

**TOWNSHIP OF DERRY
BOARD OF SUPERVISORS**

BUDGET 2012 MEETING MINUTES

Thursday, November 3, 2011

600 Clearwater Road, Hershey, Pennsylvania 17033

CALL TO ORDER

The November 3, 2011 Budget Meeting of the Township of Derry Board of Supervisors Meeting was called to order at 5:20 p.m. by Chairman, E. Christopher Abruzzo.

ROLL CALL

Supervisors Present:

E. Christopher Abruzzo, Chairman
Sandy A. Ballard
Kelly C. Fedeli, Vice-Chairman
Marc A. Moyer, Secretary
Todd Pagliarulo

Also Present:

Brian Blahusch, I.T. Department
Thomas R. Clark, Director of Public Works
Barbara Ellis, Director of Hershey Public Library
Charles Emerick, Assistant Director of Community Development
Jill E. Horner, 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: Jenny Kim, Kristine Surgent, Steve Todd, John Foley, Amanda Kahl, Richard W., Charleton Zimmerman

INTRODUCTION OF 2012 PROPOSED BUDGET

James N. Negley - Township Manager/Township Treasurer, presented the Executive Summary for the proposed Township of Derry 2012 Budget.

The General Fund Operating portion of the budget decreases .15% from 2011 and includes no tax increase. This is the second year in a row that we submitted a budget that is less than the previous year. The budget recommended for 2012 totals \$14,879,846 which is a \$21,630 decrease from 2011. The revenues for 2012 are expected to remain the same as 2011. All departments will maintain current staffing levels and there are no additional staffing requests included in the 2012 budget.

Mgr. Negley said when he presented the 2011 Budget he mentioned that 2012 may require some revenue enhancements. Efforts were taken to reduce spending as much as possible

during 2011. We were very successful in doing that until September 7th where we suffered a catastrophic disaster when Tropical Storm Lee arrived and dealt us a terrible and serious financial burden. As of October 31, 2011, the Township has been billed in excess of \$1,100,000 for storm related incidents and replacements. Despite the fact that FEMA and Insurance will cover some of the loss, it will not cover it all (FEMA reimburses 75%).

As we began the budget process, staff tried to develop strategies to reduce the budget as much as possible. We understand the economic times and we wanted to do the best that we could for the community. Manager Negley highlighted the following:

Police Department

- The Police Department took it upon themselves to eliminate the victim/witness position, which is a savings of \$22,000. The person will still be available for Derry Township assistance, but will be working out of Dauphin County rather than a Derry Township office.
- The Police Department under Chief O'Rourke has found different methods to cover concerts and other outside activities resulting in a substantial reduction in overtime costs. As a caveat to that, that means there is going to be some reduction in police fines. If you are not working a concert, you are not making charges that an officer would make. But the overtime savings is far more than the amount you would lose in the fines.
- The Police Department has budgeted for a motorcycle, which we think is economically wise. It not only adds to the community relation aspect, but it also saves us money and gives us more visibility.
- The Police Department also eliminated an employee assistance program, which is a savings of \$4,000. The Chief has reached out to another agency that will provide the service for free.
- The Police Department is going paperless which will save quite a bit on paper.
- The Chief has also looked into the option of leasing police vehicles rather than purchasing for a savings.

Public Works

- Public Works has reduced the hours of street sweeping which results in a reduction of labor costs and also wear and tear on the vehicle.
- Mr. Clark has also arranged for the Styrofoam recycling trailer to be on site, which will save us labor and vehicle costs. We previously collected the Styrofoam and one or two of our drivers would drive to the facility.

Community Development

- Mr. Emerick is looking at ways to reduce paper cost.

Parks & Rec

- Parks & Rec reduced ground maintenance supplies by \$3,000.

Administration

- Administration has reduced our natural gas bills through Township RFP resulting in a savings of \$21,000.

Wage increases effective in 2012 have been estimated within each department's personnel expenditures. Non-Uniform employees (AFSCME) are scheduled to receive a contracted

wage increase of 2.75%. 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% following a wage freeze in 2011.

The Board may want to consider the following strategies to save money:

- Skate Park – eliminate staffing at this site and sell the equipment.
- Reduce the swimming pool hours during the summer by 1 ½ hours daily – \$13,400 savings.
- Close libraries on Sunday – \$10,200 savings.
- Reduce daily hours at the library by 1 hour – \$10,000 savings.
- Police are working on a resolution to come before the Board, which increases some fees that are allowed including an option for employment finger printing. We get quite a few requests for finger printing for positions such as child care and the medical profession.
- Chuck Emerick will discuss increases in Community Development fees during his presentation.
- Mr. Mandia has worked out a reduction in child care staffing at a savings of \$6,400.

