

LOWER PAXTON TOWNSHIP
BOARD OF SUPERVISORS

Minutes of Board Meeting held August 18, 2015

The business meeting of the Board of Supervisors of Lower Paxton Township was called to order at 7:40 p.m. by Chairman William B. Hawk, on the above date, in the Lower Paxton Township Municipal Center, 425 Prince Street, Harrisburg, Pennsylvania.

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

Also in attendance was George Wolfe, Township Manager; Steve Stine, Township Solicitor; Chief William Payne, Edward Crum, Linglestown Fire Company; and Watson Fisher, SWAN.

Pledge of Allegiance

Mr. Seeds led in the recitation of the Pledge of Allegiance.

Approval of Minutes

Mr. Crissman made a motion to approve the minutes from the July 14, 2015 workshop meeting. Ms. Lindsey seconded the motion.

Public Comment

No public comment was provided.

Board Members Comments

Mr. Seeds explained that he is growing his beard to join in on the celebration of the Village of Linglestown Sestercentennial to be held in October. He noted that many events are planned for the weekend and he invited the public to join in. He noted that a group of men are trying to create the "Brothers of the brush" as they did this 50 years ago when the Village celebrated its 200th anniversary.

Manager's Report

Mr. Wolfe had nothing to report.

OLD BUSINESS

Resolution 15-18; adopting a policy for the disposition of vehicles and equipment to volunteer fire companies

Mr. Wolfe noted that the Board discussed this proposed policy during its workshop session held last week. He noted that it provides a standard policy by which the Board can dispose of used municipal vehicles and equipment to the fire companies prior to offering those items for competitive bid. He noted that the Second Class Township Code legally allows the Township to sell to the fire companies outside of the competitive bid process. He noted that the Board suggested that there should be a standard policy to do this given that the Township has three fire companies who have asked at various time to purchase property. He noted that the Board is comfortable with the resolution and it is complete for your action this evening.

Ms. Lindsey questioned if the fire companies were given a copy of the resolution. Mr. Wolfe answered no.

Mr. Hawk noted that Chief Payne and Mr. Ed Crum are in the audience at this time.

Mr. John Trish, 600 Prince Street, questioned if this is used for the volunteer fire companies or for use for the firemen to acquire the vehicle and resell it to a member of the fire company. Mr. Seeds answered that it is only for the fire companies. Mr. Trish questioned if there is a requirement for how long they must maintain the equipment before they can sell it. He noted that they could purchase it one day and sell it the next. Mr. Seeds noted that they would have no reason to do that, as they are not in the flipping business for vehicles. Mr. Hornung suggested that Chief Payne could answer the question.

Chief Payne noted the reason why Linglestown Fire Company would like to purchase the truck is for the past two years, snow removal has cost the fire company \$15,000 for the social

hall and fire house. He noted that he needs a plow to clear the lots and he would like to be able to do this in-house by using their volunteers. He noted that he is not planning on flipping vehicles or selling to a member. He noted that the truck would also be set up to be used as a brush truck that could be driven through wooded areas.

Mr. Hornung questioned if Chief Payne had any comments in regards to the resolution.

Chief Payne answered that he has no idea what it contains.

Mr. Crissman read the following points from the proposed resolution: NOW, THEREFORE, be and it is hereby resolved by the Board of Supervisors of Lower Paxton Township, Dauphin County, Pennsylvania that The Township may, upon approval of the Board, transfer surplus vehicles and equipment to its volunteer fire companies after all the following conditions have been met:

1. The Township has determined a vehicle or piece of equipment to be surplus and taken it out of use.
2. The list of vehicles and equipment determined to be surplus has been presented to representatives of the volunteer fire companies during a meeting of the Public Safety Committee, at least fifteen (15) days prior to any disposition of said vehicles or equipment by the Township.
3. The Township may offer surplus vehicles and equipment to volunteer fire companies at forty percent (40%) of market value as determined by the Kelly Blue Book for vehicles and by any acceptable similar mechanism for equipment, as prepared by the Township Manager.
4. Any vehicle or piece of equipment sold to a volunteer fire company shall be sold in an "as is" condition.
5. Any action by the Board of Supervisors to sell a vehicle or piece of equipment to a volunteer fire company must be preceded by a written offer to purchase said vehicle or piece of equipment, as signed by the President of the Fire Company.
6. Said written offer must be in compliance with the sale price determination as determined by the Township Manager per paragraph number 3 above.
7. Should more than one volunteer fire company desire to purchase the same vehicle or piece of equipment, then the parties shall draw lots to determine which volunteer Fire Company will proceed with the

Mr. Crissman questioned if Chief Payne had any comments. Chief Payne questioned if the trustees should be added as well as the President of the Fire Company. He noted that they do the business end of the fire company. He suggested that Colonial Park and Paxtonia Fire Companies would agree with this.

