

LOWER PAXTON TOWNSHIP  
BOARD OF SUPERVISORS

Minutes of Board Meeting held June 7, 2016

The business meeting of the Board of Supervisors of Lower Paxton Township was called to order at 6:30 p.m. by Chairman William L. Hornung, on the above date, in the Lower Paxton Township Municipal Center, 425 Prince Street, Harrisburg, Pennsylvania.

Supervisors present in addition to Mr. Hornung were: William B. Hawk, William C. Seeds, Sr., Gary A. Crissman, and Robin L. Lindsey.

Also in attendance was George Wolfe, Township Manager; Steve Stine, Township Solicitor; and Watson Fisher, SWAN.

**Pledge of Allegiance**

Ms. Lindsey led in the recitation of the Pledge of Allegiance.

**Approval of Minutes**

Mr. Crissman made a motion to approve the minutes from the May 3, 2016 Workshop and May 3, 2016 Business meetings, and the May10, 2016 workshop meeting. Ms. Lindsey seconded the motion, and a unanimous vote followed.

**Public Comment**

No public comment was presented.

**Board Members Comments**

Ms. Lindsey noted that she wanted to remind everyone that on June 17, 2016 at 6 p.m. there will be a ribbon cutting ceremony for Heroes Grove, at the new amphitheater besides the Friendship Center

## **Township Manager's Report**

Mr. Wolfe explained that he received information from PennDOT in regard to the Eisenhower Interchange, not in Lower Paxton Township, but most certainly affecting most of us who live here.

Mr. Wolfe noted that bridge pavement repair work will continue over the next few weekends, weather permitting. He noted this weekend, the ramp from northbound I-283 to I-83 will be closed to traffic from Friday at 9 p.m. until Monday at 5 a.m. He noted that a detour will be posted for that closure. He noted on the following weekend, June 17-20, northbound I-83 through the interchange will be closed. He noted for the third weekend, June 24-27, southbound I-283 will be closed, and on the fourth weekend, July 8-11, southbound I-83 will be closed. He noted that the purpose of this project is extensive bridge maintenance which will include bridge joint repairs, deck repairs, and repairs to the bearings of the bridges. He noted that it is part of a 30 bridge maintenance effort in the Harrisburg region.

Mr. Wolfe noted that fireworks will be held on Sunday, July 3<sup>rd</sup> around 9:30 p.m. at Koons Park. He noted that this event is co-sponsored by the Township and Linglestown Fire Company.

### **OLD BUSINESS**

#### Appointment of an individual to fill a vacancy on the Friendship Center Operating Board

Mr. Hornung noted, as a result of the resignation of Tom George, there is a vacancy on the Friendship Center Operating Board (FCOB). He noted that Mr. George has been a long-time volunteer for many of the Township's organizations and has made a significant impact on the park system. He explained that the Board recently visited Mr. George, at his home, to present a plaque honoring his work with the Township.

Mr. Crissman made a motion to approve the recommendation provided by the FCOB to appoint Thomas E. Thomas to serve on the FCOB. He suggested that it may be for a term of three years. Mr. Wolfe explained that Mr. Thomas would be completing the remainder of Mr. George's term. Mr. Hawk seconded the motion. Mr. Hornung called for a voice vote and a unanimous vote followed.

Action on bids for buffer screen planting at the Public Works facility

Ms. Lindsey noted that she was notifying the Lower Paxton Township Board of Supervisors of her decision to abstain from voting on any issues regarding the Magisterial District Court 12-1-06. The reason for this decision is to avoid any appearance of impropriety, given the fact that her husband is the Magisterial District Judge who presides in Magisterial District Court 12-1-06. She noted that this bid is part of the agreement made with the neighbors that she did not sign.

Mr. Wolfe noted that bids were open for the buffer screen planting at the Public Works facility on Friday, June 3, 2016. He noted that two bids were received and the lowest bid was from Davis Landscaping in the amount of \$53,169. He explained that the bid was reviewed by the Township Engineer, found to be complete and acceptable, and are ready for Board action this evening.

Ms. Virginia Alexandre questioned when they are scheduled to implement the plantings. Mr. Wolfe answered late summer or early fall as we are out of the planting season for trees.

Mr. Hornung noted that the Board wanted this to occur sooner but it couldn't be helped. He suggested that Davis Landscaping will do a great job.

Mr. Crissman made a motion to approve the buffer screen planting contract to Davis Landscaping, LTD in the amount of \$53,169, subject to the receipt of the performance and

payment bonds. Mr. Hawk seconded the motion. Mr. Hornung called for a voice vote and a unanimous vote followed.

