

LOWER PAXTON TOWNSHIP
BOARD OF SUPERVISORS

Minutes of Administrative Workshop Meeting held May 25, 2004

An Administrative workshop meeting of the Board of Supervisors of Lower Paxton Township was called to order at 6:10 p.m. by Chairman William B. Hawk on the above date in the Lower Paxton Township Municipal Building, 425 Prince Street, Harrisburg, Pennsylvania.

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

Also in attendance were George Wolfe, Township Manager; Donna G. Speakman, Finance Director; Joe Sutor, Public Works Director; Daniel Bair, Chief of Police; William Weaver, Sewer Department Director; and Brian Luetchford, Parks and Recreation Director.

Pledge of Allegiance

Mr. Hawk suspended the recitation of the Pledge of Allegiance.

Public Comment

There was no public comment.

Key Indicator Report

Mr. Wolfe noted that the review for the 1st Quarter Key Indicator Report and the significant issues regarding the 2004 Goals and Objectives were scheduled for brief review only. He explained that the main purpose for the meeting was to discuss the Township's Vision and Mission Statements.

Mr. Wolfe noted that the 1st Quarter Key Indicator Report normally has the least amount of information to report as compared to the other three reports for the year.

Mr. Wolfe noted that the Earned Income Tax Receipts were at 22% of the budget and \$40,000.00 less than the first quarter for the year 2003. He noted that the Leaf Waste Collection

was at 30% of budget at \$72,500.00 of the \$240,000.00 to break even for the calendar year. In addition, the Recreation Fee-in-Lieu revenues were at \$1,500.00, with expected 2004 receipts budgeted for \$305,000.00.

Mr. Wolfe explained that the employee health care benefit costs were approximately \$150,000.00 more than budgeted. This is the result of rate increases and the hiring of new employees. He noted that the Township saved \$440,869.00 by refunding 1999 bonds and that this savings would be applied to the Friendship Community Center (FCC) and Township Authority Operating Funds.

Mr. Seeds noted that the Fire Equipment Capital Fund had a deficit of \$38,218.00, and with the addition of the \$250,000.00 in April, the fund would have a balance of \$211,000.00. Mr. Blain questioned when the next projected round of purchases would take place. Mr. Wolfe answered that this is in the planning stage with the Public Safety Committee (PSC). Director Bair explained that the PSC is in the process of prioritizing what type of equipment would need to be purchased next. He noted that this would be based on the ISO survey and equipment needs.

Mr. Hornung questioned if there was a big need from any fire company. Director Bair answered that, at this time, there is no big need from any fire company. He noted that the fire equipment is functioning properly at this time.

Mr. Blain questioned if the budget was prepared on a month-by-month basis or on a yearly basis. Ms. Speakman answered that she does not prepare a monthly budget, only an annual budget. Mr. Wolfe noted that the budget has been annually-based for the past several years. Ms. Speakman noted that the monthly printouts compared the annual budget to the year-to-date numbers.

Mr. Blain noted that the Earned Income Tax (EIT) is at 22% for the year, and questioned if 22% is where the Township needs to be at this time. Ms. Speakman noted that she received the

May payment on May 15th, and this brought up the total a little to \$48,345.00 less for the same month compared for 2003.

Mr. Wolfe noted that Mr. Harbeson would make a presentation to the Board of Supervisors at their June 8th Workshop meeting. Ms. Speakman noted that this would be in response to the letter that she sent to Mr. Harbeson regarding the three areas of concerns. Mr. Wolfe noted that Mr. Harbeson responded that he had the requested information available for the Board of Supervisors.

Mr. Wolfe noted that the first three months of revenue for 2004 are behind the year 2003 for the same time period. Ms. Speakman noted that the funds were behind for several months for the year 2003. Mr. Blain noted that the best indicator would be what happens for the month of June, since historically June is a big month. Ms. Speakman explained that she requested Mr. Harbeson to forecast a little ahead of time. Mr. Blain noted that if the funds are behind in June, then something is wrong.

