

**TOWNSHIP OF DERRY**  
**BOARD OF SUPERVISORS BUDGET MEETING MINUTES**  
**NOVEMBER 17, 2020**

**CALL TO ORDER**

*In order to ensure public safety during the COVID-19 crisis, the November 17, 2020 meeting was held by audio and video conferencing via a Zoom Virtual Webinar and shown live on YouTube on the Derry Township YouTube page.*

Vice Chairwoman Nutt called the November 17, 2020 Budget Meeting of the Township of Derry Board of Supervisors to order at 5:35 p.m. via video conferencing with a Zoom Virtual Webinar through the on-line Meeting Room. She advised that all public meetings are recorded for providing accurate notes. After the Pledge of Allegiance, a roll call was performed. She noted Chairman Abruzzo had a family issue and was hoping to join later.

**IN ATTENDANCE:**

**SUPERVISORS**

Natalie L. Nutt, Vice Chairwoman  
Carter E. Wyckoff, Secretary  
Richard D. Zmuda  
Susan M. Cort

**ALSO PRESENT:**

Christopher Christman, Township Manager  
Chuck Emerick, Director of Community Development  
Thomas Clark, Director of Public Works  
Chief Garth Warner, Police Department  
David Sassaman, Hershey Volunteer Fire Department  
Matthew Mandia, Director of Parks and Recreation  
Cheryl Lontz, Manager of Payroll and Employee Benefits  
Laura O’Grady, Director of Hershey Public Library  
Brian Blahusch, IT Manager  
Julie Echterling, Recorder

**PUBLIC COMMENTS:**

There were no public comments offered.

**BUDGET**

Mr. Christman stated 2020 has been the most financially challenging year for Derry Township in its history. Without a doubt, COVID-19 and its impact will be felt for years to come. He noted the Township should prepare for a 3-5-year recovery period before there is a return to normal financial projections. He stated the draft budget has been prepared to continue to provide a high standard of service for our community in spite of the difficulties presented by COVID-19.

He stated Administration would like permission to advertise the proposed budget making it available for public inspection for twenty (20) calendar days. After the 20 days, the Board could approve the budget at the December 15 meeting. He went over the following 2021 budget highlights:

- **No Tax Increase Budget –Real Estate Taxes remain at 2.5381 mills**
- General Fund Balance is projected to end FY2021 at \$3,682,761
- Maintains all Township services at current levels even with decreased revenues.
- Wage increases for Uniform Employees, Non-Uniform Bargaining Unit Employees and Management Employees are set at 3.00% as per the current collective bargaining agreements.
- Health Care costs are increasing by 9.4%.
- All other Insurance renewal numbers were conservatively estimated with a 5% increase. The renewals have not been received; however, they should be less than 5%.

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He stated the 2021 budget is broken up into eight operating funds and three capital funds.

General Fund:

- Below are budgeted numbers for 2021 compared with 2020:

<u>Total</u>	<u>2020</u>	<u>2021</u>	<u>% Change</u>
General Fund Revenues	\$25,100,650	<b>\$22,982,846</b>	-8.44%
General Fund Expenses	\$20,793,327	<b>\$19,300,175</b>	-7.18%
General Fund Personnel Costs	\$13,019,071	<b>\$11,366,380</b>	-12.86%

- Projects a Fund Balance of \$3,682,761 for the end of 2021.
- He spoke about the Act 511 (amusement and parking) revenues being budgeted 18% less in 2021 because of COVID. Real estate and Act 511 taxes account for 84% of the Township's revenues.
- He noted that most expenses are budgeted less than 2020. He spoke about the increase in Legal services which were budgeted higher in anticipation of any issues with the Community Center.

Street Light Fund:

- He stated revenue is generated by front foot assessments of property owners and transfers from the General Fund to cover utility costs for the lights.
- FY2021 is projecting a total of \$381,800 available for appropriations with a net \$0 ending fund balance December 2021.

Community Center Fund:

- He noted this account became necessary in 2020 to separate these services and to better track revenue and expenditures as they relate to the new Community Center.
- For FY2021, total revenues are anticipated at \$22,500 and total expenditures at \$22,500 leaving a fund balance of \$0. The new Community Center is projected to open in the Spring/Summer of 2022.

Solid Waste Fund:

- He noted it became necessary to separate these funds from the General Fund to demonstrate Derry Township's commitment to responsible solid waste and recycling services. Moreover, the Township can sustain these services in a clear and concise manner within a separate fund and it may provide for additional opportunities with PA DEP Recycling Performance Grant initiatives.
- For FY2021, total revenues are anticipated at \$416,700 and total expenditures at \$227,805 leaving an approximate fund balance of \$758,731.

Library Fund:

- This fund accounts for revenues and expenditures related to the Hershey Public Library. The Library has three distinct funding streams: Derry Township, the Friends of the Hershey Public Library, and the Endowment.
- Total available funds for FY2021 are \$1,017,914. Total expenses are budgeted at \$1,017,914 leaving a fund balance of \$0. As in other areas of the budget impacted by COVID-19, the Township has made an operational decision to keep library hours at state required minimums to continue to qualify for annual funding. In FY2021, it is anticipated that state grants for the library will be \$74,056.