Mr. Seeds questioned if you need more than one signature. Chief Payne answered that the trustees have the same power for purchasing as the president. He noted that they handle the business end of purchasing. He noted that you would only need one trustee to sign. Mr. Seeds questioned if it should be and/or the president or trustee. Chief Payne noted that is how it works for the fire companies. He noted that the trustees handle the business end of the fire company.

Mr. Crissman questioned Chief Payne and Mr. Stine, if a trustee is acceptable as well as the president, who is the CEO of the fire company. He questioned if either signatures would be acceptable. Mr. Stine noted that he could not answer that as he does not know what their structure is. Chief Payne noted if you want to just keep it the president that is fine. Mr. Seeds questioned if it should state authorized representative of the fire company. Ms. Lindsey questioned who signs the documents. Chief Payne answered that the president signs the document but for big ticket items the trustees are involved in the purchase. Ms. Lindsey questioned if they sign as well. Chief Payne answered yes. Chief Payne suggested to leave it the way it is.

Mr. Crissman noted that he is looking for consistency and uniformity between all three fire companies. Chief Payne noted that it is fine the way it is. He noted that he is fine with the resolution.

Mr. Seeds noted to Mr. Trish that there are a couple “mays” in the resolution. He noted that there is no reason why we would deny it unless there was an abuse but he is sure that will not happen. Mr. Trish noted that he heard the word “may”. He noted that he did not hear a guarantee that the fire companies that will receive the vehicles are going to use the vehicle. He noted the next day they may turn around and sell it to one of their fire fighters. Mr. Hornung noted that no one is going to make a lot of money flipping the vehicles as these vehicles normally bring in between \$1,000 and \$2,000. He noted that it is not going to be a money

making deal for anyone. He noted that he does not care if they sell it. Mr. Trish suggested that the Township would want to dedicate the vehicles to them without making them purchase it. Mr. Hornung noted that a small payment of something is appropriate.

Ms. Lindsey requested that the Township send a copy of the resolution to all three fire chiefs and their presidents.

Mr. Trish noted that he wants to make sure that it is used in a responsible manner. Mr. Crissman noted that we have a leap of faith with the fire companies who have a commitment to the community to follow through with the same philosophy as we do.

Mr. Crissman made a motion to approve Resolution 15-18; adopting a policy for the disposition of vehicles and equipment to volunteer fire companies. Mr. Hornung seconded the motion. Mr. Hawk called for a voice vote and a unanimous vote followed.

Ms. Lindsey noted that she is glad that it will save the fire companies a lot of money.

Resolutions 15-17-01 to 11; authorizing the submission of Local
Share Grant applications to Dauphin County

Mr. Hawk noted that the Board must rank the various submissions to Dauphin County for Local Share Grants. He noted that the Board must rank nine different applications.

Mr. Wolfe noted that he finished tallying the information provided to him by each Board member prior to the start of the meeting. He noted that there were two tie votes. He reported the following results: Township Comprehensive Plan with 16 votes; Devon Manor Pool and Koons Pool tied with 19 votes each; Nyes Road Sidewalk Project with 20 votes; Bishop McDevitt High School Baseball fields and Penn Colonial Pool with 22 votes each; Noise abatement at the Compost Facility with 32 votes; Jewish Home of Greater Harrisburg with 35 votes; and Barak Incorporated with 40 votes.

Mr. Seeds questioned if Koons Pool or Devon Manor received grants last year. Mr. Wolfe noted that Devon Manor received a grant the year before last. He suggested that Koons

has never received a grant. Mr. Seeds noted that he is trying to be fair as they provide vital services to our community.

