

**TOWNSHIP OF DERRY  
BOARD OF SUPERVISORS**

**PROPOSED 2013 BUDGET MEETING MINUTES**

**Wednesday, November 28, 2012**

600 Clearwater Road, Hershey, Pennsylvania 17033

**CALL TO ORDER**

The Proposed 2013 Budget Meeting of the Township of Derry Board of Supervisors was called to order on November 28, 2012 at 5:30 p.m. by Chairman, E. Christopher Abruzzo.

**ROLL CALL**

***Supervisors Present:***

E. Christopher Abruzzo, Chairman  
Sandy A. Ballard  
Kelly C. Fedeli, Vice-Chairman  
John Foley, Jr.  
Marc A. Moyer, Secretary

***Also Present:***

Brian Blahusch, I.T. Department  
Thomas R. Clark, Director of Public Works  
Barbara Ellis, Director of Hershey Public Library  
Charles Emerick, Director of Community Development  
Jill E. Henry, Assistant Township Manager  
Cheryl L. Lontz, Manager of Payroll and Employee Benefits  
Matthew J. Mandia, Director of Parks and Recreation  
James N. Negley, Township Manager/Township Treasurer  
Patrick O'Rourke, Chief of Police  
Lt. Tim Roche, Police Department  
Terry M. Weinhold, Manager of Accounts Payable & Accounts Receivable

***Public Present:*** Matt Weir

**INTRODUCTION OF 2013 PROPOSED BUDGET**

**James N. Negley - Township Manager/Township Treasurer**, presented the Executive Summary for the proposed Township of Derry 2013 Budget.

The General Fund Operating portion of the budget for 2013 increases 7.17% from 2012 and requires no tax increase. The budget recommended for 2013 totals \$15,978,406, which is a \$1,143,260 increase from 2012. All departments will maintain current staff levels and there are no additional staffing requests for the year.

Wage increases effective in 2013 have been estimated within each department's personnel expenditures. Non-Uniform employees (AFSCME) are scheduled to receive a contracted wage increase of 2.0%. This contract is being reviewed. Derry Township Police Association members (sworn police officers) are scheduled to receive contractually a 2.75% increase in salaries plus an increase in longevity pay. Management employee salaries are budgeted at

2.75%. In the past prior to the economic downfall, the management employees got a guaranteed raise of 2.5%, but were able to earn merit increases. Because of the economy, the merit raises were eliminated.

It is estimated that the Cash Reserve in the General Fund Operating Budget of December 31, 2012 will be \$1,863,085. A Cash Reserve in excess of \$1.5 million is recommended to meet expenditures for the first 90 days of the following year based on when we receive the tax money. Our internal policy requests the cash reserve to be at \$4 million. We make substantial raises to meet this threshold, but can't do it in one year.

The All Funds Operating Budget for 2013 amounts to a total of \$23,265,962 which is an increase of \$1,074,003 over 2012 estimated expenditures. This also includes funding for the stormwater project which is expected to be completed in 2013 and it captures all costs associated with projects carried over from previous years.

Revenue – Our revenue figure will be going up by approximately \$38,000 because the Tax Association's budget was less than we budgeted. The overall reserve of \$496,000 will go up to \$534,000 with the inclusion of the \$38,000. Our biggest generator of revenue is earned income tax. Amusement tax and parking lot tax combined actually bring in about as much money as our real estate tax.

Expenditures – The Finance budget increased 10% because we have to do a single audit because of the PEMA and FEMA money from Tropical Storm Lee. There will also be three new computers in the Finance office. There is a 17% increase in Fund Transfers primarily tied to offset the pension loss and to supplement our police pension. The largest generator of expenses is the Police Department because they are the largest department. Our community has been very gracious and supportive of culture and recreation. Granada Gym, Parks & Rec and the Library result in 19% of our budget.

The Township's real estate tax millage for 2013 will be at 1.4466 mills, .9964 mills for general operating proposed and .4502 mills for capital improvements. If you look at comparable communities, you will see that they are \$200 more per 100,000 than we are.

*Supervisor Ballard asked Manager Negley to email the Board the chart regarding tax millage.*

Manager Negley also noted that every dollar a Derry Township resident pays in real estate tax, the School district gets 68 cents, the County gets 27 cents and the Township receives 5 cents.

