

MINUTES
LEGISLATIVE MEETING – JUNE 20, 2018

The June 20, 2018 Legislative Meeting of the Lower Swatara Township Board of Commissioners was called to order at 7:00 P.M. by President Jon G. Wilt.

The following officials were in attendance:

- Jon G. Wilt, President
- Todd F. Truntz, Vice President
- Ronald J. Paul, Assistant Secretary
- Michael J. Davies, Commissioner
- Christopher DeHart, Commissioner
- M. Elizabeth McBride, Manager
- Jean R. Arroyo, Secretary
- Peter R. Henninger, Solicitor
- Andrew Kenworthy, HRG
- Scott Young, Officer in Charge

Residents and visitors in attendance: (PLEASE SEE ATTACHED SIGN-IN SHEET)

President Wilt opened the floor for public comments.

PUBLIC COMMENTS:

Melody Wilson, 1335 Overlook Road, addressed the proposed new development in Woodridge and expressed concern that it will add to the existing speeding problems on this street. She asked if the Township would consider placing a speed bump at the top of the road, and with this new development going in, a second one down around that area. She stated her understanding that there is a speed limit of 25 mph here, and requested a speed limit sign be placed up the street and going down the other way. Solicitor Henninger explained that when Overlook Road becomes a Township road, the speed limit will be set and proper signage installed. Ms. Wilson also referenced concerns expressed at the last meeting about the possibility of several Penn State students living in one rental unit. The Borough of Middletown now has an ordinance that states that rental properties cannot have more than two unrelated people living in them. Ms. Wilson suggested this is something the Township may want to

consider. She also reminded the Board that there have been requests for another basketball court here. She expressed hope that the developer of this property considers installing one. Lastly, Ms. Wilson warned the public of a phone call scam regarding a Windows software license issue. She suggested the public be cautioned about this.

PRESENTATION ON THE EARLY INTERVENTION PROGRAM (EIP) STUDY:

Gerald Cross and Lynn Sherlock from the PA Economy League presented a PowerPoint (**see attachment**) highlighting results of the Lower Swatara Township Early Intervention Program study, a proactive venture of the Board of Commissioners to look at the five year financial forecast to provide a baseline for decision making, and to review the management of the Township departments. The scope of work analyzed the Township's financial history and demographics, projected revenues and expenditures, reviewed operations of Township departments, evaluated Township labor and assets/debts, and compiled recommendations for all of those areas.

The findings in terms of demographics showed no major issues, which is very unusual for most of the municipalities studied. The Township has a stable population size with some recent growth, a stable working population (age 18 to 64), income levels higher than state and county, and housing values slightly lower than state and county in 2010 but reverse in 1990 and 2000.

As far as historical General Fund findings, the Township performed well financially throughout the historical period, with surpluses every year but 2016. The 2016 deficit disappears when the capital reserve transfer is removed for that year. The surplus overall would be higher without the capital reserve transfer. Tax revenue growth included a general purpose millage tax increase in 2013. There was growth in earned income, local services and realty transfer tax. The Township has had stable expenditures. The large cost fluctuations were often a result of one-time capital expenses usually offset by grants or other one-time issues. The Police Department is the largest departmental expenditure (one-third) followed by Public Works (one-quarter).

The findings of the study is that Lower Swatara Township is a financially healthy community with historical and projected surpluses. There are dozens of recommendations in finance, labor, sewer, administration, public works and police for continued sustainability.

The Board discussed page 16 of the presentation, which indicates there was a 1.4 million dollar surplus in 2017 and questioned whether this takes into account any loans for capital improvements that have not yet been spent. Mr. Cross responded that he does not know if this includes loans as revenues, but normally proceeds from borrowing are not included. He agreed to verify this. Also briefly discussed was the Home Rule Government concept and its advantages. Mr. Cross explained this gives local government the ability to design their own system of government and tax base. It is an initiative-driven, very intense process which takes two elections. Ms. Sherlock agreed that while the Home Rule Government is not addressed in the Township's report, it is often discussed because municipalities do not have a lot of tools to deal with expenditures, and this is one tool which provides a broader flexibility.