Mr. Hornung questioned if there was a way to audit the Capital Tax Collection Bureau, (CTCB). Mr. Blain answered that Brown Schultz Sheridan and Fritz is the auditor for the Capital Tax Collection Bureau. Mr. Blain noted that the CTCB is behind in processing the EIT payments, and at the last Finance Meeting of the CTCB, they were told that CTCB was 30 days behind in processing the returns. Mr. Hornung questioned what they meant. Mr. Blain explained that the payments are cashed as soon as they are received, but the processing from the employers seems to be the hold up. Director Bair questioned if there was a benefit in the delay of payments to the municipal governments. Mr. Blain noted that the funds would earn interest in the bank, but at 1%, it is not much of a benefit. Mr. Blain noted that CTCB relies on the interest earned as excess income, and it was very low last year. Ms. Speakman noted that during last year, the CTCB increased their commission rate to 2.5%.

Mr. Crissman questioned Ms. Speakman if she had the total numbers for 1999. Mr. Crissman questioned if there was a trend, since every other year the fund drops. He questioned what the figures were for the years 1998 and 1999 to see if there was a trend. Ms. Speakman noted that she could supply those figures, but questioned what would cause the trend. Mr. Blain noted that Mr. Harbeson is going to argue that Act 50 had a great impact on the EIT. Ms. Speakman noted that in 1998 and 1999, the taxes were collected and distributed by the Central Dauphin Earned Income Tax Office.

Mr. Hornung questioned Mr. Wolfe as to a possible reason for the low collection rates. Mr. Wolfe noted that he had no idea what was causing this. He noted that the current figures do not seem right.

Mr. Blain noted that CTCB has had difficulties collecting taxes from Middletown, Lancaster, and York Collection Bureaus. Mr. Blain noted that Mr. Harbeson is aggressive in collecting the funds from the other taxing agencies.

Ms. Speakman noted that many employers do not collect the correct amount for many people, noting the 2% rate for the Central Dauphin School District. This would cause the end-of-year audits to take longer. Mr. Blain noted that many people end up paying the other 1% at the end of the year. Mr. Crissman noted that the collection of the delinquent funds throws an extraneous variable into the normal contributions made to the Township. Mr. Wolfe stated that the Act 50 transition may take longer than expected. Ms. Speakman noted she has approximately 15 different tax rates for the Township's 200 plus employees. She noted that many employers just deduct the 1%, leaving the employee to pay the rest of the tax bill.

Mr. Seeds stated that if the Township receives 25 % of the total funds collected by CTCB, then the Township is not receiving the correct amount if the employer is only deducting 1% from its employees.

Mr. Hornung questioned Mr. Wolfe if he asked Mr. Harbeson why the collections are so far behind, if he would get an answer. Mr. Wolfe noted that he would not. Mr. Wolfe noted that the Commonwealth's Income Tax is much easier to collect than local taxes. Mr. Crissman noted that some employers are not very careful with the information supplied to them by their employees. He noted that many employers send the money to the wrong place. Ms. Speakman noted that all employers within Lower Paxton Township must send their funds to CTCB and it is up to CTCB to disperse the funds appropriately. Ms. Speakman noted that CTCB does not rectify the funds until the person files their tax return, and that CTCB bases their monthly distributions on percentages developed through Mr. Harbeson's mathematical formulas. Ms. Speakman noted that she has requested information regarding how Mr. Harbeson devised the mathematical formula for distribution and she has not received a good answer.

Mr. Hornung noted that if the Township is receiving less, then everyone else should be receiving less. And if so, why, because the economy is not in a negative way in this area. He noted that the Township has a need to know the answers to these questions.

Mr. Blain noted that the population is growing in Lower Paxton Township, especially with the large salaries funding the large homes that are for sale in the Township. Mr. Hornung noted that the Township deserves answers to these questions. Mr. Blain noted that he would like to see the June figures before he talks to Mr. Harbeson.