Mr. John Trish noted he watched the meeting where several groups showed up and he questioned where the scoring process came from. He questioned why they are scored the way they are. Mr. Hawk noted that it is a requirement from Dauphin County that the Board rank the applications in order. Mr. Trish questioned how you decide which organization got a two as opposed to three or four, as opposed to the Friendship Center that gets... Mr. Seeds explained that all the organizations were asked to submit information to the Board. Mr. Trish questioned, how, he as a citizen, is supposed to understand how you are scoring them as you require them to get this money. Mr. Seeds answered that we received information as to what percent of the people they service in Lower Paxton Township, a copy of their budget, and things of that nature. Mr. Trish noted that according to the last census, less than 1% of the Township residents participate in the Friendship Center. Mr. Wolfe noted that there is no application for the Friendship Center. Mr. Trish noted that he understands that but the Friendship Center is getting well over what any of these individual organizations are asking for. Mr. Crissman noted that the Friendship Center has nothing to do with what we are doing now. He noted that there is no point in this discussion. Mr. Trish noted that the Board is ranking these organizations. Mr. Crissman questioned Mr. Trish if he is asking how we did the ranking; each Board member was asked to review the application, the information provided and individually ranked the applications with Mr. Wolfe collating the results. He noted that the Board must rank the applications and provide that information to Dauphin County.

Mr. Trish noted that the Board is ranking the organizations for if they are desirable or not and he will accept that each individual on the Board is saying that one organization is higher than the other. He questioned if anyone questioned the residents who are participating in those

organizations as part of their considerations. He noted that 1% of the residents participate in the Friendship Center. Mr. Crissman noted that it has nothing to do with it. Mr. Trish noted that he understands that. He noted if you look at the Township's budget... Mr. Crissman noted that this has nothing to do with the Township's budget. Mr. Trish noted that he understands that. Mr. Crissman questioned why we are having this discussion. He requested Mr. Hawk to take a point of order.

Mr. Trish noted that the money we are putting into the Friendship Center is either equivalent to or less than what these people are asking for. Mr. Crissman noted that we have no control over these grants as it is not the Township's money.

Mr. Hawk noted that Mr. Crissman has made this very clear and he needs no more comment as the Board has been asked by Dauphin County to rank the applications. Mr. Trish wanted to know how the Board ranked the applications. He noted that there are a lot of people in the Township who are not getting recreational activity for one reason or another and he questioned how we ranked them. Mr. Crissman noted that he answered Mr. Trish's question.

Mr. Seeds noted that there are two ties. Mr. Crissman noted for second and third it is Devon Manor and Koons Pool and for five and six it is Bishop McDevitt and Penn Colonial Pool. He noted that we need to resolve these four positions. Mr. Seeds suggested that the Board could revote on the two ties. Mr. Crissman suggested that it would not make much difference to Dauphin County when they review the applications if the applicant is ranked two or three; therefore stated that he will make a motion for the Board to discuss.

Mr. Crissman made a motion to rank the applications in the following order: Township Comprehensive Plan; Koons Pool; Devon Manor Pool and Swim Club; Nyes Road Sidewalk Project; Penn Colonial Pool; Bishop McDevitt High School Baseball fields; Noise abatement at the Compost Facility; Jewish Home of Greater Harrisburg; and Barak Incorporated. Ms. Lindsey

seconded the motion. Mr. Seeds noted if you are number one you will probably get more consideration than number eight or nine. He noted that they will look at the same thing that we have in order to make the determination. Ms. Lindsey suggested that they will review the applications and look at how much they are asking. Mr. Seeds noted that they may look at who received money in the past. Mr. Hawk called for a voice vote and a unanimous vote followed.

Final Amortization Agreement with the Pennsylvania Infrastructure
Investment Authority on a 2010 PENNVEST Loan

Mr. Wolfe noted that a PENNVEST Loan was obtained by Lower Paxton Township to further sanitary sewer program projects. He noted that the loan has been spent and staff has now completed closeout of the loan documents and has received from the Commonwealth a final amortization agreement. He noted that it has been reviewed by staff and found to be acceptable and he recommends the Board's approval of the agreement this evening.

Mr. Seeds noted is good news that we don't owe as much as we originally thought.

Mr. Crissman made a motion to approve the final amortization agreement with the Pennsylvania Infrastructure Investment Authority on a 2010 PENNVEST Loan. Mr. Seeds seconded the motion. Mr. Hawk called for a voice vote and a unanimous vote followed.

Action on bids for demolition of the Gale Drive pump station

Mr. Wolfe noted with the completion of the Gale Drive Mini-basin sanitary sewer project, the Gale Drive pump station was decommissioned and it is no longer needed. He noted that staff advertised the demolition of this building for bid with eight bids received. He noted that the lowest responsible bid was provided by JP Environmental, LLC in the amount of \$26,325.00. He noted that the bid was reviewed by staff and the engineer and found to be complete with the one caveat that we have an electronic copy of the bid bond and need to receive the original copy of the bid bond as a condition of Board approval. He noted with that one condition, staff

recommends that a bid be awarded to JP Environmental, LLC for the demolition of the Gale Drive pump station in the amount of \$26,325.00.