Ms. Sherlock noted that key recommendations of the study include the following: develop policies for Capital Reserve Fund, maintain Pension/OPEB Oversight, update Act 537 Wastewater Plan, review sewer rates and intermunicipal sewer agreements, consider monetization of sewer assets, and follow Township organization chart.

Finally, the EIP Phase II Grant recommendations were outlined. There is a recommendation to conduct an overhead allocation study. The General Fund pays salaries, benefits and other costs that benefit the Sewer Fund. Also suggested is to consider undergoing a strategic plan, which provides a road map for Township goals and to strengthen human resources through a personnel policy manual, job descriptions and salary schedule, cross training and successor plan, and a performance evaluation system. Information technology upgrades are recommended to include an electronic document management system, a new accounting software package, and electronic agendas.

The Board thanked Ms. Sherlock and Mr. Cross for providing the presentation this evening.

APPROVAL OF MINUTES:

A motion was made by Commissioner DeHart to approve the Minutes of the June 6, 2018 Workshop Meeting with some clarification to page 3. The second paragraph states "*While they are in there, they have agreed to do the driveways, even though it is not their responsibility*". He suggested it be clarified that the paving will not be done for free. Solicitor Henninger suggested the minutes be amended to clarify that while they are in there to pave Maplewood and Overlook,

Triple Crown has agreed to offer the homeowner's whose driveways were never done by the original developer a reasonable rate to pave them. The motion to approve the minutes, with the aforesaid amendment to page 3, was seconded by Commissioner Davies, and unanimously approved.

APPROVAL OF BILLS:

A motion was made by Commissioner Davies, seconded by Commissioner DeHart, to approve the payment of bills as presented on Warrant No. 2018-05. The motion was unanimously approved.

APPROVAL OF TREASURER'S REPORT:

A motion was made by Vice President Truntz, seconded by Commissioner Paul, to approve the Treasurer's Report for May 2018. The motion was unanimously approved.

PUBLIC SAFETY REPORT:

Officer in Charge (OIC) Young addressed Ms. Wilson's earlier comments about speeding on Overlook Road, and agreed to look into this. He also asked to speak to her in more detail about the phone call scam, and offered to put this warning on the Police Department's Facebook page.

The statistics for the Police, Fire, and EMS for the month and year-to-date were reviewed.

Commissioner DeHart asked about speed enforcement on North Union Street, as he has observed more speeding and truck traffic with the warmer weather. Another area of concern is Route 441 by Pennsylvania Avenue. President Wilt added that he has also received reports about speeding in the area of Route 441 and Longview Drive, near the daycare. OIC Young stated that enforcement efforts will increase with the hiring of the two new officers. He also agreed to set up the speed control sign.

Preparation for National Night Out is coming along well. An RMS update will be done next week to all the computers, laptops and cars. The car cameras are operating well, and the Board was offered a demonstration. The two new officers are in training and working out well. The police testing for the consortium was finalized last weekend; a list will be forthcoming to

send out letters to potential candidates. OIC Young noted that Sergeant Daniel Tingle and Officer Ryan Lesko received Distinguished Unit Citations at the Harrisburg City Police Department Awards' ceremony last week for their involvement in the December 22, 2017 shooting near the Harrisburg Capitol. The Commissioners asked that their congratulations be passed on to the officers.

Vice President Truntz referenced the police statistics, and observed that some of the figures are down. He stated this is great, but asked if there is a reason for the decreases. OIC Young explained that a lot of the Part 2 crimes are officer-driven. With officers working doubles, sometimes even two or three in a row, there are a number of other service calls coming in that are taking up their time, as well as time spent doing reports and other work to cover the shifts. Vice President Truntz asked how soon the two new officers will be able to help alleviate this problem. OIC Young estimated that it will take about three months of field training to put them into the regular rotation. He added that summer vacations and injuries have also impacted shift coverage.

