



## TOWNSHIP OF DERRY

Board of Supervisors Budget Hearing Minutes  
Tuesday, November 21, 2023

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### CALL TO ORDER

Chairman Abruzzo called the November 21, 2023 Budget Hearing of the Township of Derry Board of Supervisors to order at 5:36 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.

### ROLL CALL

#### SUPERVISORS PRESENT:

E. Christopher Abruzzo  
Natalie L. Nutt  
Carter E. Wyckoff  
Michael P. Corado  
Richard D. Zmuda

#### ALSO PRESENT:

Christopher S. Christman, Township Manager  
Patrick Armstrong, Township Solicitor  
Garth Warner, Chief of Police Department  
Chuck Emerick, Director of Community Development  
Tom Clark, Director of Public Works  
David Habig, Assistant Director of Community Development  
Alison Jacobine, Director of Hershey Public Library  
Zachary Jackson, Director of Parks & Recreation  
Becky Sweigart, Public Outreach Coordinator  
David Sassaman, Hershey Volunteer Fire Department  
Julie Echterling, Recording Secretary

#### ABSENT:

#### Public in Attendance:

There were no members from the public present.

### VISITOR/PUBLIC COMMENTS

There were no public comments offered.

### NEW BUSINESS

#### **Presentation and Consideration of the Proposed FY2024 Budget:**

Mr. Christman introduced the 2024 budget. He stated Administration would like permission to advertise the proposed budget and make it available for public inspection for twenty (20) calendar days. After the 20 days, the Board could approve the budget at the December 19 meeting. He went over the following 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 FY2024 at \$5,340,573 with an additional \$5,739,312

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in General Fund Operation Reserve for a combined balance of \$11,079,885.

- Maintains all Township services at current levels.
- Anticipates \$1,497,920 of 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 3% as per the current collective bargaining agreements.
- The proposed budget includes eight new full-time positions (PD-4 officers for Traffic Safety Unit, one PD secretary, one Inspector for Community Development and two Public Works Laborers/Drivers).
- Health Care costs are increasing by 9.7%.
- All other Insurance lines were conservatively estimated with a 5% increase. The renewals have not been received; however, they should be less than 5%.

Supervisor Corado joined the meeting during this conversation at 5:50 p.m.

He stated the 2024 budget has eight operating funds and three capital funds.

### General Fund:

Below are budgeted numbers for 2024:

- General Fund Revenues = \$29,230,456. He spoke about the Act 511 (amusement and parking) revenues. Real estate and Act 511 taxes account for 83% of the Township's revenues. He noted that of every tax dollar paid in Derry Township, only 8% is for Township services. He discussed the increased interest income as the Township's bank accounts were moved to accounts bearing interest.
- The Board would like to see the change in revenues with Keystone's collections when those numbers are available.
- General Fund Expenses=\$23,883,883. Police Services account for 33% of the expenses for 2024.
- Personnel Costs=\$14,344,733. This represents an increase with the addition of eight new full-time employees.

Chairman Abruzzo spoke about a succession plan as some of the Directors are near retiring and selecting those who could be groomed for the position including offering training.

### Street Light Fund:

- FY2024 is projecting a total of \$376,800 available for appropriations with a net \$0 end fund balance in December, 2024.

### Community Center Fund:

- For FY2024, total revenues and expenses are anticipated at \$2,359,4688 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 \$803,468, which is 19% less than 2023.

### Solid Waste Fund:

- 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

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provide for additional opportunities with PA DEP Recycling Performance Grant initiatives.

- For FY2024, total revenues are anticipated at \$384,000 and total expenditures at \$220,030 leaving an approximate fund balance of \$164,380.

### 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 revenues and expenses for 2024 are \$1,187,192, leaving a fund balance of \$0. In FY2024, it is anticipated that state grants for the library will be \$86,600.

Chairman Abruzzo asked about the yearly contributions from Friends of Hershey and the Endowment. Mrs. Jacobine noted the Endowment provided \$60,000 and the Friends provided \$40,000 in 2023.

### Debt Service Fund

- 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 FY2024 is \$3,500,974. 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 \$1,497,920 of expenditures in the 2024 budget.

Information Technology	\$122,227
General Government Buildings	\$32,000
Police Services	\$369,737
Fire Protection	\$216,763
Community Development	\$24,700
Public Works – Traffic Signals	\$54,993
Participant Recreation	\$65,500
Parks	\$63,000
Library	\$270,000
Emergency Vehicles - Loan Payment	\$279,000
TOTAL	\$1,497,920

### 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 FY2024 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. Year-end fund balance is

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projected at \$300,000.

### Road Equipment Fund

- This Fund finances capital equipment purchases for the Public Works Department. Total anticipated revenue and expenses for FY2024 is \$545,299 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 FY2024 is projected at \$845,264 with a total of \$1,764,080 available for appropriation. Total anticipated expenditures are \$1,216,000.

Chairman Abruzzo asked about being aggressive with paving with the surplus. Mr. Clark spoke about the mild winters and how they paved more in 2023 than normal.

### 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. The FY2024 budget anticipates a transfer from the General Fund in the amount of \$1,300,000 with a projected fund balance of \$5,739,312.
- The goal for this fund is \$10 million, which can be invested for a better return. This fund helps with the bond rating and interest rates for the Township.

Mr. Christman reminded the Board that only \$500,000 of the amusement taxes are used for operational costs for the budget. The excess goes into the General Operating Reserve Fund. Chairwoman Nutt asked about the vehicle purchases for the Police and the costs associated. Chief Warner noted they lease the vehicles, which helps keep down costs with maintenance and replacement of older equipment in cars that are owned. She noted the utilities for the Recreation Center were very high for 2024. Mr. Jackson stated the estimates by the engineers were based on 2019-2020 costs. They are looking for more efficient options.

Chairman Abruzzo asked Mr. Emerick if they had what they needed for the increased activities of the office. He stated Mr. Habig was added to help and the new code inspector. He has another 2-4 years left and they do training for the future. Mr. Christman spoke about the costs of digitizing the Community Development documents and being put in the budget this year to allow easier access and to help with Right to Knows.

Supervisor Wyckoff asked about the tax office. Mr. Christman is working with the Solicitor to determine what paperwork needs to be kept in the office. He would like to see it leased to offset the debt on the building. Chairman Abruzzo asked the Board members to do ride alongs in the spring with the Police to get a better understanding of their job and the community.

Mr. Christman stated that there is no proposed tax increase in the 2024 budget as proposed. Following questions, the Administration would like authorization to advertise the budget and have it on the agenda to be adopted on December 19. Chairman Abruzzo and Mr. Christman thanked the

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Staff for their hard work during the year and through the budget process.

Secretary Wyckoff made a motion authorizing and directing the Township Manager to advertise and make available for public inspection the proposed FY2024 budget in accordance with Section 3205 of the Pennsylvania Second Class Township Code. Supervisor Zmuda seconded the motion. **Motion carried 5-0.**

**VISITOR/PUBLIC COMMENTS**

There were no comments offered.

**ADJOURNMENT**

Supervisor Zmuda made a motion to adjourn the meeting at 6:54 p.m. Supervisor Corado seconded the motion. **Motion carried. 5-0.**

**SUBMITTED BY:**

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Carter E. Wyckoff, Township Secretary