

**EAST HEMPFIELD TOWNSHIP
BOARD OF SUPERVISORS MINUTES
SPECIAL MEETING-Budget**

DATE AND TIME: October 27, 2016

4:30 p.m.

ATTENDANCE: Board Members:

John D. Bingham
Douglas W. Brubaker
G. Edward LeFevre
H. Scott Russell
Scott Wiglesworth

Manager:

Robert S. Krimmel

Assistant Manager:

Cindy A. Schweitzer

Int. Dir. of Planning & Development:

Jon Beck

Director of Finance:

Joseph A. Robinson

Director of Public Works:

Perry T. Madonna

Chief of Police:

Stephen S. Skiles

Golf Course Superintendent:

Joseph S. Muha

Golf General Manager:

James W. Micilcavage

Golf Banquet Manager:

Terri L. Morton

A special meeting was called to order by Chairman Russell followed by a moment of silence and the Pledge of Allegiance. The purpose of the meeting was to review the 2017 draft budget as well as any other business which would lawfully come before the Board.

2017 Draft Budget:

Mr. Krimmel provided opening comments and along with Mr. Robinson reviewed the key points of the 2017 budget.

The following items were included in the packages distributed prior to the special meeting and were discussed by the Board:

- A. 2017 draft budget for all funds along with discussion points.
- B. Long-range financial projections for the Township's five major funds.
- C. Operating Funds capital requests for 2017

Liquid Fuels Fund:

Annual state funding is projected at \$788K or 2.5% higher than the \$768K received in 2016. \$500K is requested for 2017 paving to supplement the Capital Reserve Fund funding of \$400K for a total paving budget of \$900K. Long term projects anticipates the same services through 2020 with scheduled increased funding for the paving program.

Trash/Recycling Fund:

Trash rates for 2017 will be the same as 2016 with a quarterly rate of \$42.50 or \$150 for those that pay annually. Pending the financial impact in 2018 for a new single hauler waste disposal contract and other increasing cost items, the per unit fee for services may need to be adjusted accordingly.

General Fund:

Revenues are projected at \$10,137K in 2017 which is 3% higher than the total budgeted for 2016, primarily due to higher anticipated Act 511 tax receipts. Expenditures are projected to increase 4.7% when compared to 2016. This is due to primarily to increase payroll (police step increases, 2 new public works employees, and general benefits/insurances). Of note the police pension fund reflects an additional contribution of \$200K as was done in 2016. 2017 staffing levels consist of 34 police officers and 28 non-uniformed positions. Non-uniform wages reflect a 3% increase and uniformed wages a 2.75% per their contract. Overall the 2017 operating budget reflects a \$107K net surplus. Long range projections indicate that the Township should be able to continue to provide the same level of services to residents for 2017 – 2020 with no increase to millage.

Golf Fund:

The 2017 budget reflects the 3rd year of a reorganizational structure change with a general manager overseeing operations. Staffing levels remain at 6 fulltime positions. Long term projections show a continued need for supplemental funding from the General Fund, although on a declining scale.

Capital Reserve Fund:

For the 5th year in a row an inter-fund transfer is planned. The 2017 budgeted amount is \$900K, as compared to the \$800K in 2016. Long term projections covering 2018-2020 anticipate this fund providing \$400K toward road paving and \$200K toward stormwater projects however there is no funding mechanism in place to sustain these needs, annual debt service payments and yet-to-be determined major infrastructure projects.

Motioned by Mr. Brubaker, seconded by Mr. Bingham and unanimously carried to adopt the proposed budget as presented and advertise as available for public viewing. The budget will be considered for adoption at the December 7, 2016 regular meeting of the Board of Supervisors.

Fire Services Fund:

The projected expenditures for 2017 total \$575K. This reflects a \$9K increase in fuel in order to include East Petersburg Fire Department. The Township already provides fuel to both the Hempfield and Rohrerstown Fire departments. The utilities reimbursement line item was increased to \$75K for 2017 to reflect all three departments receiving \$25K in utility costs. There is a suggested change in the allocation method of the Volunteer Fire Relief Funds for 2016 (Rohrerstown-40%, Hempfield-40%, East Petersburg-20%). 2015 distribution was 45%, 43% and 12%. This item will be added to the 11/2/2016 meeting agenda for action.

HARC – Vickie Hubbard, Hempfield Area Recreation Commission Executive Director reviewed HARC's immediate capital need to purchase a pool dehumidifier and hot water heater at an estimated cost of \$236,891. They are seeking assistance from the Township in the form of a co-signer on a lease to own (5 year lease) or bank loan. The equipment they

need to purchase has a life cycle of approximately 12-15 years and they received 4 quote for the equipment.

Mr. Wigglesworth noted that he would have difficulty supporting additional assistance until HARC was able to provide the Township with a plan/path toward independent sustainability.

Mr. Russell would like to see HARC's long range plan, current debt load and what impact being a co-signer would have on the Township.

HARC is developing a plan for sustainability but would be seeking higher capita support from each of the four municipalities. A 5 year long-term plan is being completed. Recent initiatives have been to create more options to increase membership, restructuring of departments and creating a strategic plan. Ms. Hubbard noted that the Board is catching up on long over-due building repairs.

HARC should be provided with a yes or no regarding the equipment lease in the next few days. If the lease is a no they would be seeking a bank loan with probable co-signer requirements. Mr. Krimmel will seek answers regarding what is involved with co-signing a loan.

Public Comment: none

Adjournment:

By unanimous consent of the Board, the meeting was adjourned at 6:59 p.m.

Respectfully submitted,

Robert S. Krimmel, Manager