ENGINEER'S REPORT:

Andrew Kenworthy, HRG, reported that the Mariner East 2 pipeline DEP grant was submitted today; over \$700,000 is being requested.

SOLICITOR'S REPORT:

Solicitor Henninger announced that the Board had met in executive session at 5:30 P.M. this evening for personnel issues related to the EIP study presented earlier this evening.

MANAGER'S REPORT:

Ms. McBride reported that on tonight's agenda is an agreement to allow Frank Lynch to continue for a limited number of hours during the transition period.

The MS4 Advisory Committee held its first meeting on June 12. Thirteen people were in attendance, as were two representatives from HRG. The next monthly meeting is scheduled for July 10 and will include discussion on the current stormwater program, level of service, regulatory requirements, and stormwater program needs.

President Wilt read aloud the future meetings/events:

June 25	7 PM	Municipal Authority Mtg.
June 27		Zoning Hearing Board CANCELLED (no submissions)
June 28	7 PM	Planning Commission Mtg.
July 4		Independence Day Holiday – Township Offices Closed ****there will be no July BOC workshop meeting
July 18	7 PM	Board of Commissioners Legislative Mtg.

COMMITTEE REPORTS:

Public Safety Committee: Commissioner Paul – asked if the Board should have an agenda item at some point in time to accept the EIP report presented tonight, if it chooses to do so. Solicitor Henninger agreed that a simple motion to accept the report is all that is needed. However, if the Board does so tonight, he would caveat that on the verification of the previously questioned surplus for 2017, because that number cannot be correct. After just looking back at the December financial statements, he observed revenues were at 6.5 million, and questioned where the additional money came from to get the revenues to 8.2 million. In response to a question from Commissioner Paul, Solicitor Henninger stated he does not feel waiting another four weeks to accept the report is a problem. Commissioner Paul added that there are a few other things in the report which need corrected. The Board agreed to consider the report in July. Commissioner Paul noted that the Board has heard again tonight that there is a need for another basketball court in Woodridge. He asked if the developer of the proposed new development would consider putting one in on the Township recreation site. Solicitor Henninger agreed it would be worth asking. He added that he hasn't seen the draft of the Developer's Agreement yet, and suggested this could be possibility be added to that. Commissioner Paul also reminded the Board that it should look at budgetary categories and adjustments in July, particularly as they pertain to overtime.

Budget and Finance Committee: Commissioner Davies – no report

Public Works Committee: Vice President Truntz reported the Public Works Department continues to be busy with mowing and general maintenance.

Community Development: Commissioner DeHart reported that he had attended the first meeting of the MS4 Stakeholder Advisory Committee, which went quite well. He added that he will also attend the meeting of the Olmsted Recreation Board tomorrow.

Personnel Committee: President Wilt – no report

UNFINISHED BUSINESS: None

NEW BUSINESS:

As requested by the applicant, a motion was made by Commissioner Davies, seconded by Vice President Truntz, to table the Final Land Development Plan for Woodridge Phase II, Section 9, located on Overlook Drive, one lot, 4.35 acres, 32 proposed townhomes, zoned Residential Urban, owned by Joseph and Dorothy Messick, submitted by Mellott Engineering, Planning Commission File # PC2018-02, with a time deadline of August 22, 2018. The Planning Commission recommended approval with the Developer's Agreement, and with all the stipulations that are made satisfactory to the staff, and the final reasonable approval by the Lower Swatara Fire Department. No waivers were requested. The motion to table was unanimously approved.

A motion was made by Vice President Truntz, seconded by Commissioner Davies, to approve a time extension for the Land Development Plan for Stoneridge Lot 1, File #2017-06. The initial time expiration date was February 14, 2018. A time extension was granted on February 7, 2018 until June 28, 2018. The new extension, dated May 18, 2018, grants a time extension until December 28, 2018. The motion was unanimously approved.