It is estimated that the Cash Reserve in the General Fund Operating Budget of December 31, 2011 will be \$806,261. This includes the \$1 million that we intend to get from the sale of the property on Hockersville Road which settlement should be November 17, 2011. 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 taxes. We need to operate three months and need cash on hand to do that.

Lou Verdelli, our financial advisor, is very helpful in guiding us in our financial decisions. His recommendation and our goal is to keep the fund reserve in the Township's General Fund at the amount of \$4 million.

The All Funds Operating Budget amounts to a total of \$22,236,659, an overall increase of \$1,889,852 over last year. This includes stormwater, the upswing in police pension, and increase with the street lights.

We did not include in our revenues but are hopeful of an increase in real estate taxes with the implementation and assessment of the new Hershey Chocolate factory.

Expenditure Projections – We did our best to come in with a 0% increase in expenditures for 2012 and we were pretty successful. Community Development's 5% increased due mainly to health care. There have been serious health care expenses. If you look at our health care, stop gap insurance is \$50,000 per employee. That same \$50,000 is for the Police Department and Community Development. The numbers magnified by Community Development because they only have six people. This is the reason for the 5% increase.

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.

Revenue - Our biggest generator of revenue is earned income tax. Amusement tax and parking lot tax combined actually bring in more money than our real estate tax.

In summary, the 2012 budget contains no tax increases as presented and reduces the delivery of some Township services. However, because of declining revenues and escalating costs in the aftermath of Tropical Storm Lee, the General Fund Reserve is problematic. Revenue enhancements should be considered. In order to maintain the Township's strong AA+ positive outlook, the Township should look to replenish the historical levels of the General Fund Reserve.

Manager Negley explained what happened to the Cash Reserve:

- We had a terrific storm on June 1, 2007 that devastated the community and caused a lot of public outcry resulting in the Board taking action with the stormwater management project. We paid \$1 million out of reserve to make this project get underway, but the \$1 million allowed us to successfully get grants and assistance from the Commonwealth which makes it a worthwhile investment in the future of our Township.
- The Lingle Avenue Intersection Improvement Project - \$1.8 million. This will be a terrific and vital improvement in the link between Lebanon County and Derry Township, Dauphin County. Much of the \$1.8 was not paid on engineering or for design, but was paid in property acquisition.
- The 743 and Park Blvd. Bridge is underway. We receive nothing but praise about how the square has been realigned. The cost was approximately \$286,000.
- Health Care Costs have been a substantial drain on our fund reserves. We budget on experience because we are self insured. The stop gap is \$50,000/person under our policy. If we want 100% exposure and cover all contingency, we would have to budget much more for health care, but what we do in lieu of that is budget based on prior years. We have had two terrible years including an injury resulting in death and other treatments that are very costly. We have been self insured since 1995. Mgr. Negley shared that from 2005 to 2009, we have a net savings of \$175,000. In 2010, we lost \$110,000. If the Board desires, we can cost out a full paid benefit where we know exactly what our premiums will be on a yearly basis. If you proceed that way this year, it would cost an additional \$1 million.
- The debt service on the Municipal complex is very problematic. When we built the municipal complex we built it with an understanding that the PATT organization was going to purchase the Hockersville Road property. The property was going to be sold at \$2.1 million. It was \$1.7 million at settlement, an additional \$100,000 as a fee to us, and then we were to get \$100,000/year for the next four years. From year 5 to 15, we were not getting anything. From year 15 to 30, we were to get 2% of gross receipts of the hotel. At the end of the 30 years (lease not a sale), the land and the property would resort back to the Township. Legal action was taken and cost us substantial money. We have it under agreement for \$1.2 million nearly half of what we would have gotten in 2007. We were supposed to settle on that property in July of 2007 and after so many struggles we have still not settled. It has impacted our fund balance.
- The sinkhole on Caracas a few years ago cost us \$125,000.
- Dauphin County Emergency Radio Conversion had to be done which resulted in \$192,000.
- 2008 was a terrible year for the stock market. Pensions took a plunge and we had to use our reserve to sure up our pensions.

These are the large ticket ideas that the Board had no control over. It was not recklessness or misappropriation, it was just acts that came upon us. Revenues have not kept up with our projections.

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

The Township's real estate tax millage for 2012 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.

2012 GENERAL FUND OVERVIEW

	<u>2012 Budget</u>	<u>% Change</u>
Total Revenues	\$15,003,268	0%
Total Expenditures	\$14,879,846	-0.15%

CAPITAL PROJECTS FUND

	<u>2012 Budget</u>	<u>% Change</u>
Total Revenues	\$4,590,050	53%
Total Expenditures	\$4,584,621	43%

BOARD OF SUPERVISORS

Jill E. Horner, Assistant Township Manager, presented the Board of Supervisors proposed 2012 Budget.