Ms. Lindsey questioned if we have ever used this firm before. Mr. Wolfe answered no, they are a new company, and although we have no past experience, the references that we checked were good. Ms. Lindsey noted that there was such a difference from the lowest bid to the highest bid. Mr. Wolfe noted that the first and second lowest bids were close and a third was in the same neighborhood. Mr. Hawk noted that they beat the engineer's estimate by a lot. Mr. Crissman suggested that some of these companies have plenty of work and provided higher bids.

Mr. Crissman suggested that small companies may be good as their overhead may be lower.

Mr. Crissman made a motion to approve the bid for demolition of the Gale Drive Pump Station to JP Environmental, LLC in the amount of \$26,325.00. Ms. Lindsey seconded the motion. Mr. Seeds questioned if they will take the building down and remove all the below surface items and finish grading and seeding. Mr. Wolfe answered that is correct. Mr. Seeds questioned if it continues to be Sewer Authority land. Mr. Wolfe answered yes. Mr. Seeds questioned what will happen to it. Mr. Wolfe noted staff has no plans to dispose of it at this time. Mr. Seeds suggested that there are sewer lines on the land. Mr. Wolfe answered yes. Mr. Seeds questioned if it could be sold in the future. Mr. Wolfe answered that it would not be viable for a building lot due to the easements.

Mr. Hawk called for a voice vote and a unanimous vote followed.

Presentation of the 2nd Quarter Key Indicator Report

Mr. Wolfe noted that this is the 2nd Quarter financial statement, in summary form and the one that will be used to begin the 2016 Budget. He noted that the first budget meeting is scheduled for September 29th.

Mr. Wolfe noted the 2015 Budget General Fund had revenues and expenditures of \$20,985,300. He noted that State Aid had revenues and expenditures of \$1,233,749. The General Improvement Fund had expenditures of \$4,042,500. The Friendship Center Operating Fund had revenues of \$2,191,893 and expenditures of \$2,191,855. The Lower Paxton Township Sewer Authority had revenues of \$13,915,451 with expenditures of \$13,930,921 and the expenditures for its capital projects were \$11,104,000.

Mr. Wolfe noted the 2015 beginning balances are as follows: General Fund - \$6,402,787; General Improvement Fund - \$8,299,007; Fire Equipment Capital Fund - \$1,183,933; LOSAP - \$447,459; Friendship Center Capital Fund - \$60,695; Operating Fund - (\$246,713); LPTA Fund - \$33,389,919; and Pension - \$34,546,222.

Mr. Wolfe noted that the Historical Trends have not changed noting that Prior to 2008 there was 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, and from 2011 to 2014, moderate rebound in revenues, but not to pre-recession levels, and continuation of a conservative approach to municipal spending. He noted that the Township continues to feel the effects of the "great recession" today. He noted, in 2014 staff found that the development community was starting to move forward and in 2015 staff is seeing the first signs of new commercial development within the community.

Mr. Wolfe noted that Municipal Debt is as follows: 2012, the Township issued \$2,000,000 in new debt for municipal capital projects; 2012, the Township received a PA Infrastructure Bank (PIB) loan in the amount of \$750,000 for road maintenance and improvement projects; 2013, the Township issued \$4,000,000 in new debt for capital projects; and in 2014, the Township issued \$7,000,000 in new debt for capital projects.

Mr. Wolfe noted for Township Capital Projects the General Improvement Fund expenditures over the past 5 years: 2014-\$1,901,190; 2013-\$1,619,479; 2012-\$2,078,509; 2011-\$1,071,041; 2010-\$1,070,034 providing a 5-Year total of \$7,740,253.

Mr. Wolfe noted that General Fund balance at the beginning of 2015 was \$6,787,392. He noted by policy, 25% of the \$20,985,300 budgeted for expenditures that is \$5,246,325 must be maintained. He noted at the end of the 2nd quarter of 2015, the fund balance was \$8,730,198. He noted that it is characteristic for this time of year as this the time when we receive most of the real estate tax revenues.

Mr. Wolfe noted that the 2015 General Fund had revenues of \$11,376,310 and expenses of \$9,433,503, producing a net gain of \$1,942,806. He noted that General Fund revenues were 19% higher in the 2nd quarter of 2015 as compared to 2014, primarily due to the Real Estate Tax rate increase. He noted that General Fund expenses were 5.8% higher in the 2nd quarter of 2015 as compared to 2014; however, the overall General Fund budget for expenditures in 2015 is 10% higher than 2014. He noted that the Board levied the tax increase as it needed to address the needs of municipal operations.

