

TOWNSHIP OF DERRY
BOARD OF SUPERVISORS BUDGET MEETING MINUTES
NOVEMBER 6, 2019

CALL TO ORDER

Chairwoman Cort called the November 6, 2019 Budget Meeting of the Township of Derry Board of Supervisors to order at 5:38 pm in the meeting room of the Township of Derry Municipal Complex, 600 Clearwater Road, Hershey, PA.

IN ATTENDANCE:

SUPERVISORS

Susan M. Cort, Chairwoman
 Justin C. Engle, Vice Chairman
 Richard D. Zmuda, Secretary
 Marc A. Moyer
 Matthew Weir

ALSO PRESENT:

Christopher Christman, Township Manager
 Chuck Emerick, Director of Community Development
 Chief Garth Warner, Derry Township Police Department
 Thomas Clark, Director of Public Works
 Robert Piccolo, Asst. Director of Public Works
 Matthew Mandia, Director of Parks and Recreation
 Cheryl Lontz, Manager of Payroll and Employee Benefits
 Laura O’Grady, Director of Hershey Public Library
 Jeff Cothren, Hershey Public Library
 Lauren Zumbrun, Economic Development Manager
 Julie Echterling, Recorder

Public in Attendance:

The following were in attendance: Linda Eyer, Dennis Trout, and Robert Naeye.

BUDGET

Mr. Christman spoke about the process for the budget presentation, which will be different compared with prior years. He hopes at the end of the meeting the Board will approve the advertising of the budget. He would hope to advertise and have a vote on the budget on December 3rd if possible. He asked the Board for feedback. He noted there was an error on the website, which said tonight’s meeting was to start at 7pm and was fixed immediately upon discovery. This meeting was advertised for 5:30pm.

He spoke about the major changes in the 2020 budget and how second-class Townships can allocate money. The 2020 budget is broken up into 8 operating funds and three capital funds. Below is the proposed breakout. He explained each one and spoke about how they would work.

| <u>Operating Funds</u> | <u>Capital Funds</u> |
|-------------------------------|----------------------------------|
| 01-General Fund | 30-Capital Reserve |
| 02-Street Light Fund | 31-Community Center Reserve Fund |
| 06-Community Center Fund | 32-Road Equipment Fund |
| 08-Solid Waste Fund | |
| 09-Library Fund | |
| 23-Debt Services Fund | |
| 35-Liquid Fuels Fund | |
| 95-Operating Reserve Fund | |

He explained how the millage rates could be split between the funds. He stated there were a lot of combining accounts and doing some general account cleanup this year. The Board asked a few questions about how the splits could be done with the millage rates. Mr. Christman answered the question and

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spoke about the interfund transfers that could be done between the funds, which would be easier to track and see them. He discussed the following funds in more detail:

- General Fund Reserve
 - Projects a Fund Balance Forward of \$4,533,465 for 2020. He noted this is credit to the Township Staff who don't spend the budget unless necessary.
 - Anticipated healthcare increase of 7.8% is included.
 - Other insurances are estimated with a 1.5% increase in the budget, pending final numbers.

| <u>Total</u> | <u>2019</u> | <u>2020</u> |
|------------------------------|--------------------|--------------------|
| General Fund Revenues | \$20,338,380 | \$25,486,889 |
| General Fund Expenses | \$16,245,374 | \$20,725,577 |
| | | |
| General Fund Personnel Costs | \$12,907,960 | \$12,868,809 |

- Capital Reserve Fund
 - Anticipates \$1,851,095 of expenditures in the 2020 budget. He noted that \$1.2 million would be coming from bond funding and the rest through the general fund.

| <i>Some of the 20 expenses in this Fund for 2020</i> | |
|--|-------------|
| Land Fill Remediation | \$1,045,000 |
| Police Services | \$255,067 |
| Fire Protection | \$165,778 |
| Library | \$107,891 |
| Information Technology | \$103,749 |
| General Gov't Buildings | \$90,110 |
| Community Development | \$48,500 |
| Public Works – Highway Construction | \$35,000 |

- Community Center Reserve Fund
 - This is a holding account for the future needs of the Center.
 - Anticipates a \$122,142 expenditure for 2020. This would be used if the bids came back out of the budgeted range. These funds would allow the outdoor pool to open for the summer of 2020. If these funds aren't needed, they will remain in this fund.
- Road Equipment Fund
 - Would be kept for large purchases of equipment to keep the roads of the Township up. Anticipates \$321,772 of expenditures in the budget. This fund anticipates the lease/purchase of three new dump trucks, payment of existing lease/purchase amounts and the various minor equipment needs for the department. He noted this is solely for the Public Works Department.
- Operating Reserve Fund
 - He recommends any excess revenue goes into this fund at the end of each year. He discussed creating a Fund Balance Policy and a fiscal policy for emergencies.

He discussed the proposed 0.25 tax millage increase to support the debt service requirements for the construction of the new community center. The total real estate tax millage would be 2.5381 for

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FY2020. He discussed the tax rates in Dauphin County compared to Derry Township. The Board discussed the creation of a fire fund and the needs of the fire company with apparatus and building debt.

Chairwoman Cort asked about the before and after school program. Mr. Mandia discussed the need for two more staff members to be hired for a January opening. He noted they did budget money in case the pool is opened in the summer, including staffing costs. She asked about healthcare costs and what is being done to keep them down. Mr. Christman spoke about being part of a co-op and spreading the costs across the trust. He spoke about the healthy options available to the Township employees. Mrs. Lontz spoke about the increase in copays and deductibles to help decrease costs.

Supervisor Moyer stated he likes the separate funds and the idea of prefunding growth. He appreciates the planning so there aren't surprises. Vice Chairman Engle spoke about the 5-year planning that has taken place. The Board discussed adding the fire fund this year, the debt of the fire house (2025) and hoping fundraising will help take care of this debt. Mr. Christman would like to hold off until 2021 to add the Fire Fund after understanding the needs of the Fire Company.

Chairwoman Cort asked about making this meeting room more user friendly. Mr. Christman stated he would talk with Brian about options, but nothing was budgeted for 2020 for the room.

Mrs. Linda Eyer, 2321 Raleigh Road, stated she is glad to see this approach and thinks it is long overdue.

Vice Chairman Engle made a motion to advertise the 2020 budget as presented tonight. Supervisor Zmuda seconded the motion. **Motion carried 5-0**

ADJOURNMENT:

The budget meeting adjourned at 6:52 pm.

SUBMITTED BY:

Richard D. Zmuda
Township Secretary