	<u>2012 Budget</u>	<u>% Change</u>
Total Department Expenditures Budget	\$ 95,027	-1%

Asst. Mgr. Horner reported this year 34 meetings were budgeted for a cost of \$10,200. Supplies was budgeted for \$250, a reduction of \$150. Services and Other charges section was increased because our legal costs over the last two years have been higher than we budgeted for. The line item for Misc. Contracted Services allows the Board to pay for engineering, consultants, and special projects that are not planned. We reduced it from \$25,000 to \$15,000. These funds were used in the past to pay for a stormwater study in 2009, PennVest application, engineering costs for a cuing study on Hersheypark Drive, 743 Bridge analysis, and neighborhood dispute settlement.

ADMINISTRATION

Jill E. Horner, Assistant Township Manager, presented the Administration Department proposed 2012 Budget.

	<u>2012 Budget</u>	<u>% Change</u>
Total Department Expenditures Budget	\$754,854	0%

There were no capital budget items requested.

We only budgeted for our basic needs and did not put in for any special projects. In 2009, we budgeted \$736,284 and in the end, the actual numbers came in at \$733,643. We were under budget in 2009 by \$2,600. In 2010, we actually ended up \$31,000 over due to an unexpected illness which cost us an additional \$46,000. Also the electric caps increased

even though we bid the electric so we had competitive pricing, but it still wasn't enough when the caps came off.

44% of the Administration budget is for personnel. If we budget the maximum amount we could need, it would increase our budget drastically. Our normal experience is \$25,000/year without any serious illnesses.

We continue with cost saving measures such as obtaining competitive pricing for our insurances, electricity/gas, office supplies and maintenance contracts.

Asst. Manager Horner proposed that the newsletter be sent out through e-mail and eliminate \$21,000 from the budget to print and mail it. Supervisor Pagliarulo commented that many organizations have gone to e-mail and if you don't have email, you don't get it. Asst. Mgr. Horner said there is some risk of not reaching as many people for Parks and Rec programs, but with the condition of the economy it is a good reason to do this. Supervisor Pagliarulo noted with postage rates continuing to increase we can use the local press to get the word out. Vice-Chairman Fedeli suggested printing a limited number of copies and have them available at the Township building, library, etc.

Asst. Manager Horner did not include a new service community guide and map in the budget. The guide would include recycling and services and it would not be dated. The cost for postage is \$3,500. She approached the publisher to include postage in their advertising cost, but they felt it would make the price too high and wouldn't get the sponsorship that they needed. The other item that is not included in the budget is updating our Code of Ordinances. We went to great strides to update it and hate to see it get behind again. It has been almost three years, but the price would be \$7,200 to bring it up to-date. We left \$10,000 in the budget if we wanted to do one publication or an annual report, there would still be some funding. If we take the majority out and include these projects, our budget will still decrease 1%. If we print the newsletter and include the two projects, it will increase the budget 2%.

Chairman Abruzzo asked if we could find out what it would cost to eliminate the newsletter being mailed to every resident, but have a small supply available. Asst. Mgr. Horner said if you are talking about printing a few hundred of them, it could be done in-house.

The Board directed Asst. Mgr. Horner to pursue emailing the newsletter, printing a small number of newsletters to have available at various locations, and budget for the Code of Ordinances and the community guide and map.

Supervisor Ballard suggested increasing the health insurance and drug cost for every department. Across the country health costs have gone up at a rate higher than inflation over the last three years. She recommended all the departments go back and take a look at increasing their numbers. For administration, we spent \$77,000 as of 9/30/11. If you add another quarter, you get \$102,000 which is still not enough because inflation is not included.

It was noted that when we budgeted in 2011 for health, dental and prescription vs. what we budgeted in 2012, there is a 17% increase. We have increased considerable from last year. You may not see it in all departments, but overall as a Township we have increased about 17%.

COMMUNITY DEVELOPMENT

Charles Emerick, Assistant Director of Community Development, presented the proposed Community Development 2012 Budget:

The department's greatest revenue source is building permit fees. It is conservatively budgeted. Most of the projects that will generate building permit revenue for 2012 are not known at this time and can only be estimated since applications are not yet filed.

Last April, the Board of Supervisors established certain fees which did not previously exist and increased some other fees.