The staff worked very hard on this budget. They continue to look at cost savings. They are truly devoted to serving the Township of Derry and providing the best service for the funds that the Township trusts in their behalf.

### **2013 GENERAL FUND OVERVIEW**

	<b><u>2013 Budget</u></b>	<b><u>% Change</u></b>
Total Revenues	\$16,394,607	1.75%
Total Expenditures	\$15,898,206	7.17%

**CAPITAL PROJECTS FUND**

	<b><u>2013 Budget</u></b>	<b><u>% Change</u></b>
Total Revenues	\$4,276,350	-7%
Total Expenditures	\$4,339,462	-5%

**HERSHEY VOLUNTEER FIRE COMPANY**

The proposed Hershey Volunteer Fire Company 2013 Budget.

	<b><u>2013 Budget</u></b>	<b><u>% Change</u></b>
Total Department Revenue Budget	\$215,000	0%
Total Department Expenditures Budget	\$443,200	1%

No Department Capital Budget Requests

**BOARD OF SUPERVISORS**

Jill E. Henry, Assistant Township Manager, presented the Board of Supervisors proposed 2013 Budget.

	<b><u>2013 Budget</u></b>	<b><u>% Change</u></b>
Total Department Expenditures Budget	\$ 95,027	0%

The Board of Supervisors Budget required no changes for 2013. It was noted that over half of the budget is for legal fees. The line item for Misc. Contracted Services allows the Board to pay for engineering, consultants, and special projects that are not planned.

**ADMINISTRATION**

Jill E. Horner, Assistant Township Manager, presented the Administration Department proposed 2013 Budget.

	<b><u>2013 Budget</u></b>	<b><u>% Change</u></b>
Total Department Expenditures Budget	\$773,175	3%
Total Department Capital Budget	\$ 17,000	

The majority of the increase was attributed to personnel costs and utility costs. Unemployment compensation rates increased from 2.25% to 5.00%. The other significant increase was for Utilities. We are expecting to see a savings in the cost of electricity and natural gas; however, our costs were inflated last year due to an increase in usage following Tropical Storm Lee. We only budgeted for our basic needs and did not put in for any special projects. There was a savings of approximately \$20,000 in 2012 by not printing and mailing the newsletter.

The Capital Budget Requests for \$17,000 include:

- Batteries for HVAC Controllers = \$5,000
- UPS batteries for the server backup process = \$12,000

**HERSHEY PUBLIC LIBRARY**

Barbara Ellis, Director of Hershey Public Library, presented the proposed Hershey Public Library 2013 Budget. Next year they are going to be marking the 100<sup>th</sup> anniversary for the Library in 2013 celebrating their growth and constantly expanding mission.

	<b><u>2012 Budget</u></b>	<b><u>% Change</u></b>
Total Department Revenue Budget	\$ 154,180	-2%

Total Department Expenditures Budget	\$1,086,145	5%
Total Department Capital Budget	\$ 45,000	

The General Budget expenditure request is for \$1,086,145 and the total budgeted revenue is \$154,180. The increase in expenditures is due mainly to personnel, unemployment compensation, and the combination of under budgeting during 2012 and anticipated contractual increases.

The Capital Budget Requests for \$45,000 include:

- Refinish, reupholster and replace furniture = \$15,000
- Server Replacement = \$15,000
- Cooperative project with Friends of the Library = \$15,000

These capital budget items will not come out of the Township budget but will be requested from the Lescanec Library Legacy Fund.

*Supervisor Ballard asked how much was left in the Lescanec Library Legacy Fund. Mrs. Ellis said there is approximately \$288,000.*

### **COMMUNITY DEVELOPMENT**

Charles Emerick, Director of Community Development, presented the proposed Community Development 2013 Budget.

The department's greatest revenue source is building permit fees. It is conservatively budgeted and is based on who gets a permit this year. Most of the projects that will generate building permit revenue for 2013 are not known at this time and can only be estimated since applications are not yet filed.

One of our larger department expenses is the plan checking fee; however, it should be noted this is a reimbursable cost so it shows up in both revenue and expenses and should always match.

The first time since 2006, it looks like Community Development will be in the black (about \$27,000). Over the last three years we have been about \$200,000 in the red. We are an end user fee oriented organization where much of the services we provide are paid for by applicants. We have adjusted our fee schedule the last few years and in a few weeks, Mr. Emerick will provide the Board with this year's adjustments.

