

WEST HEMPFIELD TOWNSHIP SUPERVISORS
Minutes of Budget Workshop on November 3, 2014

The West Hempfield Township Board of Supervisors met on Monday, November 3, 2014 at the Township Municipal Office, 3401 Marietta Avenue, Lancaster, Pennsylvania to conduct a Budget Workshop. David Dumeyer called the meeting to order at 2:30 p.m. Board members Frank Burkhart, Edward Fisher, Kent Gardner and Naomi Martin were present. Also in attendance were Ron Youtz, Township Manager, and Brenda Baumbach, Finance/Personnel Director, serving as recording secretary.

Ron Youtz, Township Manager, informed the Board that the proposed 2015 All Funds Budget totals \$6,305,823.00. He stated that the proposed 2015 Budget is presented as a balanced budget, and he is proposing an increase in tax mills from .68 to 1.1 mills. He said the current .68 mills generates an estimated \$685,000.00 in revenue and the proposed increase to 1.1 mills will generate an estimate of \$1.1 million in revenue. The proposed tax increase will balance the 2015 budget. He stated that with the proposed tax mill increase there would not be a need to transfer funds from other revenue sources to cover expenses incurred in 2015.

He informed the Board that the 2013 budget was presented with a shortfall and in order to balance it, it was necessary to make various fund transfers in the 2014 budget. He thanked the department heads for controlling expenses, and no funds had to be transferred in order to pay expenses.

He stated that by combining all available revenue sources from the 2014 budget there will still be a shortfall of revenues vs. expenditures. He is estimating that approximately \$270,000.00 from the Reserve Fund and \$30,000.00 from Highway Reserve will need to be transferred to pay expenses through the end of the 2014 year.

Mr. Youtz felt that the Township is still feeling the effects of the recession which began several years ago. He stated that in 2013 permit fees were down and remain down, but he believes permits are slowly on the upswing, Earned Income Taxes are also down but 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 prior to the recession.

GENERAL FUND (#01) - REVENUES

- #030.1100 Real Estate Current – Proposed \$1,100,000.00 – This includes a projected increase to the Township millage rate from .68 mils to 1.1 mils.
- #310.210 Earned Income Tax – Proposed \$2,045,000.00 – This account produces and generates the most revenue funds. He stated that in 2007 the amount generated and received was roughly \$2,185,000.00.
- #321.800 Cable Franchise Fee – Proposed \$210,000.00 – With the current franchise

agreement, the Township receives 5% of revenue that the cable company receives for the cable service provided to our residents. The current contract expires in 2015 and discussions will begin for a new agreement.

- #341.000 Interest Earnings – Proposed \$12,000.00 – With the interest rates so low and the restrictions the Township has on how money can be invested, this limits possible income for interest.
- #361.340 Zoning Permit/Fees – Proposed \$17,000.00 – This increase is due to the new storm water regulations and the issuance of those permits.
- #355.120 State Pension Aid – Proposed \$225,000.00 –The State contributes this amount per Act 205 to this pension account and the Township still has a financial responsibility beyond this amount. This money is received into the General Fund and is dispersed within 30 days to an investment company.
- #355.130 Foreign Fire Insurance – Proposed \$115,000.00 – 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 \$250,480.00. This is money we receive for providing Police Services in Mountville Borough. The current contract is under negotiations for renewal for 2015, and thereafter on a yearly basis.

Mr. Youtz also mentioned that because one of our officers serves with the County Drug Task Force, his salary and \$8,000.00 towards his benefits are refunded.
- #391.000 Sale of Property – Proposed \$5,000.00 – The Township will sell a vehicle from one of the departments in 2015. This year a vehicle was donated to the West Hempfield Fire Company.
- #395.000 Insurance Refunds - Employee worker compensation claims and the Cancer Presumption Act both have impacted the amount received compared to prior years.

Mr. Youtz stated that the proposed budget for revenue totals \$4,920,980.00 with the proposed increase to a 1.1 millage rate.

GENERAL FUND (#01) – Expenditures

Mr. Youtz Township Manager said that usually by this time of year all Fire Companies have been provided their allocations along with the Library and Ambulance service. This had not been done yet in 2014 because of the limited funds available. He is waiting to see how much the next

payment amount from Lancaster County Tax Collection Bureau is. If adequate payment is not received, we will be forced to transfer money from Susquehanna Trust to cover those costs. He stated that the 2014 budget was approved with approximately a \$300,000.00 transfer from the reserve fund to balance the budget.

#400.100 -400.500 – General Government – Proposed \$23,250.00 – This includes Supervisors’ pay of \$216.66/month each and attendance at various seminars and meetings outside the regular business agenda. There is also \$6,000.00 included for dues to the LIMC.