- Building permit fees were last adjusted in 2006 - we readjusted those this year.
- Zoning permit fees are brand new as are zoning permits.
- Septic fee was not adjusted since 1998 - adjusted it this year.
- Subdivision and land development fees were not adjusted since 1996 - adjusted this year.
- We did not have a fee for processing a planning module which we now have.
- Stormwater management plan fees are reflected of our recent adoption of our new stormwater ordinance in December of 2010.
- The Zoning Hearing Board applications – a separate category was made for commercial applications charging \$425 for those applications as opposed to the \$250 for residential applications.
- The Design Review Board did not have a fee previously. We instituted a \$25 fee to cover our secretary that attends.
- The UCC Appeals Board did not have a fee at all. We established a \$100 fee if the applicant requests a ruling without having a hearing and \$300 fee with a hearing.
- Property Maintenance Appeals Board would have a fee of \$250.

These are some of the fees that were established this past year after comparing with several other municipalities.

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.

	<u>2012 Budget</u>	<u>% Change</u>
Total Department Expenditures Budget	\$659,780	5%
Total Department Revenue Budget	\$569,045	10%
 Total Department Capital Budget	 \$ 16,500	 65%

In our expenditures, we are looking at an increase of about 8% for Personnel Services, but we have taken our office supplies and decreased about 2%. In Services & Other Charges we show a decrease of 2%. There is an overall increase of 5% in our expenditures.

For Capital Projects Improvements, we are requesting two items: a large format copier and laptop/printers. Presently we have a plotter that no longer works. It was purchased in 1993 and had a life expectancy of 5 years and gave us 18 years. They are concerned with obtaining parts and will no longer carry a service contract on it. The cost would be \$10,500. The other items are laptop/modems/printers for our code officers. This cost would be \$6,000 for a total \$16,500 for capital.

The increase in revenues is greatly influenced by our new fee schedule. The fee schedule also acted to get all our fees into one document. The Supervisors also asked that Community Development review the fee schedule annually. There are some fees that we should institute.

- A fee for scanning and faxing...mostly related to the Right to Know request. It could bring in \$240/year.
- Many municipalities have a fee for if you begin work without a permit resulting in paying a double permit fee. Conservatively we are looking at that generating at about an additional \$1,200/year.
- An administrative fee for third party strictly commercial electrical permits which we don't presently charge would bring in about \$600-\$1200/year.
- An expediting permit fee would bring in about \$4,500/year. This would then require an expediting zoning permit fee and that would bring in about \$3,000/year.
- Zoning Hearing Board – extension for a continuance – would charge \$35 and this basically would cover the newspaper ad which we are now paying for.

Supervisor Moyer asked if renting the copier equipment would be more cost effective than to purchase. Mr. Emerick said they did an analysis previously and in most cases because of the longevity we would look at purchasing.

Supervisor Ballard questioned the amount of \$500 for Planning Consultants when year to-date we spent \$19,000. Mr. Emerick said one inspector was out due to medical reasons and we had a huge project going on. Our income for permits well covered that fee. We are about \$30,000 ahead.

Vice-Chairman Fedeli mentioned the proposed laptops for the code enforcement officers and what their process is now. Mr. Emerick said they have desktops. So when they are out in the field it's difficult to do research and provide an on the spot violation. This will allow them to do their job more efficiently and assist in the process to become more paperless.

HERSHEY PUBLIC LIBRARY

Barbara Ellis, Director of Hershey Public Library, presented the proposed Hershey Public Library 2012 Budget.

	<u>2012 Budget</u>	<u>% Change</u>
Total Department Expenditures Budget	\$1,041,755	2%
Total Department Revenue Budget	\$ 157,462	-3%
Total Department Capital Budget	\$ 0	

Ms. Ellis shared there have been positive reactions on the changes at the Hershey Library. Through the past year, we have had 198,890 people come into the building and 121,779 web site visitors for a total of 320,669 library users. That is almost 1,000 people per day. As of September 30th of this year, our friends on Facebook total 456. In order to serve these people better, we have been making improvements.

We now have Kindles and Nooks that we check out. This past year, 6,544 people attended our adult programs and 10,113 attended the children's program. We have 25 people who work in the library. 19 are part-time and 6 are fulltime. 19 of our staff have been on staff for

over 5 years. In our 2012 budget, 66% of our budget is for staffing. Operations and maintenance = 15%, Supplies and services 5% and materials equal 14% of our budget.

Ms. Ellis said the General Budget is a request for \$1,041,755. She reported the total budgeted revenue is \$157,462. There is a 3% decrease in revenue. Within the last year, we have seen revenue in the amount of \$1,795 for meeting rooms. It is improving and should continue. The E-rate refund is actually based on how much we spend. We are spending less money on our Internet and telephone service, so that amount does go down some. State Aid is coming in a little lower. We have never exceeded the \$5,000 income from copies. One consideration is to raise the cost of copies in the library. Ms. Ellis will continue to pursue grants and other funding for 2012.

