

TOWNSHIP OF DERRY BOARD OF SUPERVISORS

BUDGET 2010 MEETING MINUTES

Thursday, November 5, 2009

600 Clearwater Road, Hershey, Pennsylvania 17033

CALL TO ORDER

The November 5, 2009 Budget Meeting of the Township of Derry Board of Supervisors Meeting was called to order at 5:15 p.m. by Chairman, Michael H. W. Pries.

ROLL CALL

Supervisors Present:

E. Christopher Abruzzo, Township Secretary
Kelly C. Fedeli
George W. Porter, Vice-Chairman
Michael H. W. Pries, Chairman

Supervisors Absent:

August (Skip) T. Memmi, Jr.

Also Present:

Thomas R. Clark – Director of Public Works
Barbara Ellis – Director of Hershey Public Library
David L. Holl – Lieutenant, Police Department
Jill E. Horner – Assistant Township Manager
Zachary Johnson – Parks and Recreation
Cheryl L. Lontz – Manager of Payroll and Employee Benefits
Matthew J. Mandia – Director of Parks and Recreation
James N. Negley - Township Manager/Township Treasurer
Robert Piccolo - Public Works
Edward L. Small – Director of Community Development
William D. Smith – Chief of Police
Scott A. Stein – President, Hershey Volunteer Fire Company
Brenda Van Deursen - Recorder

Public Present: Sandy Ballard, Mark Moyer

Press Present: Drew Weidman, The Sun

INTRODUCTION OF 2010 PROPOSED BUDGET

James N. Negley - Township Manager/Township Treasurer, presented the Executive Summary for the proposed Township of Derry 2010 Budget

The General Fund operating portion of the budget increases 1.93% over 2009 and requires no tax increase. The All Funds Operating Budget recommended for 2010 totals

\$19,762,410; a \$280,064 increase from 2009 estimated expenditures. General Fund Revenues are expected to increase at a rate of 1.58% while expenditures are expected to increase at a rate of 1.93%.

Wage increases effective in 2010 have been estimated within each department's personnel expenditures. Non-Uniform employees (AFSCME) are scheduled but are still negotiating a contract. Derry Township Police Association members (sworn police officers) are scheduled to receive a 4.00% increase in salaries plus an increase in longevity pay. Management employee salaries are budgeted at 2.8%.

The 2010 General Operating Budget as presented results in no tax increases. This is the 14th consecutive year without any real estate tax increase. It is also the 23rd consecutive year without a real estate tax increase supporting the General Fund Budget.

The Township's real estate tax millage for 2010 will be at 1.0966 mills, .6464 mills for general operating proposed and .4502 mills for capital improvements. There has only been a slight increase in millage since 1996. If you take the assessed valuation of a \$100,000 home in Derry, you are paying \$109.66. The assessed valuation of property in the Township is estimated at \$1,868,582,100.

Some of the reasons for budget increases are stormwater concerns, rising utility costs, health insurance increases, wages and benefits, increased fuel costs, and additional personnel for the Police Department.

Chairman Pries asked if the 1.93% increase for the 2010 Budget included the requested two additional police officers, one secretary and one forensic specialist. Mgr. Negley said it did. If those positions were not granted, it would decrease the budget by \$134,969.

It is estimated that the Cash Reserve in the General Fund Operating Budget will be \$2,295,464 as of January 1, 2010. It is important to maintain Cash Reserve in excess of \$4 million in order to maintain our Moody's AA+ rating. An Emergency Contingency account has been used in the past for sink holes. This non-departmental fund may only be accessed through majority vote of the Board of Supervisors.

The proposed budget also includes the 2010 Capital Funds budget. The budget as submitted includes all costs associated with projects carried over from previous years and those projects and equipment requested by Township Departments for 2010.

2010 GENERAL FUND OVERVIEW

	<u>2010 Budget</u>	<u>% Change</u>
Total Revenues	\$14,952,251	1.58%
Total Expenditures	\$15,046,233	1.933%

CAPITAL PROJECTS FUND

	<u>2010 Budget</u>	<u>% Change</u>
Total Revenues	\$2,554,050	-11%
Total Expenditures	\$2,533,239	-11%

The LST tax is a pass through...it comes into the General Fund, goes out of the General Fund, hits where it has to for the emergency, and what is remaining goes over to the fund transfers of the Capital. We take money out of the Police Budget and put it into the Capital Reserve.

Our biggest source of revenue is earned income tax of \$4 million which represents 27% of all of our revenue. Our amusement tax generates \$1.4 million (9%) and our real estate tax for the General Fund generates \$1.5 million (10%).