#401.100 Compensation – Proposed \$134,927 – This is the salary for the Township Manager and the Finance Director.

Mr. Youtz announced that he has proposed a 3.25% wage increase for all Non-Uniform Employees; he also stated that this is consistent with what is in the Police Contract.

#402.140 Salary Clerical – Proposed \$51,130.00 – 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. Mr. Youtz stated that this method was started in 2013.

#402.160 Pension – Proposed \$137,215.00 – This is the allocation for all Non-Uniform Employees annual pension contributions.

#402.300 General Expenses – Proposed \$8,800.00 – This includes office supplies, funds for the postage meter, and \$2,880.00 to the Lancaster County Tax Office for mailing of tax bills.

#402.320 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 \$15,000.00 – 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.

#402.700 Capital Outlay – Proposed \$10,000.00 – This includes the removal of the underground fuel tank located on the property. It also includes funds for any office equipment that may need replacement.

#402.314 Legal – Proposed \$5,500.00 – This includes work that the Township Solicitor does on behalf of the Administrative Department. Most of the legal fees are

budgeted under Zoning.

#409 Municipal Building – Proposed \$33,700.00. This includes the costs for maintaining the Township Building utilities, including heating fuel, electric, sewer and water.

#410 Police Department

#410.120- #410.191 Accounts are the outlines of the salaries and benefits for the Police Department at \$2,782,999.00.

#410.121 Salary for New Captain – Proposed \$75,667.00. Mr. Youtz stated that the Chief of Police has proposed hiring a new officer for 2015.

#410.460 Education & Training – Proposed \$9,420.00. Mr. Youtz stated this includes an officer to continue his certification requirements for polygraphs, and other required training for all officers.

#410.740 Capital Outlay – Proposed \$82,830.00. Mr. Youtz informed the Board that the following items are the components of this account:

3 computer workstations and 2 laptop replacements	\$ 10,200.00
2015 Ford Explorer	\$ 44,710.00
In-car camera systems – lease payment	\$ 15,000.00
Portable radios (2)	\$ 3,000.00
Speed Alert 18 radar message signs	\$ 6,220.00
Shield 12 speed display signs	\$ 3,700.00
Total Capital Outlay for Police Department 2015	\$ 82,830.00

The budget for police department operation and supplies is \$247,077.00.

#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. Youtz 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 2 for this allocation, which will continue for 3 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 2014 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 – This account includes the Zoning Officer and Zoning Hearing Board Members' wages.

#414.314 Legal Services – In 2014 there were several zoning issues that involved our attorney.

#414.600 Capital Outlay – Proposed \$1,850.00. 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. Mr. Youtz stated this program is the best money the Township has spent over the years.

#421.300 Health and Welfare/General Expense – Proposed \$4,000.00. Mr. Youtz stated that we pay Marvin Stoner, the Township's Sanitation Officer, on a per inspection basis.

#430 – Highway Department

#430.140 Salaries – Proposed \$345,000.00 which includes, as in all salary line items, a 3.25% 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. Youtz informed the Board that when a highway material is not covered under State Liquid Fuels money, the Township uses this fund to purchase material and pay for it out of the General Funds.

#430.330 Vehicle Operation Expense – Proposed \$10,000.00. Mr. Youtz stated that this covers inspections, tires and preventative maintenance on vehicles for the Road Department.

#430.331 Gas & Oil – Proposed \$35,000.00. Mr. Youtz 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 \$15,000.00. Mr. Youtz stated that money has been allocated to address the exterior above ground fuel tank.

#430.460 Education & Training – Proposed \$1,600.00. Mr. Youtz stated the he would like two employees to have certification in pesticide application.

#430.600 Capital Constructions – Proposed \$25,000.00. Mr. Youtz informed the Board that there is still work to be done on Eby Chiques Road. This budget number reflects the engineering design that is necessary for widening that road.

#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 \$45,000.00. Mr. Youtz informed the Board that there were 3 part-time employees in 2014 and for 2015 there will be 2 part-time employees. He stated that one of the part-timers had resigned for personal reasons. He also said to keep in mind that this line item includes wages for work done at the Township's parks.

#454.600 Capital Construction – Proposing \$10,000.00 to be used to re-grade a bank along Marietta Avenue and to install a fence.

Mr. Youtz stated that the playground equipment in all the parks has been upgraded.

#456.500 Library – Proposing to keep the allocation to the Library the same at \$27,900.00.

#484, #485, #486 – Insurances

#484.000 Workman's Compensation – The Fire Company portion is estimated at \$29,000.00 for Worker's Compensation coverage.

Mr. Youtz informed the Board that all the insurance payments have increased for 2015.