	<b><u>2013 Budget</u></b>	<b><u>% Change</u></b>
Total Department Revenue Budget	\$560,283	-2%
Total Department Expenditures Budget	\$644,089	-2%
Total Department Capital Budget	\$ 26,000	

Capital Projects: Last year we had budgeted for two mobile computers and two mobile printers to bring our code enforcement officers current. Along with that, this year we are looking at a permit tracking software. It will allow us to manage our 12,950 property files, 2,000 zoning hearing board files, and 12,000 subdivision files. It will also help us to manage inspections for property maintenance issues. Once this program is up and running and a landlord tenant program in place, the end user fees should support the activities. This is an

effort to try and address the property maintenance issues which are mostly caused in rental properties. We plan to purchase the computers and software this year. The programs will cost \$26,000 this year and \$26,000 next year. A commitment to this capital improvement this year will mean a commitment into next year.

*Chairman Abruzzo said the problem has been identified with codes enforcement and we talked about pricing out a private company to help do the enforcement in the Township. Mr. Emerick said he checked into it, but it would be very expensive – between \$1,500 and 4,000/month. Those types of actions can lead to court and other added expenses. Chairman Abruzzo supports the plan Mr. Emerick has, but expressed concern of what we can do now to enforce the codes. Mr. Emerick said they are in the process of rewriting the Property Maintenance Code to bring us current with the 2009 Code and will present it to the Board. Once it is approved it will make our enforcement go a lot easier.*

We are managing all our files on home grown access programs currently, but we are overwhelming the ability of Microsoft access to manage those. We have outgrown that system and want to go mobile so violation letters can be printed in a vehicle to get the property maintenance done quicker.

*Chairman Abruzzo wants the community to know that property maintenance is something we will be refocusing on in 2013. People who don't keep their property maintained in accordance to the property standards are going to be notified.*

*Supervisor Ballard said another concern residents have expressed is that they don't like to feel like they have to turn in their neighbors. She wondered if in the interim we could walk the neighborhoods beginning in January. Mr. Emerick said he does not know if they are able to because it will depend on how many permits come in. Once he is fully staffed, they may be back where his inspectors for 40 hours a week are doing the permits and the plan reviews that have to be done. He does not want to start a program and not be able to continue it if they get busy because a few of the residents might feel they were singled out. Mr. Emerick said if they start the landlord program he would look at hiring a person to do those inspections.*

*Mr. Emerick mentioned he got magnetic signs for their company car to say Zoning Officer to have a presence in the community.*

### **PARKS & RECREATION**

Matthew J. Mandia, Director of Parks & Recreation, presented the proposed Parks & Recreation 2013 Budget. The basis of what we do is to promote and pass along quality of life services to the residents of our community. Those include our bicycle and pedestrian trail and connectivity between businesses, neighborhoods, and recreational areas. In the time between 1993 and now, we have been able to increase our revenue stream over a half of a million dollars.

	<b><u>2013 Budget</u></b>	<b><u>% Change</u></b>
Total Department Revenue Budget	\$ 919,450	0%
Total Department Expenditures Budget	\$1,537,690	4%
Total Granada Avenue Revenue Budget	\$ 213,300	3%
Total Granada Avenue Expenditures Budget	\$ 267,769	3%

Total Department Capital Budget \$ 54,500

The increase in expenditures for the department is due mainly to wage adjustment, anticipated health related expense and unemployment compensation rate increase.

The Capital Budget Requests for \$54,500 include:

- Re-grouting indoor pool = \$20,000
- Sump pump connection to emergency generator = \$7,500
- Outdoor pool reconfiguration= \$18,000
- Replacement of 1996 mower = \$9,000

*Supervisor Ballard asked about the status of the skate park equipment. Mr. Mandia said it is still for sale. He plans to open the skate park for a minimal amount of time to allow it to be used. There should be no extra staff costs for doing this.*

### **PUBLIC WORKS - RECYCLING**

Thomas R. Clark, Director of Public Works, presented the Recycling proposed 2013 Budget. There is now a full staff in the recycling center allowing us to get more aggressive with enforcement of what goes in the brush pile and what goes inside.