37% of all expenditures go to law enforcement. Public works account for 13%, Parks & Recreation at 10%. The cultural and recreational needs of the Township are addressed in a sufficient manner.

The budget was modified \$267,000 over the original submission.

In summary, the 2010 budget contains no real estate tax increases, improves the delivery of Township services and looks to our future needs in the Township.

Manager Negley acknowledged the staff for their dedication and focus with the budget process. The staff members are very sincere in their efforts to reduce the amount of spending.

HERSHEY VOLUNTEER FIRE COMPANY

Scott Stein, President of Hershey Volunteer Fire Company, presented the proposed Hershey Volunteer Fire Company 2010 Budget. Mr. Stein expressed his appreciation for the Board's support and funding of the Fire Company.

	<u>2010 Budget</u>	<u>% Change</u>
Total Department Expenditures Budget	\$424,500	1%
Total Department Revenue Budget	\$200,000	2%
Total Department Capital Budget	\$ 20,000	0%

Mr. Stein reported the Fire Company continues to do what it can to raise funds through its community activities. He is requesting \$90,000 for the operating fund. The increase in operating funds is due to ongoing increases for services and electric services.

We have an opportunity to support the funds supplied by the Township with additional fund raising, as well as grant requests. Mr. Stein asked the Board for their continued support of the Fire Company so they can operate on a break even basis for fire protection in the community.

Supervisor Fedeli asked if the 4% increase is due to the anticipation of what will happen when the rate caps come off. Mr. Stein said they have been noticing their bills with regard to use of electric have started to go up. When the caps come off, we don't know what that will be.

Chairman Pries asked why there was no budget under Umbrella Liability/Automobile. Cheryl Lontz explained it was moved to Contribution Fire line item. In the past, it is something the Township has paid, but now it is being billed directly to the Fire Company. President Stein said they continue to look at their insurance costs. They have received quotes and in doing so, they have saved almost \$15,000 at the end of 2007 by shifting to a comparable plan through another insurance company. We will get quotes again next year to keep the insurance companies honest.

BOARD OF SUPERVISORS

Jill E. Horner, Assistant Township Manager, presented the Board of Supervisors proposed 2010 Budget.

	<u>2010 Budget</u>	<u>% Change</u>
Total Department Expenditures Budget	\$ 98,865	-1%

Asst. Mgr. Horner reported all the line items in the budget remained the same with the exception of \$50 removed from Miscellaneous Operating Supplies and \$1,000 removed from Specific Board Authorized Contributions.

ADMINISTRATION

Jill E. Horner, Assistant Township Manager, presented the Administration Department proposed 2010 Budget.

	<u>2010 Budget</u>	<u>% Change</u>
Total Department Expenditures Budget	\$758,131	3%
Total Department Capital Budget	\$0	-100%

The Administration Budget increased 3% from 2009 or \$21,847. The increase is a necessity and no additional funds are being requested for purchases or projects. The increase is a result of: 1) personnel costs increasing 1%, 2) building supplies increased \$100, and 3) building services increased 23% for utilities, repair services, and for diesel for the emergency generator. There was no increase in the supplies category and services decreased 25% because projects from last year were removed. There are no capital requests for 2010.

Supervisor Porter mentioned that the electricity projection is an increase over last year, but it is about equal to two years ago. Ms. Horner said that two years ago, they had no past experience in the new building so we were basing it on engineering estimations. Cheryl Lontz said they entered into an agreement for electricity that we feel will keep the rates that we are locked in for.

COMMUNITY DEVELOPMENT

Edward L. Small, Director of Community Development, presented the proposed Community Development 2010 Budget:

	<u>2010 Budget</u>	<u>% Change</u>
Total Department Expenditures Budget	\$622,950	-1%
Total Department Revenue Budget	\$504,975	-18%
Total Department Capital Budget	\$ 25,000	

Mr. Small said the principal source of income is building permit fees. The revenue is conservatively budgeted because most of the 2010 projects are unknown. One of the larger departmental expenses is plan checking fees. However, it is a reimbursable expense. The costs are recovered through land development or subdivision plan applicants reimbursing the Township for the costs incurred in reviewing the plans and improvements during construction.

Mr. Small shared that their 1998 Jeep is incurring more frequent repairs due to age. It has 96,000 miles. He requested \$25,000 for Capital expenses to purchase a new vehicle.

Supervisor Abruzzo noted under Meetings, Conferences and Training \$2,500 was budgeted. He asked if this amount is for training for Mr. Small and coding personnel. Mr. Small said it will be used for required continuing education for himself and other personnel.