Mr. Hawk questioned when the June funds are received. Ms. Speakman noted that she receives the funds on the 15th, but she stated that Mr. Harbeson should have the figures in time for the June 8th meeting.

Mr. Blain questioned if the mathematical formula is recalculated ever year. Mr. Crissman noted that computers are sophisticated enough today to be able to calculate an exact count of what the payments should be. Mr. Hornung noted that, based on the previous year's distribution, a certain percentage of the total funds would be distributed to Lower Paxton Township. Mr.

Crissman noted that he may use the formula on a month-by-month basis for monthly distributions. Mr. Hornung questioned if Mr. Harbeson could be asked if all the other Township's distribution amounts were lower as well. Mr. Blain volunteered to call Mr. Harbeson and talk with him regarding these questions. Mr. Blain noted that he would invite Mr. Harbeson to the Township Workshop session for June 8th.

Mr. Crissman noted that he would like to know how aggressive Mr. Harbeson is in collecting funds from the other agencies, and what the process is for collecting delinquent funds.

Mr. Blain explained that each member would serve a one-year term on the Finance Committee for the CTCB, and, as a result of this, the member does not have enough detailed information to serve on the Finance Committee.

Mr. Crissman stated that he would like to know what the Central Dauphin School District funds look like. Mr. Blain noted that the representative on the Finance Committee from the Central Dauphin School District seems pleased with Mr. Harbeson's work. He noted that Central Dauphin School District would like to have CTCB merge with the West Shore School District. Ms. Speakman noted that that would create more problems. Mr. Blain noted that CTCB is not prepared to take on extra work, when CTCB is unable to keep up with the current workload.

Key Indicator Report (cont.)

Mr. Seeds had a question regarding the General Fund Balance for the end of 2003, at \$10,251,954.00. He questioned if that included the \$6 million that was borrowed. Ms. Speakman answered that it did. He noted that these funds are to be spent in the year 2004, leaving approximately \$400,000.00 to spend on Township parks. Ms. Speakman noted that the funds were spent on the new building, Page Road Project, and other traffic signal projects, to include the engineering for the new George Park.

Mr. Seeds questioned what part of the funds would be left at the end of 2004. Mr. Wolfe noted that \$3.5 million was transferred to the General Improvement Fund for the projects. Mr.

Seeds noted that that would leave less than \$7 million at the end of the year 2004, to include the \$6 million loan debt.

Mr. Blain noted that the expenses exceeded the revenue for the year 2003. Ms. Speakman noted that that would occur in the year 2004 as well. Mr. Blain noted that the Board of Supervisors, as well as Township Staff, must manage efficiently and effectively.

Mr. Wolfe noted that the FCC Operating Fund is tracking similar to prior years.

Mr. Blain questioned what percentage basis is the actual increase for memberships for the year from the same time period last year. He questioned if the revenues correspond with the percentage of increase in the membership. Mr. Wolfe noted that he did not have those figures but could provide Mr. Blain with the information. Mr. Wolfe noted that the FCC is getting more monthly memberships than in the past, which would tend to reduce the overall percentage of revenue. He noted that according to the graph for the FCC Membership, the greater the gap between the two lines, the smaller the percentage growth in numbers. Mr. Wolfe noted that more people are taking advantage of the shorter term memberships. Mr. Blain questioned if the increase in memberships helped to offset the loss of \$35,000.00 revenue received in rental funds from the church. Mr. Crissman answered, no. Mr. Blain questioned if the increase in membership rates helped to offset the loss. Mr. Crissman answered that it did not. Mr. Crissman noted that the loss of the church rental was a major loss of revenue.

Mr. Seeds noted that the bond issue of 2004 for \$10 million was split between the FCC and Sewer Authority, and questioned if there would be some savings for this year since no payments would be made. Ms. Speakman noted that the May payment was missed since it was refunded at that time. She explained that the debt service is different than the saving for refinancing. Ms. Speakman noted that one payment would be roughly \$100,000.00.