A motion was made by Commissioner Davies, seconded by Commissioner Paul, to approve a time extension for the Final Lot Consolidation and Land Development Plan for Campus Heights Village III, File #2018-01. The extension, dated June 6, 2018, grants a time extension until September 19, 2018. The motion was unanimously approved.

A motion was made by Vice President Truntz, seconded by Commissioner DeHart, to approve Improvement Guarantee Reduction #1 for Soccer Shots in the amount of \$55,017.00 from the current amount of \$92,251.50, leaving a balance of \$37,234.50. The motion was unanimously approved.

A motion was made by Commissioner DeHart, seconded by Vice President Truntz, to approve Resolution 2018-R-8, which authorizes the Township Secretary to execute the M-950AA form for PennDOT Highway Occupancy Permit Application No. 160397. Commissioner Davies asked what highway this pertains to. Commissioner Paul stated he had the

same question. It is the North Union Street overpass at PA 283. He suggested that in the future, it would be helpful to have the local name also included. The motion was unanimously approved.

A motion was made by Commissioner DeHart, seconded by Commissioner Paul, to approve Ordinance No. 582 adopting an Intergovernmental Agreement of Cooperation between the Borough of Middletown, the Borough of Royalton, the Middletown Area School District, and the Township of Lower Swatara for the joint operation of a recreational program. A roll call vote was taken with the following ballot tabulation: Commissioner DeHart – aye, Commissioner Davies – aye, Commissioner Paul – aye, Vice President Truntz – aye, President Wilt – aye. Ordinance No. 582 was approved by a 5 – 0 margin.

A motion was made by Commissioner DeHart, seconded by Vice President Truntz, to approve the Constitution and Bylaws of the Middletown Area Recreation Advisory Board (MARA). The motion was unanimously approved.

A motion was made by Vice President Truntz, seconded by Commissioner Paul, to approve a request by Valley Baptist Church to use the Rosedale and Georgetown Playgrounds on July 8 – 12 (6:30 P.M. – 8:00 P.M.) for its children's program, with the condition that a certificate of insurance naming Lower Swatara Township as an additional insured be provided. The motion was unanimously approved.

A motion was made by Commissioner Davies, seconded by Vice President Truntz, to approve a consulting agreement with Frank Lynch effective June 8, 2018. The motion was unanimously approved.

FINAL COMMENTS:


The Commissioners agreed the report from the state, giving information and recommendations, will be beneficial.

Commissioner DeHart requested a short executive session immediately upon conclusion of this evening's meeting for personnel reasons.

ADJOURN AND CONVENE INTO EXECUTIVE SESSION:

Hearing no other comments, a motion was made by Commissioner DeHart, seconded by Vice President Truntz, to adjourn the meeting and convene into executive session. The motion was unanimously approved, and the meeting adjourned at 8:50 P.M.

ATTEST:



Jean R. Arroyo, Secretary

PLEASE PRINT NAME CLEARLY
JUNE 20, 2018 LEGISLATIVE MEETING
7:00 P.M.

Name/Organization	Address/Contact Information
Tim & Sherry Santoro	1896 N-Union
John Weikle	LSFD
Tracey Bechtel	2 Berkley Dr
Nancy Avolase	N. Union St
Laura Stamps	PMS & Journal
Melody Wilson	1335 OVERLOOK RD
Lawrence Dimeler ^{TD} / New Thing WMC Church	2285 W. Harrisburg Pike MDT, PA
Jerry T. Cawson / Valley Baptist Church	1190 N Union St Mtn

Lower Swatara Township Early Intervention Program

Demographic and Financial Presentation
June 20, 2018



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Pennsylvania Economy League



Pennsylvania's leading independent, nonprofit, public policy research and development organization for over 80 years