Supervisor Moyer asked if the revenue reflects any income or contribution from the Friends of the Library. Ms. Ellis said we get about \$13,000/year for materials and it is reflected under Contributions/Donations. The money that is paid for all of our programming amounts to well over \$36,000 to \$38,000 and that is not part of the budget.

Supervisor Moyer asked how much the Friends of the Library donated to the library so far in 2011. Ms. Ellis said last year they purchased a \$17,000 sound system to put into the meeting rooms. It goes up from that amount to \$65,000/year.

Supervisor Ballard asked about Building-Maintenance and Repair Service – as of the end of October, we spent almost \$18,000, but are only budgeting \$5,000 for 2012. Ms. Ellis said our building is 15 years old and we have had a lot of expenditures this year which included a roof leak, compressor, HVAC inside of the unit needed repaired, our UPS system needed a new bank of batteries. There have been five to six major items that had to be paid for this year that we didn't plan for.

Vice-Chairman Fedeli asked Mr. Clark if he had any input on whether there would be any extensive repairs needed at the Library next year. Mr. Clark said they don't see anything now that would be a major repair, but you never know.

Supervisor Pagliarulo asked if we had a preventative maintenance program. Ms. Ellis said we do and the building and equipment contracts cover some of that.

PARKS & RECREATION

Matthew J. Mandia, Director of Parks & Recreation, presented the proposed Parks & Recreation 2012 Budget.

	<u>2012 Budget</u>	<u>% Change</u>
Total Department Expenditures Budget	\$1,496,346	1%
Total Department Revenue Budget	\$ 916,575	0%
Total Granada Avenue Expenditures Budget	\$ 263,677	1%
Total Granada Avenue Revenue Budget	\$ 207,300	1%
Total Department Capital Budget	\$ 18,500	0%

Parks & Rec offers a wide arrange of aquatics, full recreational programming and facilities, and community building activities through our childcare program and special events. We also provide a responsible balance between our passive and active areas as represented with our bike and pedestrian trail.

We have continued to evaluate our part-time and seasonal personnel levels to minimize overall costs. We have continued our internal adjustments to maximize our operating efficiencies. We are trying to go paperless as much as possible using online registrations and sending receipts out through e-mail, and also installed additional timers for operation of different motors and lights in our facilities. We have continued our commitment in maintaining our park system, recreation center and the Granada facility. As per the direction of the Board, we are not filling our full-time secretarial position that was left vacated this year. Mr. Mandia is impressed with the existing staff that has picked up the duties of that fulltime position.

Areas of potential cost savings include the skate park and marketing the equipment to see how much it would bring in. It would save about \$4,000 in seasonal wages. Mr. Mandia was a big proponent of this park, but he realizes that the last couple of years the facility has not paid for the staffing to keep it opened.

Mr. Mandia recommends implementing the following for additional savings:

- Reducing child care wages by an additional \$6,400.
- Reducing Granada wages by \$4,000.

These savings are in addition to what is presented in the draft budget.

Mr. Mandia said that his proposed 2012 budget is about \$1.4 million for a difference of about \$245,000 over 19 years which averages out at about \$12,000/year. It is unbelievable the work his department does.

The personnel services increased 1% and those numbers fluctuate up and down between seasonal bargaining unit exempt. Health and drug insurance has risen.

The Rec Center O&M decreased 2% overall. There was an 8% increase in recreational programming, but the revenue offsets those expenses. Aquatics programming increased 4% due to pool chemicals, etc. Parks O&M decreased 6% due to decreasing ground maintenance supplies. Parks & Rec Concessions increased.

The Child Care Program line item for wages bargaining unit would be \$93,600 which would be a \$6,400 reduction. There is a proposed 4% increase in personnel cost, but if you look at the revenue of the Child Care program, the revenues offset the expenses.

Vice-Chairman Fedeli asked about the cost of what we charge for child care. Mr. Mandia said there is a variety fee schedule. Vice-Chairman Fedeli asked if we were mandated for what we charge because we take state or federal money. Mr. Mandia doesn't believe there are any caps, but we do review our child care rates annually and compare them to local child cares to make sure we are competitive.

Supervisor Ballard asked Mr. Mandia if the fees can be increased more given the demand is really high. Mr. Mandia said they could and mentioned they are increasing our summer day camp registration \$5/week.

The Granada Gym & Fitness Center increased 1% in personnel and 6% decrease in the Gym O&M. Recreational programming increased 11%. The overall increase for the expenditures equals 1%.

Mr. Mandia reported in the last 19 years, they have increased their revenue just under \$600,000 while our expenditures just went up \$244,000.

We evaluate our fees by continuing to monitor the market, the economy and what other facilities are offering. We do not want to overcharge.