Mr. Seeds questioned if at the end of the year 2004, the FCC would not show a surplus of \$260,000.00. Ms. Speakman answered that it would show a surplus due to the missed payment.

She noted that the interest was budgeted at \$203,000.00, and the Township would only make half of that amount. She noted that the budget would show \$100,000.00 less in interest expense than would show for the year. Mr. Crissman noted that it would help with the loss of the church's revenue. Mr. Blain noted that those operating revenues need to be replaced to balance the budget.

Mr. Wolfe noted that the last Administrative Workshop Meeting focused on the Sewer Authority Department, and the two pension plans, and that he had nothing more to add to these categories.

2004 Goals and Objectives

Mr. Wolfe explained that one of the Township's goals for the year is to develop a clear reporting process regarding financial information. He noted that he was not sure what the Board of Supervisors wanted, and prepared a monthly exception report. He noted that this format is a one-page summary for each category. Mr. Blain suggested that the Friendship Community Center Operating Fund summary needs a little more explanation on the true operations, outside of the refinancing, as to whether it is below, above or on budget. Mr. Wolfe noted the request. Mr. Hornung noted a concern as to whether the earned income tax would be way off budget. He noted that this may result in the revisiting of some of the proposed capital improvement projects to accommodate the possible decrease in the earned income tax. He noted that this may result in the delay of some projects. Mr. Wolfe noted that this would be covered in the analysis of the goals and objectives.

Mr. Wolfe noted that three of the four problem areas are; Earned Income Tax income, monthly financial reporting, and the Senior Center Annex Project at the FCC. He noted that he has not heard from Mr. Bink regarding this project. Mr. Crissman noted that he would make contact with Mr. Bink.

Mr. Wolfe noted that the Beaver Creek overload issue is contingent upon the building of a Wet Weather Sewage Treatment Plant in South Hanover Township. Mr. Weaver noted that he

would attend a meeting later this evening with the Supervisors of South Hanover Township to determine if they would approve the plan. Mr. Weaver noted that, at Staff level, it is believed that the plan would be denied. Mr. Wolfe noted that this plan may end up in court. Mr. Hornung questioned if it would help if a member of the Board of Supervisors attended the meeting with Mr. Weaver. Mr. Weaver noted that the three South Hanover Township Board members who want to deny the plan are doing so to “save face” with the community, and the two other members understand that the plan is in compliance with their ordinances. Mr. Wolfe noted that it may be a good idea to have Mr. Hornung accompany Mr. Weaver to the meeting. Mr. Weaver noted that the South Hanover Township Board members are upset that the plant would not be located in Lower Paxton Township, even though the current plan is the most cost effective solution. He noted that Lower Paxton Township is seeking a solution regarding the noise and odor from the plant. Mr. Wolfe explained that if the plan meets the requirements, and the plan is not approved, the Court of Common Pleas would overturn the decision. He noted that it would save much time and effort if the South Hanover Board of Supervisors would approve the plan now. Mr. Hornung noted that it would be negligent not to have a Board member attend this meeting, and he volunteered to attend the meeting. Mr. Crissman noted that it is important for Mr. Hornung to attend this meeting. Mr. Weaver noted that the previous meeting he attended was very heated, as many South Hanover Township residents were upset with the plan. Mr. Weaver noted that he tried to point out the benefits of regional facilities, but this was not helpful either. Mr. Wolfe noted that the South Hanover Township Board is upset that they have capacity in the plant but not in the interceptor. Mr. Weaver suggested that they may have some misdirected anger regarding the Swatara Township issue. Mr. Wolfe explained that the Crestview Manor development is very close to the Swatara Township Sewage Treatment Plant, but is not permitted to hook up to that facility. Mr. Weaver noted that he told Department of Environmental Protection, Swatara Township, and all the parties that the Crestview Manor residents would be

able to connect to the Township's facility. Mr. Hornung questioned if they liked that proposal. Mr. Weaver answered that they are not prepared to go to that step yet. He noted that some residents would like to connect to sewer. Mr. Wolfe noted that the septic systems are from the 1950's.

