

TOWNSHIP OF DERRY
BOARD OF SUPERVISORS BUDGET MEETING MINUTES
NOVEMBER 15, 2016

CALL TO ORDER

Chairman Marc A. Moyer called the November 15, 2016, budget meeting of the Township of Derry Board of Supervisors to order at 5:30 pm in the meeting room of the Township of Derry Municipal Complex, 600 Clearwater Road, Hershey, PA. He advised that all public meetings are recorded for providing accurate minutes. After the Pledge of Allegiance, a roll call was conducted.

IN ATTENDANCE:

SUPERVISORS

Marc A. Moyer, Chairman
John W. Foley, Jr., Vice Chairman
Justin C. Engle, Secretary
Matthew A. Weir

Susan M. Cort

ALSO PRESENT:

James N. Negley, Township Manager
Jill Henry, Assistant Township Manager
Chuck Emerick, Director of Community Development
Lauren Zumbrun, Economic Development Manager
Barbara Ellis, Director of Library Services
Thomas Clark, Director of Public Works
Garth Warner, Chief of Police
Matthew Mandia, Director of Parks and Recreation
Terry Weinhold, Manager of Accounts Payable & Receivables
Cheryl L. Lontz, Manager of Payroll and Employee
Brian Blahusch, Manager of IT
Julie Echterling, Recorder

Public in Attendance:

The following were in attendance: Charles Huth, Dale Holt, and Steve Ramis.

INTRODUCTION OF 2017 PROPOSED BUDGET:

Mr. Negley stated the General Fund operating portion of the 2017 budget increases .92% from 2016 and includes no tax increase. However, based on PFM's recommendation to completely cover the Township's debt service, the Capital Fund Budget includes a tax increase to .9917 mils. The General Fund (operating) budget recommended for 2017 totals \$17,642,822; an increase of \$161,677 over 2016. The General Fund 2017 Budget has no additional staff positions budgeted. The proposed budget includes replacing aging vehicles in fleet. He stated the projected year-end balance for the General Fund is \$1,596,248. He stated the Township's internal policy established a \$4 million as the desirable amount to be maintained in the General Fund Reserve.

He stated a 3% wage increase is in the budget for the Police Association, AFSCME, and management. He spoke about health insurance/claim increases. He spoke about how they budget the maximum number of claims and have received a refund each year. Because of high claims, there isn't a refund this year.

He spoke about the Debt Services for the 2017 Budget. He spoke about the projects in the fund including debt for the building, library, bridge, and traffic signal. For 2017, the Township's Debt service payments will be \$1.9 million, which will create a shortfall of \$1 million dollars. In previous years, transfers from General Fund Reserves were used to make up this balance. The Township engaged Public Finance Management (PFM) and received their report and recommendations. PFM's report stated these transfers are unsustainable and will deplete the General Fund reserve if this practice continues. The current real estate capital tax rate is .45 mils and generates \$915,578. For the total debt service to be covered, the .45

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mils rate would need to be increased to .9917 mils. This would generate approximately \$1,976,498 at a 98% collection rate. The last time there was a tax increase was in 1996 to .88 mils. There was a tax decrease in 2002 to the current .45 mils. This would increase the Township mileage increases from 1.44 mils to 1.99 mils. This increase will also allow the Township to make the annual debt service payments and prepare the way for future recommended projects.

He stated this is the first tax increase requested in his 20 years. He showed the Board a chart showing how with the proposed increase in millage only three Townships are lower than Derry Township. He stated for every \$1.00 in real estate taxes paid by residents only \$.07 is Derry Township. He noted how important the increase is for providing a consistent level of service to the community. He thanked the Staff for all their hard work on the budget.

ADMINISTRATION

Mrs. Henry stated the 2017 Board of Supervisors budget is \$110,490, which reflects a \$10,950 decrease. She stated the miscellaneous Contracted Services is budgeted at \$40,000. There were no new projects or costs included in the 2017 budget. She spoke about purchasing agenda software and iPads for \$11,000. This would eliminate the paper copies. It would allow the Board to receive everything electronically and make notes in the program. There would be a continued cost of \$3,500 a year for the software. Discussion ensued. The Board agreed to put it into the budget and she will setup a demonstration for the Board. After the presentation, the Board can decide to install it or keep the current system for Board packets.