- Outside Day Care in the Summertime – We are increasing the rate from \$3 to \$4 resulting in a \$1,500 in revenues.
- Summer Day Camp Registration – would estimate about a \$5,000 increase.

Revenues do fluctuate based on programs offered and the target areas we try to offer to the community. We are about the same in revenues for 2012 as we were in 2011.

Granada revenue will match their 1% proposed increase on the expense side.

The Parks & Rec. Department is requesting two capital items for 2012. The first is a replacement of our main circuit board in our ADA lift in our facility. The cost for this is \$5,000. The second item is our outdoor pool pump is in need of renovation in the amount of \$16,500 for a total of \$18,500 for Capital – a 0% increase.

Other possible reductions in expenses include closing the Skate Park and selling the equipment. Manager Negley had the reduction of hours of pool operation in the summer in his presentation. There is a downside to this because a lot of folks like to come to the pool in the evening and membership fees could go down. Mr. Mandia is recommending reducing the Child Care and Granada personnel wages.

Supervisor Moyer mentioned utilizing the high school turf fields to alleviate pressure on our athletic fields. He doesn't think we are utilizing the facilities properly and should try to work something out in the future with the School District.

Supervisor Ballard asked if we are helping the school with any of the accommodations of their children in Granada or is that done. Mr. Mandia said it is done.

Chairman Abruzzo mentioned the line item that says Founders reimbursement. Who pays the reimbursement to us for Founders Park. Mr. Mandia explained that the Founders Park agreement is an agreement between three parties, the Township, DT School District, and Milton Hershey School. The reimbursements come from the DT School District and the Milton Hershey School for expenses at the park. Those expenses are broken down equivalent to the use of that facility by each entity.

Chairman Abruzzo asked if we do the actual maintenance and if that is our share of the reimbursement formula. Mr. Mandia said we do the actual maintenance and we are reimbursed for a portion of it. The utilities are in Milton Hershey's name so the meter readings go to Milton Hershey and they bill us back.

Vice-Chairman Fedeli asked if Mr. Mandia had done any comparison to Townships similar to our size and tax base and what they provide to their citizens. Mr. Mandia said over the years they have taken a look at that. We are very competitive and we do offer a wide array for a population of 22,000. He mentioned Cranberry Township in Pittsburgh who are a little larger than us, but they are a very well respected department. Our offerings are very comparable to them.

Chairman Abruzzo requested Mr. Mandia to get an appraisal for the skate park equipment.

PUBLIC WORKS - RECYCLING

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

	<u>2012 Budget</u>	<u>% Change</u>
Total Department Recycling Expenditures	\$454,652	82%
Total Department Recycling Revenue	\$479,650	8%

PUBLIC WORKS

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

Revenue Projection - We have downsized our revenue expectations for this upcoming year. Some of the activity in the street such as the infrastructure for some of the utilities has declined a little bit. However, subsequent to the printing of this proposed budget, we were approached by PPL. They are going to putting a line in from Hockersville all the way down to Homestead to supply the factory. We may actually see a little improvement as far as the highway occupancy permits.

We have seen a bit of a reduction in our curb and sidewalk program because of the economy. The state contract snow removal and mowing is remaining the same as 2011. Miscellaneous Street and Public Works Revenue is where we see money coming back to us as a result of water line installations. When the water company installs a new waterline in the street and if we decide at the same time to recycle and repave that street, they have been paying us for what they normally would have paid for the square footage in the trench line to permanently pave it. He talked to PPL about doing the same thing and they were very receptive to that. We can do this next year on Areba with the line installation.

Expense Projection - There is reduction in small tools and minor equipment as well as our postage. We can probably do better with our heating by utilizing the ceiling fans to draw the heat down. They looked at several options of ways to improve their electrical usage. They looked at a contractor and investors who come into a sight and install solar panels. They put the panels in, you get the energy and they make a little money out of it. He was not pleased with this because they wanted to mount it on the roof of the building. He is not comfortable with this because of a snow load perspective. Next year the light fixtures in his building will be obsolete.

	<u>2012 Budget</u>	<u>% Change</u>
Total Administration Budget	\$ 415,395	3%

The reason for the increase in the Administration Budget is due to the office supplies being moved out of the Recycling Center because it actually comes out of the Administration Budget.

Total Department Expenditures Budget	\$2,119,364	2%
Total Department Revenue Budget	\$ 230,760	-8%
Total Department Capital Budget	\$ 0	

POLICE DEPARTMENT

Patrick O'Rourke, Chief of Police, presented the proposed Police Department 2012 Budget.