### **NEW BUSINESS**

#### Change Order No. 5 to the contract with York Excavating Company, LLC for site improvements at the Township's Public Works facility

Mr. Wolfe noted that this change order is in the amount of \$7,865.80 for additional paving in accordance with the unit price of the contract that the Township has with York Excavating, LLC. He noted that additional paving was added that would have to be done either under this contract or under the contract for the Public Works addition. He noted that York Excavating is on site with their paver and it makes sense to get it done at this point in time. He stated that their prices were very favorable. He explained that the Township Engineer and Staff recommend transferring the work from one contract to another at the prevailing unit price.

Mr. Crissman made a motion to approve Change Order No. 5 to the contract with York Excavating Company, LLC for site improvements at the Township's Public Works facility in the amount of \$7,865.80. Mr. Seeds seconded the motion. Mr. Hornung called for a voice vote and a unanimous vote followed.

#### Action on the purchase of a permanent drainage easement at 4507 Devonshire Road

Mr. Stine noted that 4507 Devonshire Road is a right-of-way needed for the North Houcks Road/Devonshire Road stormwater project. He explained, that the engineer, on behalf of the Township, offered the estate \$800. He noted that the property owner, that is in a trust at this time, asked for an additional \$536. He stated that it would be much cheaper to pay the additional amount than to file for eminent domain and condemn the easement. He suggested that it is a good deal and the landowner is willing to sign the easement agreement for that amount. He

explained that it is his recommendation that the Board agree to pay the landowner's request of \$1,336.00.

Mr. Crissman noted that based on the recommendation by counsel, he made a motion to approve the purchase of a permanent drainage easement at 4507 Devonshire Road in the amount of \$1,336. Ms. Lindsey seconded the motion. Mr. Hornung called for a voice vote and a unanimous vote followed.

#### Presentation of the 12/31/15 Key Indicator Report

Mr. Wolfe noted that this is the 2015 year-end financial position for Lower Paxton Township based upon the audited financial statements which will be presented to the Audit Committee next Tuesday night. He explained that he will provide a summary of the entire report.

Mr. Wolfe noted the General Fund had revenues and expenditures of \$20,985,300; State Aid revenues and expenditures of \$1,233,749; General Improvement Fund expenditures of \$4,042,500; Friendship Center (FC) Operating Fund revenues of \$2,191,893 and expenditures of \$2,191,855; and the Lower Paxton Township Authority (LPTA) Operating Fund budget revenues were \$13,915,451 with expenditures of \$13,930,921. Mr. Wolfe noted that the LPTA expenditures for capital projects were \$11,104,000 with total expenditures by the LPTA for capital and operating at almost \$25 million.

Mr. Wolfe noted that the funds balances at the beginning of 2015 were as follows: General Fund balance of \$6,787,392; General Improvement Fund balance of \$8,299,007; Fire Equipment Capital Fund balance of \$1,183,933; Length Of Service Awards Program (LOSAP) fund balance of \$447,459; FC Capital Fund balance of \$60,695 with the Operating Fund balance of negative (\$246,713); LPTA Fund balance of \$33,389,919; and Pension fund balances of \$34,546,222.

Mr. Hornung questioned if we changed the debt structure to make the operating fund for the FC more reasonable. Mr. Wolfe answered yes, but you have to remember that this is for the beginning of the year 2015.

Mr. Wolfe noted that the historical trends prior to 2008 had growth in revenues and expenditures as the Township addressed increasing demands for municipal services. He noted from 2008 to 2010, the “great recession” caused reductions in municipal services in response to diminished revenues. He noted from 2011 to 2014 there was a moderate rebound in revenues, but not to pre-recession levels, and continuation of a conservative approach to municipal spending. He proceeded to show a chart for the revenues and expenditures.

Mr. Wolfe noted in 2012, the Township issued \$2,000,000 in new debt for municipal capital projects. He noted in 2012, the Township received a Pennsylvania Infrastructure Bank (PIB) loan in the amount of \$750,000 for road maintenance and improvement projects. He noted in 2013, the Township issued \$4,000,000 in new debt for capital projects, Friendship Center and stormwater, and in 2014, the Township issued \$7,000,000 in new debt for capital projects, Public Works facility and stormwater. He noted that these projects include road maintenance, stormwater projects and improvements at the Public Works building and Friendship Center.

Mr. Wolfe noted that the General Improvement Fund expenditures over the past 7 years are as follow: 2015 - \$4,288,541; 2014 - \$1,901,190; 2013 - \$1,619,479; 2012 - \$2,078,509; 2011- \$1,071,041; 2010 - \$1,070,034; 2009 - \$1,273,680 with a seven year total of \$13,302,471. He noted much more was spent for the LPTA for capital improvements.