Mr. Blain questioned what the results were from the implemented grease trap program for the Old County Buffet. Mr. Weaver noted that he took recent samplings to test for grease and oil.

Mr. Wolfe noted that there is a problem concerning George Park. Mr. Luetchford noted that he was to meet with the Department of Environmental Protection (DEP) and the U.S. Army Corps of Engineers to answer their concerns regarding the driveway location. He noted that the U.S. Army Corps of Engineers would prefer a narrower driveway to be placed through Lamplight Park and residential areas instead of the wetlands. He noted that the Township would prefer the narrower driveway. He noted that he hopes to meet with Mr. Gible of the U.S. Army Corps of Engineers; Andrea Blosser from DEP; and Mr. Stahlnecker from HRG. He noted that this meeting would hopefully resolve the issues and then a permit would be granted.

Mr. Wolfe distributed several goals for the Public Works Department. He noted that these are the big dollar projects that could be dropped or rescheduled. He noted that the bidding for the Leisure Tract was already dropped from the list. In addition, PW Goal 04-03; Undertaking the engineering and design of a traffic signal at the intersection of Nyes and Locust Lane; is a problem since it was not included on the PENNDOT 12-year plan, therefore no reimbursement agreement could be granted. Mr. Sutor noted that Mr. Lapano from PENNDOT told him that a project that was started and was not included in the 12-year plan would be stopped at the Comptroller's Office. Mr. Sutor noted that it was not included in the HATS process and that this project ranked 101 out of 140 ranking projects. Mr. Wolfe noted that the Old Jonestown Road Bridge Project, and the Linglestown Square Project the only one's in the 12-Year Plan. Chief Bair suggested that Representative Marsico could be of some assistance in

this project. Mr. Blain noted that he would call him regarding this project. Mr. Wolfe noted that the Union Deposit and Nyes Roads project was funded, but the adjoining projects were not funded.

Mr. Wolfe noted that the PW Goals 3 through 7 are the capital intensive projects that are listed in the budget for the year 2004. He explained that PW Goal 6 for Page Road is dependent on Mr. Hatter. Mr. Sutor noted that Mr. Hatter should be ready to start this project soon. Mr. Sutor noted that there are some issues with DEP regarding wetland and a road crossing. He noted that once the DEP permit is secured, the Township would be ready to start the project.

Mr. Wolfe noted that the Franklin Street project is stalled. He stated that the current configuration seems to be working well. Mr. Blain questioned if there was an objection to the current configuration. Mr. Wolfe answered that there some residents who are very vocal regarding this project. Mr. Wolfe noted that the current solution seems to be working well. Mr. Seeds noted that he would like to complete the project, especially since the engineering work has been completed.

Mr. Wolfe noted that he received a schematic design from Fine Line Homes for the Conway Road relocation project, and that they are also provided the right-of-way for the project. He noted that the project would need to be engineered and bids for construction would need to be completed. He noted that the cost for the project is almost \$1million. Mr. Blain suggested that this project should not be delayed too long as there are additional projects slated for the area. Mr. Wolfe suggested that people may use the other end of Conway Road since that road was recently improved.

Mr. Hawk suggested that the Board of Supervisors rank the projects by priority. Mr. Hawk suggested that Nyes Road and Locust Lane should take priority over the Conway Road Project.

Mr. Wolfe noted that the other large project would be the Devonshire/Colonial/Valley Roads project. Mr. Seeds noted that that intersection needs to be fixed.

Mr. Wolfe also listed the EPA Phase II NPDES project as well as the conversion of a traffic light to LED lights. He noted that this is contingent upon PENNDOT approval of the various types of signal installations. Mr. Sutor noted that the current movement of the span wires does not allow for the installation of LED lights.

