

TOWNSHIP OF DERRY
BOARD OF SUPERVISORS BUDGET MEETING MINUTES
NOVEMBER 15, 2022

CALL TO ORDER

Chairman Abruzzo called the November 15, 2022 Budget Meeting of the Township of Derry Board of Supervisors to order at 5:30 p.m. in the meeting room of the Township of Derry Municipal Complex, 600 Clearwater Road, Hershey, PA. He advised that all public meetings are recorded for providing accurate notes. After the Pledge of Allegiance, a roll call was performed.

IN ATTENDANCE:

SUPERVISORS

E. Christopher Abruzzo, Chairman
Natalie L. Nutt, Vice Chairwoman
Carter E. Wyckoff, Secretary
Richard D. Zmuda
Michael P. Corado

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 Fire
Zachary Jackson, Assistant Director of Parks and Recreation
Alison Trautmann, Hershey Public Library
Julie Echterling, Recording Secretary

Public in Attendance:

The following were in attendance: Olivia Lewis, Geoffrey Crout

PUBLIC COMMENTS:

There were no public comments offered.

BUDGET

Mr. Christman stated as the Township approaches the end of 2022 and COVID-19, its impact on the local economy has finally begun to wane. However, the Township needs to continue to prepare for a 3-5 year recovery period before there is a return to normal financial projections. He stated they would receive a full PILOT payment by the end of this year. He noted the 2023 draft budget proposes to continue to provide a high standard of service for our community. He discussed the 11 funds set-up for the Township.

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 6 meeting. He went over the following 2023 budget highlights:

- No Tax Increase Budget – Real Estate Taxes remain at 2.5381 mills.
- The budget format maintains consistency with the DCED Chart of Accounts and is in conformance with the annual Township Audit.
- General Fund Balance is projected to end FY2023 at \$3,322,691 with an additional \$4,680,300 in the General Fund Operation Reserve for a combined balance of \$8,002,991.
- Maintains all Township services at current levels.
- Anticipates \$3,706,577 in Capital Projects to address various capital needs throughout the Township.
- Wage increases for Uniform Employees, Non-Uniform Bargaining Unit Employees and Management Employees are set at 2.75% as per the current collective bargaining agreements.
- Health Care costs are increasing by 0.5%.

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- All other Insurance lines were conservatively estimated with a 5% increase. The renewals have not been received; however, they should be less than 5%.

He stated the 2023 budget is broken up into eight operating funds and three capital funds.

General Fund:

- Below are budgeted numbers for 2023 compared with 2022:

| <u>Total</u> | <u>2022</u> | <u>2023</u> | <u>% Change</u> |
|-----------------------|--------------|--------------|-----------------|
| General Fund Revenues | \$27,172,343 | \$27,206,640 | 0.13% |
| General Fund Expenses | \$22,478,145 | \$23,883,949 | 6.25% |
| Personnel Costs | \$13,205,127 | \$13,483,145 | 2.11% |

- He spoke about the Act 511 (amusement and parking) revenues. Real estate and Act 511 taxes account for 84% of the Township’s revenues.
- Tax Collection expenses are decreasing 73% with the change to Third-party collections with Dauphin County and Keystone.

Street Light Fund:

- FY2023 is projecting a total of \$381,800 available for appropriations with a net \$0 ending fund balance December 2023.

Community Center Fund:

- For FY2023, total revenues and expenses are anticipated at \$2,407,468 leaving a fund balance of \$0. He noted the goal of the Center is to break even. The anticipated General Fund Transfer to assist operations is budgeted at \$999,468, which is 12% less than the prior year.

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 concise manner within a separate fund and it may provide for additional opportunities with PA DEP Recycling Performance Grant initiatives.
- For FY2023, total revenues are anticipated at \$1,172,575 and total expenditures at \$780,622 leaving an approximate fund balance of \$391,953.

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 and projected expenses for 2023 are \$1,097,982, leaving a fund balance of \$0. In FY2023, it is anticipated that state grants for the library will be \$86,600.
- It was noted that the staffing was lower during COVID. They are planning on hiring three part-time staff to fill the gaps with service. They will continue to offer excellent service during the hours they are open. They may ask for more staffing next year.

Debt Service Fund

- This account is for tax revenues and expenditures used to meet debt obligations for the Township.

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- The total debt service payment, including both principal and interest, for FY2023 is \$3,476,480. The year-end fund balance is projected at \$2 million which is the intended RACP Grant from the Commonwealth.

Capital Reserve Fund

- The Capital Reserve Fund anticipates \$2,772,724 of expenditures in the 2023 budget.

| | | |
|--------------------------------|--------------------|----------------------|
| Information Technology | \$19,500 | |
| General Government Buildings | \$32,000 | |
| Police Services | \$292,845 | <i>New vehicles</i> |
| Fire Protection | \$216,763 | <i>New apparatus</i> |
| Community Development | \$6,100 | |
| Public Works – Traffic Signals | \$225,000 | |
| Participant Recreation | \$1,769,849 | <i>Center</i> |
| Parks | \$60,000 | |
| Library | \$25,000 | |
| TOTAL | \$2,772,724 | |

Community Center Reserve Fund

- The Community Center Reserve Fund accounts for all capital needs of the Derry Township Community Center. As noted above in the operating fund, with the construction of the new community center, it will be important to segregate all revenues, expenses, and capital needs of the facility to ensure quality services are provided.
- As the new Community Center comes on-line, funding sources should be identified to begin building reserve balances to cover capital improvement costs for the physical plant. The FY2023 budget includes an interfund transfer from the General Fund of \$150,000 to begin to build adequate savings for long term improvements to the Center.

Road Equipment Fund

- This Fund finances capital equipment purchases for the Public Works Department. Total anticipated revenue and expenses for FY2023 is \$401,744 leaving a fund balance of \$0.

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.
- Total anticipated revenue for the Highway Aid Fund in FY2023 is projected at \$805,000 with a total of \$4,045,918 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 \$757,109.

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

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that arise in our community. The FY2023 budget anticipates a transfer from the General Fund in the amount of \$1,150,000 with a projected fund balance of \$4,680,300.

- He stated the goal for this fund is \$10 million which can be invested for a better return. He noted this fund helps with the bond rating and interest rates for the Township.

Chairman Abruzzo thanked the Staff for their hard work during the year and throughout the budget process.

Supervisor Zmuda made a motion to authorize and direct the Township Manager to advertise and make available to the public the proposed FY2023 budget. Vice Chairwoman Nutt seconded the motion.

Motion carried 5-0

VISITOR COMMENTS:

There were no visitor comments offered.

ADJOURNMENT:

Supervisor Zmuda made a motion to adjourn the Budget meeting at 6:14 p.m. Supervisor Corado seconded the motion. **Motion carried 5-0.**

SUBMITTED BY:

Carter E. Wyckoff
Township Secretary