Mr. Wolfe noted that at the beginning of 2015, the General Fund balance was \$6,787,392 and by Board policy, 25% of the \$20,985,000 budgeted for expenditures, \$5,246,325 must be maintained. He noted that the end of 2015, the fund balance was \$8,058,362.

Mr. Wolfe noted for the 2015 General Fund, revenues were \$21,205,194 and expenses were \$19,934,260, producing a net gain of \$1,270,934. He noted that General Fund revenues were 13.3% higher in 2015 as compared to 2014, primarily due to the Real Estate Tax rate increase and greater than expected Real Estate Transfer Tax receipts. He noted that expenses were 4.3% higher in 2015, compared to 2014; however, the overall General Fund budget for expenditures in 2015 was 9% higher than 2014. He noted that we did not spend as much as we budgeted for and were able to have a fund balance of \$1.3 million at year-end.

Mr. Wolfe noted that municipalities are required to use Liquid Fuels Tax receipts for local roads. He noted that the beginning balance was \$161,130 with revenues of \$1,240,901 and expenditures of \$1,251,866 providing a year-end balance of \$150,165. He noted that the winter maintenance was very bad, spending \$391,889 for salt and anti-skit materials, exceeding the budget by \$140,000, due to extreme winter weather.

Mr. Wolfe noted that journal entries for the Fire Equipment Capital Fund were made in the 3<sup>rd</sup> quarter. He noted that the beginning balance was \$1,183,933 with revenues of \$205,100 and expenditures of zero, providing a year-end balance of \$1,389,033. He noted for 2016, the Fire Equipment Fund is now negative in first and second quarters of 2016 as the Township has purchased fire apparatus for each of the three fire companies.

Mr. Wolfe noted that the LOSAP for year-end has 11 members who were receiving a monthly LOSAP benefit. He noted that the beginning balance was \$447,459, with revenues of \$71,386 and expenditures of \$30,910, providing a year-end balance of \$487,935. He noted in the beginning of the year, 12 recipients received benefits, but one passed away in December. He noted that all the recipients are at the maximum payout benefit of \$250 a month and the fund is financially sound.

Mr. Hornung questioned if there is pending legislation that would change this for the volunteer firefighters. Mr. Wolfe answered that there is no specific enabling legislation in Pennsylvania that provides for a LOSAP. He noted that they have introduced legislation to establish a LOSAP, noting that under the federal IRS code, it would be a 457 Plan, but there has been some legislation, to modify at the federal level, the tax treatments.

Mr. Seeds noted that there has been legislation to provide some tax benefits as well. Mr. Wolfe noted that it will not impact this program.

Mr. Wolfe noted for the General Improvement Fund, for one-time capital projects, it was budgeted at \$4,042,500. He noted in the beginning of the year the beginning balance was \$8,299,007, with revenues of \$1,013,003, and expenditures of \$4,288,541, with a net of (\$3,275,538) providing a balance of at the end of the year of \$5,023,465. He noted that the vast majority of spending was for stormsewer related projects.

Mr. Wolfe noted that FC revenues were \$1,971,153 with expenditures of \$2,169,313, producing a net loss of \$198,160. He noted that FC revenues were 10.4% higher compared to 2014 and the expenses were 5% higher compared to 2014. He noted that we ended the year much better in 2015 than in 2014 showing the effects of including programs within the membership. He noted that the Operating Fund is expected to annually generate \$170,000 to fund the Capital Reserve Fund, but it is not meeting this need. He noted in 2015, the Township transferred \$296,743 from the General Fund to the Center; composed of the \$100,000 annual contribution, \$25,000 to offset Senior Center expenses, and \$171,743 to smooth debt.

Ms. Lindsey questioned if we received any funds from Dauphin County towards the Senior Center as it is a county-run program. Mr. Wolfe answered that the Township does not receive any funds, but the senior center may receive funds.

Mr. Wolfe displayed the annual membership chart, showing that memberships are increasing and have been increasing steadily since the change to the makeup of the memberships was made to include some free programs within the memberships.

Mr. Wolfe noted that the LPTA operating revenues were \$14,342,767 and expenditures were \$14,472,066, producing a net loss of \$129,299. He noted that the LPTA capital expenditures were \$13,235,292, with cash on hand at the end of 2015 of \$35,096,612. He noted those funds are budgeted for continued reconstruction of the sanitary sewer line and will provide for about three years of capital expenditures on the system, at which time additional borrowing will be necessary to continue the program

Mr. Wolfe noted that the Township maintains two pension plans, a plan for police officers and a plan for full-time, non-uniformed employees. He noted at the end of 2015, the two plans had combined assets of \$35,329,651. He noted that the police plan experienced an annualized return of .8% and the non-uniformed plan's annualized return was .2%.

