do its best to bring the numbers closer together. We may find a decent truck for less that but Mr. Youtz does not want to be shortsighted until he sees what is available, including features such as horsepower, transmission, motor, etc.

391100

Transferable Development Rights

The Township is not expecting much activity in this account. Mr. Dumeyer inquired about the \$10,000 fee recently stipulated in a Conditional Use decision approved in October 2015. Mr. Youtz said that with the potential of two different neighbors appealing the decision, he is not inclined to include that \$10,000 until the situation is settled.

Fire Hydrant and Street Light Funds

The current rates still apply. The Township is collecting close to what is going out to Columbia Water Company or PPL. For 2016 the rates will stay where they are with perhaps a surplus showing in December 2016.

CAPITAL BUDGET

This information page shows the breakdown of the general fund capital expenditures. Mr. Youtz said this is area to look at if the Board feels that cuts need to be made. Mr. Fisher asked what vehicle the 2016 Ford Explorer would replace since we already have an Explorer. Mr. Youtz said that particularly with Ford vehicles, the Explorer is the best way to go. In the past there was big price difference between the Explorer and the Crown Victoria Police Interceptor but nowadays the Explorer is equitable in price. Police personnel prefer the Explorer because it has more room in the front seat and more leg room. Mr. Fisher asked if the new Ford Explorer would replace one of the cruisers. Mr. Youtz said yes, we still have some of the old Crown Vic cruisers which we are slowly phasing out because the car is no longer manufactured. The 2016 Impala requested in the police expenditures would be an unmarked car that the detective would use. The plan is to transfer the 2008 Impala to administration for its use and get rid of the 2001 Taurus. With these transfers from the Police Department, Township Administration has not had to purchase a vehicle in a long time.

Mr. Gardner asked if the Chief had looked locally or has the car purchase been bid? He had spoken with Dan Whitmoyer of Whitmoyer Ford in Mount Joy and with a few municipality representatives in the LIMC about keeping business transactions in the local area. Mr. Youtz confirmed that Whitmoyer Motors is a member of COSTARS (the state's cooperative purchasing program) but Whitmoyer has not bid in the past. Mr. Burkhart suggested that the Chief go to Auto Connection at the junction of Routes 741 and 462 in Lancaster and look at a Cadillac Escalade with 20,000 miles on it and buy that in place of the Explorer. He feels using the Escalade would possibly catch more bad drivers.

Mr. Gardner brought up the issue of the Department of Environmental Protection and storm water management requirements. The Township needs to look at this issue in terms of personnel and the time involved in complying, especially in light of the new building project coming which will also be time-consuming. Some municipalities are using creative methods to address staffing, such as East Lampeter and West Lampeter who are sharing a person to handle MS4 paperwork. York County is looking to do storm water management compliance on a county-wide basis. Perhaps the Township could do something similar, or perhaps partner with one of the two watershed alliances in the area or with another municipality within these watersheds. Mr. Fisher said that there will not be any changes in regulations until 2017 when the Environmental Protection Agency tells the State to do more storm water management. We could consider hiring another person but for now there will be no dramatic changes coming in the next year.

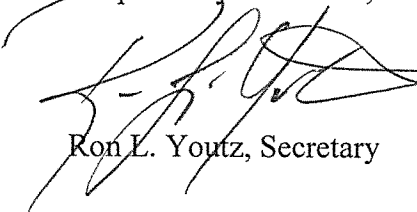
At this time Chairman David Dumeyer declared a recess in the Budget Workshop meeting in order for the Board to go into Executive Session to discuss a personnel issue.

GENERAL DISCUSSION

The Budget Workshop meeting re-convened at 3:32 p.m. with no further discussion. Chairman David Dumeyer said that the Board agreed to go along with the salary figures as proposed in the 2016 budget. Ron Youtz asked the Board if they were comfortable with the proposed budget as prepared and the consensus was yes. He said the next step will be to present the 2016 Budget at the Supervisors' regular meeting on Thursday, November 5. At that time Mr. Youtz will announce what the projected revenues and expenditures are and will request authorization from the Board to advertise the budget. If so authorized, Township Staff will have enough time to advertise the 2016 Budget and have it available for public comment. Subsequently the Board can adopt the budget at its December 1, 2015 meeting.

Mr. Dumeyer adjourned the Budget Workshop meeting at 3:35 p.m.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "R. Youtz", is written over a horizontal line. The signature is fluid and cursive.

Ron L. Youtz, Secretary