Mr. Wolfe noted that the 2015 State Aid is as follows: Municipalities are required to use Liquid Fuels Tax receipts for local roads and the beginning balance on January 1, 2015 was \$161,130 with Revenues of \$1,240,814, and Expenditures of \$546,816. He noted that the balance as of June 30, 2105 was \$855,127. He noted that Salt and Anti-Skid had expenditures of \$391,889 that exceeded the budget by \$140,000 due to extreme winter weather.

Mr. Wolfe noted that the Fire Equipment Capital Fund had a beginning balance in January 1, 2015 of \$1,183,933. He noted that it had revenues of \$204,305 with expenditures of \$0. He noted that the balance on June 30th was \$1,388,238.

Mr. Wolfe noted that the Length of Service Awards Program (LOSAP) had a beginning balance on January 1, 2015 of \$447,459. He noted that there were revenues of \$88,365 and expenditures totaling \$7,290. He noted that the balance on June 30th was \$528,535. He explained, that currently, 11 members are receiving benefits from this fund.

Mr. Wolfe noted that the General Improvement Fund is for one-time capital projects. He noted that the 2015 GIF expenditures for capital projects are budgeted at \$4,042,500, with a beginning balance on January 1, 2015 of \$8,299,007. He noted that revenues are \$77,984, with expenditures of \$946,124, (net \$868,141). He explained that the current balance as of June 30th is \$7,740,505. He noted that it is planned to carry approximately \$3 million into the 2016 budget.

Mr. Wolfe noted that the Friendship Center revenues are 27.9% greater than the 2nd quarter of 2014 due to the timing of payments and a program reallocation. He noted that the Township's 2015 transfer to the Friendship Center of \$296,743 was processed in the 2nd quarter of 2015. This transfer included the annual contribution of \$100,000; \$25,000 to offset Senior Center expenses; and \$171,743 to smooth debt. In June of 2014, only \$100,000 had been transferred. He noted that revenue from all membership and pass line items was \$538,278 as compared to \$526,442 on 6/30/14; an increase on \$11,836. He noted that revenue from all program line items was \$305,921 as compared to \$232,524 on 6/30/14, an increase of \$73,397. He explained that this increase is the result of Day Camp and its \$88,241 in revenue being moved from Parks and Recreation to the Friendship Center.

Mr. Wolfe noted that the Operating Fund is expected to generate annually \$170,000 to fund the Capital Reserve Fund. He noted that it is not currently doing this at this time.

Mr. Wolfe noted that the memberships for the FC are on the increase and they have been for the last several months. He noted that the total memberships are at an all-time high.

Mr. Wolfe noted that the Lower Paxton Township Authority (LPTA) operating revenues were \$7,666,979 and expenditures were \$4,715,011, producing a net gain of \$2,951,968. He noted that the LPTA capital expenditures were \$4,013,479. He explained, in 2014, the LPTA borrowed \$25 million for continuation of the multi-year I&I Program and as a result, cash on hand at the end of the 2nd quarter was \$34,164,400. He noted that those funds are pledged to ongoing sanitary sewer improvements that will be conducted by the LPTA over the next three years.

Mr. Wolfe noted that the Township maintains two employee pension plans, a plan for police officers and a plan for full-time non-uniformed employees. He noted at the end of the 2nd quarter, the two plans had combined assets of \$34,564,222, and experienced an annualized return of at least 3.9%.

Improvement Guarantees

Mr. Hawk noted that there was one Improvement Guarantee and one Stormwater Guarantee.

Estates of Autumn Oaks, Phase IB

An extension and ten percent increase in a letter of credit with Farmers and Merchants Trust Company, in the amount of \$213,808.96, with an expiration date of August 18, 2016.

6569 Windmere Road – Kathy A. and Joel A. Russo

A release of an escrow with Lower Paxton Township, in the amount of \$4,000.00.

Mr. Crissman made a motion to approve the storm and improvement guarantees. Mr. Hornung seconded the motion. Mr. Hawk 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, and Payroll checks. Mr. Crissman seconded the motion. Mr. Hawk called for a voice vote, and a unanimous vote followed.

Adjournment

There being no further business, Mr. Hornung made a motion to adjourn the meeting, and the meeting adjourned at 8:25 p. m.

Respectfully submitted,

Maureen Heberle
Recording Secretary

Approved by,

William L. Hornung
Township Secretary