Mr. Blain questioned what the engineering costs were for Nyes Road and Locust Lane. Mr. Wolfe answered that the schematic estimate was for \$2.5 million. Mr. Wolfe noted that if Congressman Holden would come up with the full \$3 million for the Village of Linglestown project, then there would be more money than needed. He noted that \$700,000.00 was received from Dauphin County, \$3 million from the federal government, and \$1.6 million from TIP. Mr. Blain questioned if the funds had to go to the project. Mr. Wolfe noted that the \$3 million in federal funding would have to go to the Village project, but the Dauphin County and TIP funds could be reauthorized for other projects. Mr. Hawk noted that there is a lot involved in the Nyes Road and Locust Lane project. Mr. Blain noted that it is a horrible traffic situation at the peak hours. Mr. Sutor noted that by installing the traffic signal, it would segregate some of the traffic traveling Nyes Road, which would inadvertently give some relief to the intersections of Hunters Run Road and Red Top Road. Mr. Blain noted that once that intersection is completed, along with the improvements of Union Deposit Road and Nyes Road, it would greatly improve the traffic flow for the whole area. Mr. Blain noted that more people may use Nyes Road and Union Deposit Road once the improvements are completed. Chief Bair questioned if a three-way stop sign at the intersection would help for the short term. Mr. Sutor noted that there is a knoll in the road that blocks the site distance which would cause problems from traffic stacking, and result in more rear-end collisions. Mr. Seeds noted that PENNDOT would not allow a stop sign at that intersection. Mr. Crissman suggested that this be reevaluated closer to election time, hoping that

the Transportation Bill would be passed prior to that time.. Mr. Hawk noted that the Transportation Bill may be postponed again.

Mr. Wolfe noted that he had prepared an introductory slide presentation to generate thoughts for the proposed Mission Statement. He noted that the goals and objectives are the middle of the process with the end being the results and evaluation. He noted that the beginning of the process is to create a Mission and Vision Statement for the Township's future. Mr. Wolfe noted that the information concerning the Mission Statement included reference to the Second Class Township; with 28 square miles, and 45,000 residents, the 19th largest municipality in the state. He noted that the Board of Supervisors is both legislative and administrative, merging two branches of government. He noted that he included the organizational chart for informational purposes listing the citizens at the top of the chart and the various operating departments and services provided. Mr. Wolfe noted that there are 135 full-time employees, and 200 part-time employees. He noted that the number of full-time employees has increased over the past few years. Mr. Wolfe noted that the Friendship Community Center (FCC) relies heavily on part-time employees to staff a 7-day operation. In addition, the FCC has a tremendous turnover rate as well as numerous personnel issues.

Mr. Wolfe noted that the budget has grown tremendously over the past year to include \$17 million in program capital expenditures with a tax rate that hasn't changed in almost 15 years.

Mr. Wolfe noted that a vision statement is something that expresses desired outcome in a way that builds commitment. He noted that this would answer what the Township wants to look like in the year 2005 and in 2015, and what it needs to do to get there.

Mr. Wolfe noted that the Township wants to be vibrant, prosperous, safe, harmonious, and diverse. He noted that he is searching for the phrases that best describe us. He questioned if the Township wants to have a proactive statement in regards to economic development, or take a

neutral stance. He noted that the Township wants to provide efficient public service, and comply with DPA and EPA mandates. He noted that he has provided a blank worksheet to use to draft a vision statement.

Mr. Wolfe noted that a mission statement is declarations expressing purposes that are known by every member of the organization; our reason for existence. In addition, Mr. Wolfe provided some general statements in a draft format. He noted that the Township must be open to the citizens, encouraging citizen participation. In addition, a mission statement worksheet was provided to the Board members as well.

Mr. Wolfe noted that the Mission and Vision Statements should be scheduled for the June administrative workshop meeting. Mr. Wolfe noted that he would provide new worksheets for the June meeting, and would seek additional input from the Board members to add to the current draft.

Adjournment

There being no further business, Mr. Blain made a motion to adjourn the meeting, and the meeting adjourned at 7:30 p.m.

Respectfully submitted,

Maureen Heberle

Approved by,

Gary A. Crissman
Township Secretary