Chairman Pries asked Ms. Horner why Administration telephone costs decreased 8% and Community Development's costs increased 63%. Ms. Horner explained that in the previous Township building, the phone bill was split – 70% to Administration and 30% to Community Development. They did not continue to do that when they moved to the new building; however, they are now splitting it again.

HERSHEY PUBLIC LIBRARY

Barbara Ellis, Director of the Hershey Public Library, presented the proposed Hershey Public Library 2010 Budget.

	<u>2010 Budget</u>	<u>% Change</u>
Total Department Expenditures Budget	\$1,007,072	2%
Total Department Revenue Budget	\$ 201,350	-14%
Total Department Capital Budget	\$ 41,500	19%

Ms. Ellis stated that the Hershey Public Library is open 7 days/week and maintains a collection of 112,000 items. In 2009, there is an estimated attendance of 240,000 and in an 8-month period there were 69,202 visitors on the website.

Ms. Ellis said the General Budget is a request for \$1,007,072. She reported the total budgeted revenue is \$201,350. There is a 14% decrease in revenue mainly due to the cut in funding from the state. There is an increase in staff costs. The library staffs 6 full-time and 19 part-time employees. They are cross-trained to assist in all areas.

Ms. Ellis has requested capital items totaling \$41,500. One Capital request for \$12,500 is for replacement of two AC units in the library server room. They are about 12 years old and use refrigerant 22 in them. Parts and replacements for elements of these two units are no longer made or available. \$12,500 is the estimated cost of a single unit that can do the cooling now done by two. Another Capital request is for \$25,000 for the LSTA

Grant. Ms. Ellis is applying for this grant that would finance the digitization of the Hershey Chronicle for research and reference purposes through the area.

Supervisor Fedeli asked about the capital budgeted amount in 2009 for redesign of the library. Ms. Ellis said due to the economy, they decided not to proceed.

Chairman Pries inquired about the number of people reserving the meeting rooms. Ms. Ellis said the meeting rooms are constantly being used.

Chairman Pries noted that last year's budget indicated Landscaping & Supplies increased, but decreased this year. Ms. Ellis said it increased last year because they began to pay for their own turf applications. Mr. Clark added that this year's budgeted amount more accurately reflects the cost.

Supervisor Abruzzo asked what the \$2600 will be used for under Meetings, Training and Conferences. Ms. Ellis said it will be for continuing education credits.

PARKS & RECREATION

Matthew J. Mandia, Director of Parks & Recreation, presented the proposed Parks & Recreation 2010 Budget.

	<u>2010 Budget</u>	<u>% Change</u>
Total Department Expenditures Budget	\$1,472,515	-1%
Total Department Revenue Budget	\$ 910,000	2%
Total Granada Avenue Expenditures Budget	\$ 257,429	3%
Total Granada Avenue Revenue Budget	\$ 197,700	4%
Total Department Capital Budget	\$ 50,000	150%

The personnel services decreased 1%. The Rec Center O&M decreased 4% overall. There was a 6% decrease in recreational programming. Aquatics programming increased 4% due to pool chemicals, etc. Parks O&M increased 12% due largely to \$10,000 field renovation funding being moved from capital to maintenance supplies. Parks & Rec Concessions remained the same.

The child care program has a 3% increase in personnel cost. Child care supplies have decreased 3%. A 1% decrease overall for the department budget.

The Granada Gym & Fitness Center increased 3% in personnel and 1% in the Gym O&M. Recreational programming increased 12%. The total Granada Gym requested budget increase of 3%.

Mr. Mandia said that his proposed 2010 budget is \$1,472,515 for a difference of \$221,014 over a 17-year period.

Mr. Mandia said his total Capital request for 2010 is \$50,000. The Park land acquisition account contribution is \$10,000. This brings the account up to \$177,616.42 as of

8/11/09. The remainder of the Capital request is for \$40,000 for expected repair costs to the outdoor pool surface.

Chairman Pries asked when was the last time we purchased land from the Park Land Acquisition account. Mr. Mandia said we have not purchased any land yet.

Supervisor Abruzzo stated Mr. Mandia's department does a very high quality job in maintaining all the park and rec space.

PUBLIC WORKS - RECYCLING

Thomas R. Clark, Director of Public Works, presented the Recycling proposed 2010 Budget.

	<u>2010 Budget</u>	<u>% Change</u>
Total Department Recycling Expenditures	\$581,798	66%
Total Department Recycling Revenue	\$453,175	-4%

PUBLIC WORKS

Thomas R. Clark, Director of Public Works, presented the Public Works proposed 2010 Budget.