	<u>2012 Budget</u>	<u>% Change</u>
Total Department Expenditures Budget	\$5,482,954	-2%
Total Department Revenue Budget	\$ 592,219	-5%
Total Department Capital Budget	\$ 69,445	768%

The Police Department Budget totals \$5,482,954. \$116,010 was removed resulting in a 2% decrease. After review of the 2011 budget, it was necessary to increase 20 line items based on prior years experience, actual costs and contracts. However, after 20 other line items were reduced and four programs were eliminated it resulted in a decrease for the overall budget.

The Capital Budget request for \$69,445 includes:

- Leasing three vehicles for five years = \$17,565
- Equipment installation for three vehicles = \$20,100
- Six Taser X-26 = \$4,080
- 3 Datalux MDTs (computer upgrade) = \$14,100
- 2 In-car Video System = \$11,600
- 2 replacement vests = \$,2000

Chief O'Rourke noted there is a possibility the Township may receive a grant to purchase a police motorcycle. If this happens, the Township will lease three new vehicles. If not, the Township will lease two new vehicles and purchase a police motorcycle for \$24,400.

PUBLIC COMMENT

Steve Todd commented on the budget and said that he is encouraged to see that there have been reductions in the budget but that he believes that more can be done. He began to read a budget review that he had prepared for the Supervisors. Chairman Abruzzo said that many of his accusations are unfounded and that he felt that it was inappropriate to use the budget hearing to grandstand. Supervisor Pagliarulo said that the Supervisors had received his e-mail and he didn't feel that it was necessary to read each item into the record. The Board agreed to attach his comments to the minutes.

From: "Steven Todd" <steventodd@hotmail.com>
To: "Chris Abruzzo" <cabruzzo12@comcast.net>, "Kelly Fedeli" <kelly@kellyfedeli.com>, "Marc Moyer" <moyermarc@comcast.net>, "Sandy Ballard" <sandyballard@verizon.net>, "Todd Pagliarulo" <tpags@comcast.net>, johnf@marshallpointe.com, chuck@1stcallconsultants.com
Cc: "Susan Mackay" <mackmom101@gmail.com>, "John Dunn" <jbndunn@verizon.net>, "Tracy Devenyi" <tldevenyi@gmail.com>, "Christina Mihalik" <cmihalik@verizon.net>
Sent: Sunday, October 30, 2011 10:30:15 AM

Subject: My 13-point Budget Recovery Strategy to be read into the record at the Budget Review Nov 3 at 5:30 PM

"Unfortunately, Township Expenditures have exceeded Revenues for the last 4 years -- the last 3 years by over \$1 million/year! This can not continue." - Supervisor Sandy Ballard, October 28, 2011.

Thank you, Sandy. I never recall another elected official who worked so hard to keep her constituents in the loop.

Here are some suggestions. I will try to be present to state all for the record, but in the event I have a meeting for work, please consider this document public record.

Most of my recommendations, of course, have to do with efficient use of OUR tax money. We have not done a good job with this. This document has also been posted to my website, for ease of reference by you and other taxpayers:

<http://steventodd.wordpress.com/13-point-budget-recovery-strategy/>

All these are from this point forward planks of my platform to become Township Supervisor (many have been for some time). By copy, I request they all become planks of John Foleys and Chuck Witmers platforms as well, or that they explain to the taxpayer what in them they oppose. I will forward to many taxpayers of all politics on this, that they might offer their timely input as well.

1) Decrease our tax expenditures by prohibiting award of no-bid contracts over \$75,000, unless a third party acts as our agent in the contracting process. We have announced \$23M no-bid infrastructure improvements. We MUST save a couple million on design and permitting of the remainder. As a licensed professional civil engineer with over a decade and a half experience, I KNOW we can.

2)

Our manager must be subject to the expenditures for which our staff recommends you and I pay. That would ensure he or she has skin in the same game WE do. It's fair, it's just, and it is typical of many municipalities of similar size. At the very least, ensure that upon our manager's retirement, his replacement is a resident.

3) Derry Township's online budget summary has a substantial item simply titled "Board of Supervisors." We must identify where that money goes, and eliminate all we can't live without. It is inappropriate to allow such a substantial yet vaguely defined line item in our budget

4)

Staff utilization efficiency - The duplication of our Director/Asst Director of Community Development is overkill and insufficient at the same time. A more typical organization for a municipality of our size and budget is to have a Zoning Officer/Twp Engineer organization. Upon attrition of one of the two employees who

fill these redundant positions, move to the more typical Zoning Officer/Twp Engineer scenario. This will add no staff, but ensure OUR engineer is on our team, during technical aspects of our contract negotiations.

5)

Ensure that Comp Plan update is openly bid. Bids for this thing could have a range of 10-fold, let's get our money's worth.