REFUSE/RECYCLING (#09)

Mr. Youtz informed the Board that we have extended the Refuse/Recycling Contract with York Waste for 2015. He stated that there is a slight increase to the fees paid to York Waste. It will be the first time that our expenditures will be more than receipts collected for 2015. He stated that there is a reserve of approximately \$400,000.00 in the bank, but

that in the next couple of years we will have to rebid the contract and possibly adjust rates. Wages and benefits for one full-time employee comes from this fund.

#426.100 Salaries – Proposed \$33,500.00. One full-time employee's salary and benefits will be paid entirely from the Refuse/Recycling account. The proposed raise is also 3.25%.

SEWER (#08)

Mr. Youtz 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. Mr. Youtz also informed the Board that there are still discussions going on between LASA and the Township about LASA possibly purchasing the sewer lines from the Township.

STATE FUND (#35)

Revenue - Mr. Youtz stated that there has been an increase over the last couple years due to the tax increase on fuel as part of the new transportation bill.

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

Mr. Youtz stated that he and the Public Works Director are looking at the possibility of purchasing a road widener. He stated that you can pave and lay stone with it. He said that a loaner was brought in from Stephenson Equipment and it was amazing how much work the road department had done in the short time while they had the loaner.

Mr. Youtz informed the Board that the money will be used for maintenance and upkeep of our roads and the maintenance of the traffic signals.

#432.000 Snow/Ice – Proposed \$48,000.00. Mr. Youtz stated that this line item is charged to the anti-skid and salt that is used on the roads during the winter season.

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

Mr. Youtz feels that there will be no expected activity in 2015.

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

Mr. Youtz informed the Board that he feels that a rate increase is necessary since the current .18 mills is not enough for the Fire Hydrant Fund. He stated that in 2014, the

Columbia Water Company has been granted a rate increase by the PUC. The increase proposed is .20 mills.

He stated that the current rate charged for the Street Lights at this time is sufficient.

David Dumeyer asked if there is a township resident that serves on the East Hempfield Township Water Authority. Mr. Youtz stated that he does not know, and that he will research and respond back to the Board.

CAPITAL BUDGET

Mr. Youtz stated that page #67 shows a detailed breakdown of what is projected for Capital Expenditures in 2015.

GENERAL DISCUSSION

Mr. Youtz provided a copy of the General Fund Balance Sheet which shows the balances of the various reserve accounts as of November 1, 2014. He stated that he prepared the 2015 budget with a millage tax increase from .68 to 1.1. He stated that he is looking for input and assistance from the Board with regard to a possible tax increase, what that rate would be, and what direction does the Board want to go in regard to a new township facility. Do you want to keep the concept of a joint facility to house the Administrative department, police department and the fire department? Where is the building going to be constructed, what about hiring an architect to design the facility and what costs are involved to construct the facility.

David Dumeyer stated that that proposed tax increase will bring the budget to a balanced budget with nothing toward debt service. Kent Gardner expressed that if a tax increase is proposed that the new rate should include additional funds for upfront costs to purchase land and design the building. Edward Fisher felt that it would be better to increase the rate to possibly double the millage rate to 1.36 and then that should suffice for a couple of years and hope it includes debt service. Kent Gardner suggested that we hold public meetings to make the residents aware of what the Board is considering and that it would be all up front and that way no one can say we were doing things without public knowledge.

Kent Gardner said that the Township has one of the lowest millage rates that provides a full-time police department.

Edward Fisher asked what the year is of the police department's current vehicle that they propose to replace. Frank Burkhart stated that he felt a 4 wheel drive vehicle would be more useful and have a greater resale value than a car. Ed Fisher inquired about the cost difference between a regular police car and a 4-wheel drive variety. Ron Youtz advised that he would get that information and report back.

Ron Youtz informed the Board that if the Real Estate Tax is raised by .42 mills to a total of 1.1 mills the increase would generate an additional \$420,000.00 which would balance this budget. He stated that the increase would not cover the debt service if we are looking at financing a new facility.

David Dumeyer asked what the time restraints are for adopting the budget. Ron Youtz informed the Board that a balanced budget has to be adopted by December 31, 2014. He recommends the Board meet again to discuss the budget which will allow the Board to consider some very serious issues that have been proposed this evening.

Ron Youtz asked the Board to consider wage increases for the Non-Uniform personnel so that portion of the budget can be finalized. After further discussions the Board established raises for the Non-Uniform employees to be 2.8% for 2015.

The Board agreed to meet again on Monday, November 17, 2014 at 7:00 p.m., to continue discussions on the proposed budget.

Motion: Motion by Frank Burkhart, seconded by Edward Fisher, to adjourn the Budget workshop meeting at 4:20 p.m. Motion carried, 5-0.

Respectfully submitted,

Ron L. Youtz, Secretary