	<u>2010 Budget</u>	<u>% Change</u>
Total Administration Budget	\$ 404,008	3%
Total Department Expenditures Budget	\$1,976,173	1%
Total Department Revenue Budget	\$ 249,400	3%
Total Department Capital Budget	\$ 122,400	573%

The Revenue portion of the General Fund Budget reflects a slight decrease in Road Occupancy permits. However, the curb and sidewalk program shows an increase as a result of increased participation by residents and enforcement by the Township.

The Expenditure portion shows stabilized insurance costs. A significant savings has been seen in property insurance in the operations section. All other supply and service line items have remained the same or even have been reduced. Administrative costs for training slightly increased due to needed applicators licenses that are required to be updated annually.

The Operation portion indicates moderate increase overall.

The Recycling Center decreased 4% in revenue due to grants diminishing.

The Capital Budget request for \$122,400 includes funding for two 2-ton dump trucks. One of the trucks replaces the last of the 1994 purchases and the other replaces a 1996 Chevy diesel dump that is in need of repairs beyond its current value. Both of these replacements were deferred in last year's budget. The remaining Capital Budget request for \$10,000 is for street reconstruction.

Vice-Chairman Abruzzo asked if there is a market for the trucks being replaced. Mr. Clark said one will be sent to the junk yard. The replacements will serve as the first line snow fleet. They will navigate the streets more effectively.

Supervisor Fedeli asked if the SAMI System project could get wrapped up in 2010. Mr. Clark stated that he hoped so.

POLICE DEPARTMENT

William D. Smith, Chief of Police, presented the proposed Police Department 2010 Budget.

	<u>2010 Budget</u>	<u>% Change</u>
Total Department Expenditures Budget	\$5,550,703	8%
Total Department Revenue Budget	\$ 553,315	5%
Total Department Capital Budget	\$ 175,348	-64%

The Police Department Budget increases 8% over 2009 mainly due to contractual obligations and some additional operating costs. Personnel Services increased 8% largely due to reclassification of bargaining unit full time secretaries exempt status and the addition of a forensics technician. Supplies increased 4% and Services & Other Charges increased 6%.

The Capital Budget request for \$175,348 includes new police vehicles, three in-car videos, computer replacement upgrades, police equipment, and body armor.

Chief Smith gave the following summation regarding some of the issues facing the Police Department:

The Township is inundated with an extraordinary influx of people on a day-today basis. With Hershey Entertainment and Resorts Company and the Hershey Medical Center (HMC), there is an average daily population of over 45,000 people. In 2005, there were over 3.7 million people in and out of the Medical Center. In 2008, there were 4.2 million people, an increase of 400,000 in three years. In 2005, there were 5.4 million attendees to the various properties and venues of Hershey Entertainment & Resorts Company (HE&R). The 2008 numbers are roughly the same. With both HE&R and HMC, there are approximately 9.6 million visiting/working in the Township.

Chief Smith reported that from 2005 to 2006, the department's call volume increased by 1,647 events. From 2006 to 2007, the volume increased by 1,747 events and from 2007 to 2008, the call volume increased by 632 events. The average call volume increased 1,342 events over the last three years.

Based upon the trend since 1966, the linear regression analysis indicated an annual rise of 394.92 calls for service. The Township has critically exceeded that on an average of 250% each of the last three years.

The calls for service in 2001 equaled 11,017. There were 36 officers which equated to 306 calls per officer. In 2008, calls for service equaled 16,831. There were 39 officers

averaging 432 calls per officer. For the first nine months of 2009, there were 14,143 calls for service.

Chief Smith shared data regarding the workload as it relates to crime reported in comparison to various police departments. Derry Township ranked at or near the top year after year.

In 2002, Chief Smith came before the BOS with a four-year plan covering the years 2003 through 2006. The end result of that plan indicated a need to add eight officers to increase our complement to 44 officers by the end of 2006. During those four years, the BOS authorized the hiring of 2 additional officers, which brought the department to 38 sworn officers.

In 2006, Chief Smith approached the BOS with a long term staffing plan. This plan covered five years from 2007 through 2011. This plan called for a complement of 47 officers by the end of 2011. During 2007 and 2008, there were no changes in complement budget; however Milton Hershey School and the Township entered into an agreement for police coverage in South Hanover Township and MHS provided the compensation for an additional officer. In 2009, the Board authorized the hiring of an additional dispatcher.

Chief Smith presented to the Board his reorganizational proposal.

1. Police Records Section Reorganization – create a new management position titled Police Records Manager, create a new management position titled Police Accreditation Coordinator, add an additional full-time secretary, and maintain the three existing part-time secretary positions.