6)

Put the Twp Newsletter on line (maybe it already is). Then, in some upcoming issue, put an "opt out" option. If you would like to save paper and your tax dollars and not receive a hardcopy Twp newsletter, check a check box and enter your email on the Twp website. You will then get an email each month, telling you the newsletter is available. The email will have a link on it. Those who want may continue to receive it. Or maybe those who want to receive a hardcopy have to "opt in". I'd bet within 1 year the number of people I am paying to print full-color, high gloss and mail this to cuts in half...maybe better.

7)

Investigate the pros and cons of our library joining DCLS. It seems we have a lot of redundancy with what they offer the rest of the County (with the exception of Middletown, which seems to also not be in DCLS).

8)

Research legal options to sue utilities for cost to locate their facilities for storm work. I recall that was close to \$200,000. As a PE, I think we were improperly tasked with that, as I said at a public meeting. Solicitor Yost replied that we could look at retrieving that money. Now's the time.

9)

Does Twp own vending machines in public places? If so, put credit card payment options on them, like on City Island. Decrease vandalism/robbery attempts, as evidenced at Shank Park. Also, increase revenue, since not dependent upon cash only. I never carry cash, many folks don't.

10)

Check ID's for those taking mulch from the recycle center. Offer it to non-residents at a competitive rate for sale. Mulching is expensive, we pay big for the grinder's teeth.

11)

Determine whether new HERCO expansions/added attractions generate more attendees. If they do, then each one should have to do a Traffic Impact Study, and all recommended traffic improvements, like all other developers do. These are, to my knowledge, always waived for park expansion land development plans.

12)

Publish all employee salaries. Re-examine and renegotiate non-union employees' if appropriate. According to PennLive, the following stick out to me as exceptional:

- * James N. Negley Dauphin Derry Township Township manager \$144,610.05
- * Dauphin Derry Township Chief Of police (William D. Smith made \$110,359.20)
- * David L. Holl Dauphin Derry Township Lieutenant \$100,890.96

13)

For comparison, here is what some of our other management (nonDerry, but public) employees make or made recently. Our employee salaries should be in line with what the market commands (realizing we can't do that with the union employees):

- * Former Derry Township School District Superintendent Linda Brewer \$157,175.00
- * Common Pleas Judge Lawrence F Clark Jr. \$152,115
- * Lt Gov Catherine Knoll \$138,091
- * PA Auditor General Jack Wagner \$136,778
- * Dauphin County Commissioner Mike Pries approx \$95,000
- * Former PaDEP Delaware River Section Chief Steve Todd \$57,000 (oversaw over \$25M worth of public infrastructure projects and a staff of four).

13)

Utilize my review of the stormwater plan: (similar to part of my recent response to a comment on PennLive)

Recall that we paid \$50,000 (and I've heard rumours that we've overpaid for that by some \$19,000, after being assured by current-Board Chair Chris Abuzzo that it would not go over \$50k in a public meeting) for a stormwater study. I spent many hours of my own time, for free, reviewing the final document. I submitted all 5 pages of my review to all the Supervisors on Fri, 9 Jan 2009 03:58:55. The whole thing is on my website. Check it out, there are some REALLY huge potential savings in there.

Common sense says we should have directed OUR consultants incorporate (or at least investigate) my many potential cost-saving ideas for more effective flood control, as appropriate. I also presented them at a public meeting held specifically to get public feedback into the proposal. I can see no evidence anyone ever glanced at them, except then-Supervisor and current-County Commissioner Mike Pries. He issued the following response, on Sun, 11 Jan 2009 18:33:42, verbatim, and in total: "Thank you Steve - very in depth and interesting input."

I don't know if the professional consultant used my suggestions. The website WE are paying what seems to me to be an incredibly high amount for, to show us these plans had no plans on Oct 29, 2011. I did this extensive and free review on my own time to save your (and my) tax money. Let's save some.

We have 2 more phases of this storm study to go, and we are over \$6 MILLION into the first one! For the next 2 phases, we need to have a third party review, or make whichever professional is selected (hopefully not a campaign donor, hopefully not no-bid) for design use the review I already did free.

Steve Todd

Write In Candidate for Derry Township Supervisor:

<http://steventodd.wordpress.com/derry-supervisor/>

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<http://www.linkedin.com/in/stevenwtodd>

Tweeting as @stevenwtodd

Derry Environmental Action Committee, at DerryGreen.org or <http://derryeac.wordpress.com/>

ADJOURNMENT

Supervisor Moyer moved to adjourn the meeting at 8:10 p.m. Supervisor Ballard seconded.

The motion carried, 5-0.

Respectfully submitted by:

Marc A. Moyer
Township Secretary

Brenda Van Deursen
Recording Secretary