She stated the 2017 proposed budget for Administration is \$1,057,314, an increase of \$64,866. Personnel costs increased 5% to cover benefit costs and wage increases. Supplies were reduced 18%. Services were reduced 2%. Building Supplies, Utilities and Maintenance were budgeted 19% higher for 2017. There are no capital expenses being requested in the 2017 budget.

The Board asked about the newsletter and expressed concerns about losing connection with people since the paper copies aren't mailed. Mrs. Henry stated there are paper copies available at locations in the Township and she does mail them to residents without computer access.

COMMUNITY DEVELOPMENT:

Mr. Emerick stated they worked very hard to keep our cost in line and our revenues up. Their projected revenue is \$673,660 which covers 88% of our expenses (\$762,248). He is forecasting a 3.92% increase (\$28,719) in expenditures for the department for the 2017 budget year. He spoke about increasing costs, that for the most part, can't be controlled like automobile insurance costs, service contracts, AFSCME contracts and other 3rd party costs. He spoke about a budgeted decrease in revenues because of the reduced number of Zoning Hearing Board petition, map and ordinance purchases. An increase in permit fees was not budgeted. There are no new capital expenditures for the 2017 budget term with the only items in that category being the third payment for the 2015 Ford Escape and the completion of the zoning ordinance updates. He stated they intend on launching other programs related to property maintenance once the Zoning Ordinance and Official map are completed.

PARKS AND RECREATION:

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Mr. Mandia spoke about the quality of life services offered through Parks and Recreation. He discussed each of the following services: child care, programs, special events, bicycle and pedestrian trails, and the Community Recreation Center. He stated the proposed 2017 budget is consistent with the 2016 budget. He stated they were very conservative in their estimates for the budget. The proposed 2017 budget for Parks and Recreation is approximately \$1.74 million which is up 3% from last year. He spoke about the future planning that is and will take place for new Recreation center. He stated no Capital is being requested in 2017. He thanked the Board for their support.

LIBRARY:

Mrs. Ellis stated the Hershey Public Library facility will celebrate its 20th year at its Cocoa Avenue location in 2017. She spoke about the services they provide and their outreach to the community. Projected revenues (fines, fees, book replacements) are down due to automatic renewals and continued use of email notification letting people know when their items are due. She stated she will continue to look for grant opportunities for 2017 to raise added funds. She spoke about the departments in the Library and how they work together to service the community. She spoke about the personnel moves including part-time employees. The library can have five, but currently we only have three part-time professionals. She spoke about the loan materials budgeting a 2% decrease in 2017. She spoke about the increased energy costs for 2017 versus 2016. She noted personnel costs have risen to 70.4% of their budget, while other areas have been reduced. The materials budget, has dropped to 12.5% of their budget. She spoke about the capital items requested this year which amounted to \$35,000. She stated the Library's proposed operating budget for 2017 is 1% lower than the 2016 budget. She thanked the Board for their support of the Library.

POLICE:

Chief Warner stated the 2017 Police budget is \$6,977,494, an increase of \$279,635. He spoke about uncontrollable costs including healthcare costs which are budgeted approximately \$200,000 higher for 2017. He spoke about the 60% increase in the K-9 line item due to required training. He spoke about the 120% increase in small tools and equipment for the purchase of replacement AEDs and Tasers. He spoke about the increased utility costs for 2017 because of the cost savings projected for 2016 weren't realized. The following line items were reduced in the budget in training, custodial, accreditation, and legal services. He discussed the capital items such as vehicle replacement, body armor, radios, computer upgrades and the in car video system. He spoke about the request to replace the carpet/tile in the public area and hallway area to the elevator.

PUBLIC WORKS:

Mr. Clark spoke about the increased healthcare costs budgeted for 2017 for public works. He spoke about the decrease in revenues with road occupancy permits for 2017. He spoke about the moving around of equipment and the request for additional items to help with this under small tools and maintenance. He spoke about the capital items in the 2017 budget including a F-350 Ford replacement, vehicle card fueling system replacement, scan tool and software vehicle maintenance, and Volvo loader lease. He stated the liquid fuels for 2017 is consistent with 2016. He spoke about the need for a bailer for the recycling which is included in the 2017 budget.

PUBLIC COMMENT:

There were no public comments offered.

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OTHER BUSINESS:

There was no other business offered before the Board.

ADJOURNMENT:

Vice Chairman Foley made a motion to adjourn the meeting at 6:29 p.m. Chairman Moyer seconded the motion. **Motion carried 5-0.**

SUBMITTED BY:

Justin C. Engle
Township Secretary

Julie Echterling
Recorder