Currently, the two full-time secretaries have had their duties subdivided into two management responsibilities. The first one is for the management/supervision of the Records Section function and its personnel. The responsibilities in the records section have grown and expanded to the point where immediate management and supervision of its activities are necessary. Due to the confidentiality of this position, it should not be an ASCME secretary position, but rather a confidential management employee. This position's title would be Records Manager.

The second is for the accreditation function and all its supporting tasks. A ranking officer has traditionally managed the accreditation programs within the department with some support from other personnel. The CALEA accreditation program and PLEAC accreditation program have 585 standards which require constant updating and monitoring for compliance. This position handles numerous confidential materials such as personnel files, evaluations, and profession conduct investigations. It also should not be an ASCME secretary position due to the sensitivity of the materials being handled. This position's title would be Accreditation Coordinator.

The three part-time positions are clerical positions and/or receptionist.

An additional full-time secretary is crucial to complete the everyday clerical tasks required to support the sworn police officers and community service officers of the Department as call volume and traffic enforcement activities continue to increase each year.

2. Hire a civilian employee for the position of a Forensic/Evidence Technician. Currently, a sworn officer assumes the responsibility of evidence/property control, forensic services, and the crime/incident/accident role. Other responsibilities would include analyzing traffic accidents and crime pattern and finger printing. This position would alleviate the detective from these responsibilities, allowing him to devote his time to criminal investigations.
3. Hire two fulltime police officers. By adding two more officers, the ever-increasing calls for police services can be handled more sufficiently. This would raise the department's sworn complement to 41 officers, which is still seven officers under the 48.57 recommended by the current Staffing Study for 2009.

Chief Smith expressed his concern of providing the level of service effectively and efficiently. He asked the Board to assess the information and to consider his proposal.

Supervisor Porter asked if the secretaries with these new responsibilities will be getting a raise. Chief Smith said it would be a slight raise of \$3,000.

Chairman Pries asked if their workload is too much for them right now. Chief Smith said they take work home now. He added that the influx of people interrupts the part-time secretary from helping the two full-time secretaries.

Supervisor Fedeli asked if the secretaries expressed concern about their workload. Chief Smith said they have.

Supervisor Porter asked what the net cost is for the 4 positions : 1 full-time secretary to Records Manager, 1 full-time secretary to Accreditation Coordinator, make 1 part-time secretary full-time and hire one new secretary. Cheryl Lontz said the cost would be approximately \$39,000.

Supervisor Porter asked if that amount was just wages. Ms. Lontz said yes because two are already full-time. It would be just the new full-time position.

Chairman Pries asked what other municipalities do regarding the Forensic/Evidence Technician. Chief Smith said some use a retired police officer.

Vice-Chairman Abruzzo asked if the City of Harrisburg has one. Lt. Holl said they use a full-time police officer.

Supervisor Porter asked if there is one designated officer or a few for this position. Chief Smith said there is only 1 person, Det. Romberger. Supervisor Porter asked the cost of this position. Chief Smith said the cost is as high as a police officer. The new

position would be subject only to management raises and not police officer raises. The new position would be begin at \$43,000 with benefits.

Chairman Pries mentioned the overtime hours doubled in 2008-2009 for Community Service officers. Chief Smith said they were trying to offset the sworn officers' rate. It is best to use community officers as opposed to sworn officers when possible.

Chairman Pries questioned the overtime hours being less for 38 officers than with 39 officers. Chief Smith said he could not answer without looking at specific events.

Supervisor Fedeli said if our resources are stretched and quality of services go down, will we be able to maintain the neighborhoods. Chief Smith said they do not pull officers away from the neighborhoods to go to events like the Giant Center, etc.

Chairman Pries asked if the amount of calls at HMC has increased on a yearly basis. Chief Smith said they have since it is a Class 1 Trauma Center.

Supervisor Porter asked how we allocate our resources. He asked if we keep stats on how many calls to HMC and how many are Class 1 or Class 2 calls. He asked if they can segregate the calls to discern the burden. Chief Smith said they can do that. He gave a CAD print out of 1-2 years data to Vice-Chairman Abruzzo.

Chairman Pries recommended we proceed with the budget provided for purposes of consideration for a final vote at the first meeting in December.

ADJOURNMENT

Supervisor Porter moved to adjourn the meeting at 7:25 p.m. Vice-Chairman Abruzzo seconded. ***The motion carried, 4-0.***

Respectfully submitted by:

E. Christopher Abruzzo
Township Secretary

Brenda Van Deursen
Recording Secretary