Debt Service Fund

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**NOVEMBER 17, 2020**

- This account is for tax revenues and expenditures used to meet debt obligations for the Township.
- The total debt service payment, including both principal and interest, for FY2021 is \$1,825,021. The year-end fund balance is projected at \$0.
- Administration will continue to monitor refunding opportunities in FY2021 to assist with long term debt strategies and take advantage of favorable interest rate environments.

Capital Reserve Fund

- Anticipates \$601,003 of expenditures for the 2021 budget as outlined below:

Information Technology	\$105,000	<i>Use for continued services to residents</i>
General Government Buildings	\$ 24,000	<i>Lease for land with DTMA</i>
Police Services	\$206,181	<i>For equipment and vehicles</i>
Fire Protection	\$168,000	<i>Payment on apparatus</i>
Community Development	\$ 18,000	<i>GIS system</i>
Public Works –Highway Construction	\$ 48,480	<i>In/Out for Park Blvd with HE&amp;R</i>
Participant Recreation	\$ 21,342	<i>Pre-existing expenses</i>
Library	\$ 10,000	<i>For miscellaneous repairs</i>

Community Center Reserve Fund

- This Fund is for all capital needs of the Derry Township Community Center.
- The fund is anticipated to have \$0 available for appropriation in FY2021. Funds allocated in FY2020 (\$122,142) were not transferred from the General Fund as the determination was made not to open the outdoor pool and continue with construction of the new center. The new Derry Township Community Center is anticipated to open in the Spring/Summer of 2022. This is a holding account for the future needs of the Center.

Road Equipment Fund

- This Fund finances capital equipment purchases for the Public Works Department. This budget does not allocate specific millage of real estate tax revenue; however, a transfer of \$231,829 is being made to provide for the lease payments on Public Works equipment.

Liquid Fuels Fund

- This fund is subsidized completely by the Commonwealth of Pennsylvania’s Department of Transportation -Bureau of Municipal Services –Liquid Fuels Funding. Fuel taxes are based on the total miles of locally owned roads and streets in Derry Township plus the most recent Census figures on record (2010).
- Total anticipated revenue for the Highway Aid Fund in FY2021 is projected at \$747,986 with a total of \$1,908,951 available for appropriation. Expenditures within this fund are limited to equipment purchase; snow and ice removal; signs and road striping; road repair and road resurfacing. Total anticipated expenditures are \$747,986.

General Operating Reserve Fund

- This account was created for the sole purpose of beginning the process of creating a true operating reserve for the Township. It will provide a source of funds for unforeseen emergencies that arise in our community.

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Supervisor Wyckoff stated they did a great job and dealt with a lot of real-time issues. He asked about the CARES funding. Mr. Christman stated they applied for \$3.5 million and was awarded approximately \$1.5 million. This award would be put in the general fund for costs already incurred in 2020.

Supervisor's Comments/Questions:

Supervisor Cort thanked Mr. Christman and Staff. She asked Mr. Christman to explain the health insurance the Township carries. He spoke about the Cooperative the Township participates in for health insurance and the cost advantages of the program. The costs are pooled and there are risks; however the Township normally receives a refund at the end of the year for these costs. The rates are based on usage and normally have 6-8% rate increases.

Supervisor Zmuda thanked everyone for their work. He asked about the contract negotiations and asked if a plan design can be on the table or a different carrier. Mr. Christman said everything is on the table and they can look at plan redesigns which could reduce exposure and rates. Mr. Zmuda asked about the reduction in Police expenses dropping to only 37% of the budget. Mr. Christman stated it is from the closing of the Communication Center and also from the staffing changes made in the Department.

Vice Chairwoman Nutt noted Chairman Abruzzo is good with the presented budget and thankful there is not a tax increase. She asked Mr. Mandia about summer day camp and the before and after school program if they can be brought back. Mr. Mandia stated once the new Center is opened, they would do their best to reoffer the summer program camp. He stated currently the YMCA is working with the school district for the before and after care program. She asked about the increase in permit revenues in Community Development. Mr. Emerick noted that next year they are anticipating Hershey West End and all the home renovations like they had this year. She thanked Staff for working on the budget. Mr. Christman thanked the department heads as this has been a hard year. He stated the Staff are great stewards of the taxpayer's money and a great team. He thanked the Board for their support.

Vice Chairwoman Nutt made a motion to advertise the 2021 budget as presented tonight. Supervisor Cort seconded the motion. **Motion carried 4-0**

**VISITOR COMMENTS:**

There were no visitor comments offered.

**ADJOURNMENT:**

Supervisor Cort made a motion to adjourn the Budget meeting at 6:19 p.m. Supervisor Zmuda seconded the motion. **Motion carried 4-0.**

**SUBMITTED BY:**

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Carter E. Wyckoff  
Township Secretary