	<b><u>2013 Budget</u></b>	<b><u>% Change</u></b>
Total Department Recycling Revenue	\$416,750	-13%
Total Department Recycling Expenditures	\$457,071	1%

*Supervisor Ballard asked about the decrease in funds from the state recycling grant. Mr. Clark said it has been going down historically. There is nothing we can do about the formula they use.*

### **PUBLIC WORKS**

Thomas R. Clark, Director of Public Works, presented the Public Works proposed 2012 Budget.

General Fund Budget: The Curb and Sidewalk program shows an increase in revenue as a result of participation by residents and heightened inspections. Some of the increases in expenditures include training to maintain current certifications needed and personnel and insurance costs.

Liquid Fuels Funding shows increases for snow and ice removal. This is where our street repair funds come out of. That number is a result of our programs being pushed back this year from the last start of the construction season. That number will be greater come next year as a result of the balance that will carry over. We will be able to aggressively go after the streets that have been dug up this year.

	<b><u>2012 Budget</u></b>	<b><u>% Change</u></b>
Total Administration Budget Expenditures	\$ 463,775	12%

The reason for the increase in the Administration Budget is due to personnel costs and curb and side walk increased participation.

	<b><u>2013 Budget</u></b>	<b><u>% Change</u></b>
Total Department Revenue Budget	\$ 261,000	13%

Total Department Expenditures Budget	\$2,285,823	8%
Total Department Capital Budget	\$ 140,835	

The Capital Budget Requests for \$140,835 include:

- Replacement of 1998 John Deere mower = \$5,000
- Lease payments for street sweeper = \$33,087  
(It was noted the Township received \$77,000 insurance money during 2012. It was put into a restricted account to pay for the first few years of the lease. Term of lease is 5 years with a \$1 purchase at the end of lease);
- Lease payment for two 2013 International 7400 4X2 trucks = \$99,748  
(Term of lease is 3 years with a \$1 purchase at end of lease).

*Vice-Chairman Fedeli asked Mr. Clark if they have the equipment they need to get the job done. Mr. Clark said snowfall concerns him when it comes to the level of service. However, if he needs a backhoe, he can rent one for a week. It is cheaper than having to replace one. The Board told Mr. Clark to let them know if there is equipment needed to do the job and they will figure out a way to get it. After Tropical Storm Lee, it reinforced the importance of having the right equipment.*

### **POLICE DEPARTMENT**

Patrick O'Rourke, Chief of Police, reviewed some of the highlights in 2012. They integrated four primary vehicles into their fleet as well as two motorcycles. Three of the vehicles came out of capital requests, one vehicle is replaced as a result of the one that was flooded during Tropical Storm Lee and the two motorcycles were donated. A lot of the cost savings last year was as a result of leasing our vehicles and seeking outside funding sources. They incorporated aggressive community policing initiatives. They began doing programs such as National Night Out, Bike Rodeos and continue doing tours and speeches. To-date they have done 73 of those events throughout the Township. They incorporated foot patrols in their community policing and to-date have done 2,190 foot patrols. They hired one new officer, amended their dispatch scheduling and went paperless in their reporting systems resulting in overall staffing efficiencies. Due to the flooding, improvements were made to our facilities and they are much better than they were before the flooding. They host training, which allows a number of our officers to be trained at no charge.

Chief O'Rourke presented the proposed Police Department 2013 Budget.

	<b><u>2013 Budget</u></b>	<b><u>% Change</u></b>
Total Department Revenue Budget	\$ 588,444	-1%
Total Department Expenditures Budget	\$5,856,071	7%
Total Department Capital Budget	\$ 184,444	

The Police Department Budget totals \$5,856,071. Personnel expenses were increased 7% due to an increase in Unemployment Compensation rates and bargaining agreements. After review of the 2012 budget, it was necessary to increase several line items based on prior years experience, actual costs and contracts.

The Capital Budget request for \$184,444 includes:

- Leasing three vehicles = \$24,890

- 2013 Leasing payment = \$15,722
- Taser (4) and Taser cartridges = \$5,432
- Computer upgrades = \$115,000 (\$100,000 with gaming money)
- In Car Video System = \$17,400
- Body Armor (6 replacement vests) = \$6,000

**ADJOURNMENT**

Chairman Abruzzo moved to adjourn the meeting at 7:10 p.m. Supervisor Foley seconded. (Supervisor Moyer left the meeting early) ***The motion carried, 4-0.***

Respectfully submitted by:

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Marc A. Moyer  
Township Secretary

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Brenda Van Deursen  
Recording Secretary