Mr. Wolfe noted that completes his presentation of the 2015 Key Indicator Report and he would be happy to entertain questions at this time.

Mr. Hornung questioned the difference in the annualized return for both pension plans. Mr. Wolfe answered that the police pension plan makes up two thirds of the investments so they have the opportunity to spread their investments among different advisors. He noted that they basically have the same investment managers but with greater assets they are able to earn more. Mr. Hornung questioned if there is anything we can do to improve the earnings. Mr. Wolfe explained that the year before it was reversed and the non-uniformed plan was ahead in 2014.

## **Improvement Guarantees**

Mr. Hornung noted that there were nine Improvement Guarantees and two Stormsewer Guarantees.

### Kendale Oaks, Phase I

An extension in an escrow with Lower Paxton Township, in the amount of \$2,380.98 with an expiration date of June 7, 2017. (Under Inspection)

### Kings Point

An extension in an escrow with Lower Paxton Township, in the amount of \$18,405.14 with an expiration date of June 7, 2016. (Under Inspection)

### Schiavoni LTD/Monticello

An extension in an escrow with Lower Paxton Township, in the amount of \$33,926.75 with an expiration date of June 7, 2017. (Under Inspection)

### Amber Fields, Phase IV

An extension in a letter of credit with Mid Penn Bank, in the amount of \$10,325.00, with an expiration date of June 7, 2017. (Under Inspection)

### Autumn Oaks, Phase I

A reduction in a letter of credit with F&M Trust, in the amount of \$53,436.72, with an expiration date of May 3, 2017.

### Meadowview Village

An extension and an 10% increase in a bond with Lexon Insurance Company, in the amount of \$101,069.26, with an expiration date of June 7, 2017.

Kendale Oaks, Phase II & III

An extension in a letter of credit with M&T Bank, in the amount of \$89,408.00, with an expiration date of June 7, 2017. (Under Inspection)

Shadebrook, Phase I

An extension in a letter of credit with Farmers and Merchants Trust Company, in the amount of \$1,986,464.19 with an expiration date of June 7, 2017. (Under Inspection)

Amber Fields, Phase V

A reduction in a letter of credit with Mid Penn Bank, in the amount of \$52,688.17 with an expiration date of May 3, 2017.

**Stormwater Guarantees**

2330 Crums Mill Road, Stephen M. and Anna Weber

An extension in an escrow with Lower Paxton Township, in the amount of \$1,200.00, with an expiration date of June 7, 2017. (Under Inspection)

4723 Hillside Road, Yingst Homes

A release of an escrow with Lower Paxton Township, in the amount of \$10,367.50.

Ms. Lindsey questioned where the Schiavoni LTD/Monticello development was located. Mr. Wolfe answered that it was along Crums Mill Road adjacent to I-81,

Mr. Crissman made a motion to approve the nine Improvement Guarantees and two Stormsewer Improvement Guarantees. Ms. Lindsey seconded the motion. Mr. Hornung called for a voice vote and a unanimous vote followed.

**Payment of Bills**

Mr. Seeds made a motion to pay the bills of Lower Paxton Township, Lower Paxton Township Authority, payroll checks, and the bills for Lower Paxton Township and Lower Paxton

Township Authority Purchase cards. Mr. Crissman seconded the motion. Mr. Hornung called for a voice vote, and a unanimous vote followed.

### **Announcement**

Mr. Crissman noted that earlier Mr. Wolfe was discussing the road closings but he questioned what impact the bridge on Elmerton Avenue would have on the Township as it is slated to close on or about June 15<sup>th</sup>. Mr. Wolfe answered that that bridge is located in Lower Paxton Township and it will be closing. He noted that there are several closures and maintenance activities on the Elmerton Avenue Bridge, Union Deposit Road Bridge, Route 22 Bridge, and Londonderry Road Bridge, as part of the I-83 expansion project. He noted that Elmerton Avenue will be closed and he will be providing the Board with more detailed information in the near future. He noted that he will create a link on the webpage to the Police Department webpage that provides the construction activities and detours. Mr. Wolfe noted that the detours will be well marked.

Mr. Seeds stated that next year PennDOT will start the widening project. Mr. Wolfe stated that the widening will not start until 2018.

Mr. Hornung noted that the Board will adjourn at this time and meet again at 7:30 p.m. to conduct the Public Hearing.

### **Adjournment**

There being no further business, Mr. Crissman made a motion to adjourn the meeting, and the meeting adjourned at 7:03 p. m.

Respectfully submitted,

Maureen Heberle  
Recording Secretary

Approved by,

William B. Hawk  
Township Secretary