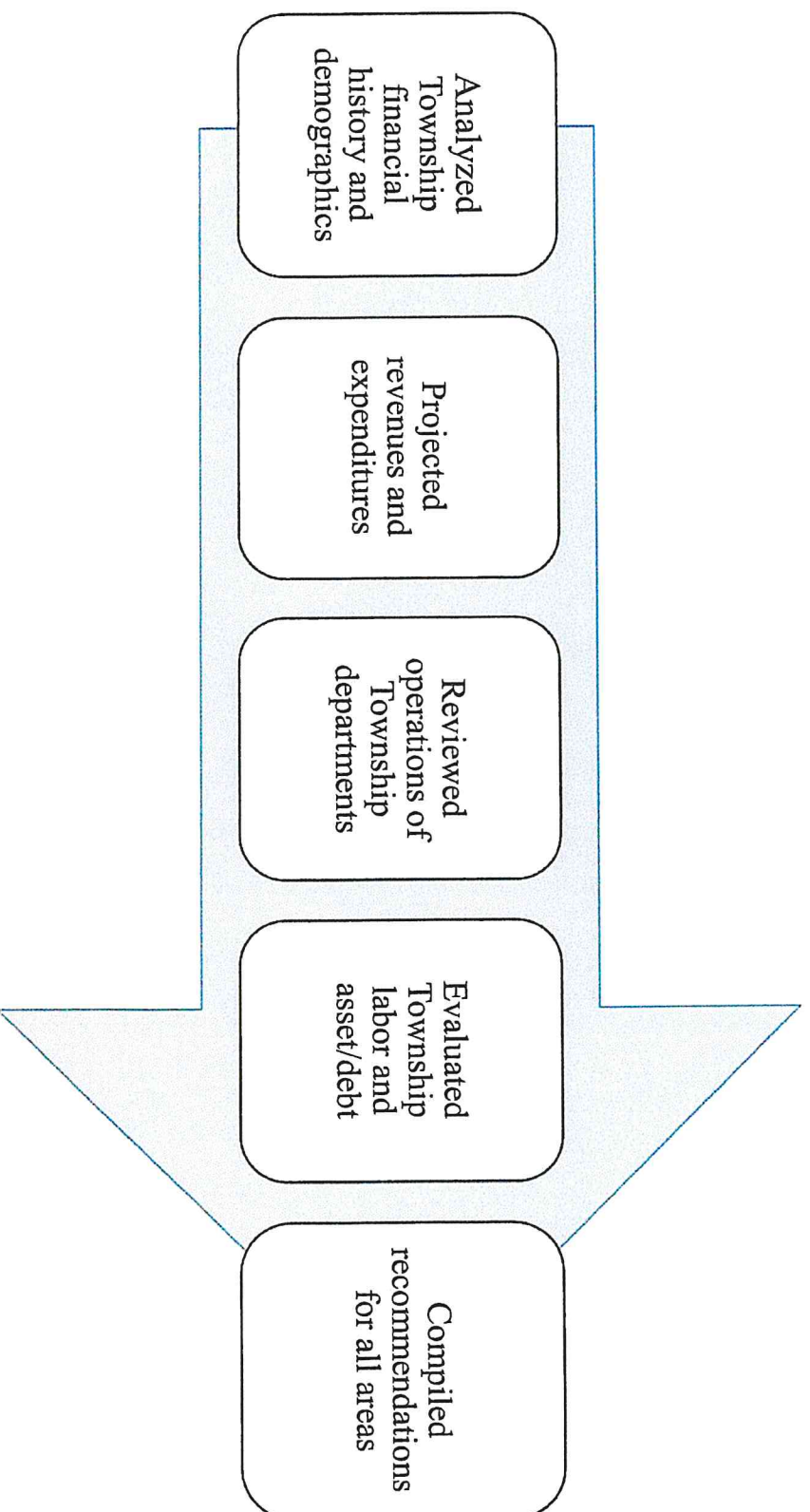
PEL Central Division provides technical assistance to municipalities of all sizes and types throughout the state

PEL works to foster good government that provides the most efficient core public services that meet local resident needs at the lowest cost

We believe healthy local governments assist in creating a sustainable Pennsylvania economy that can keep and attract residents and businesses

Early Intervention Program

Scope of Work

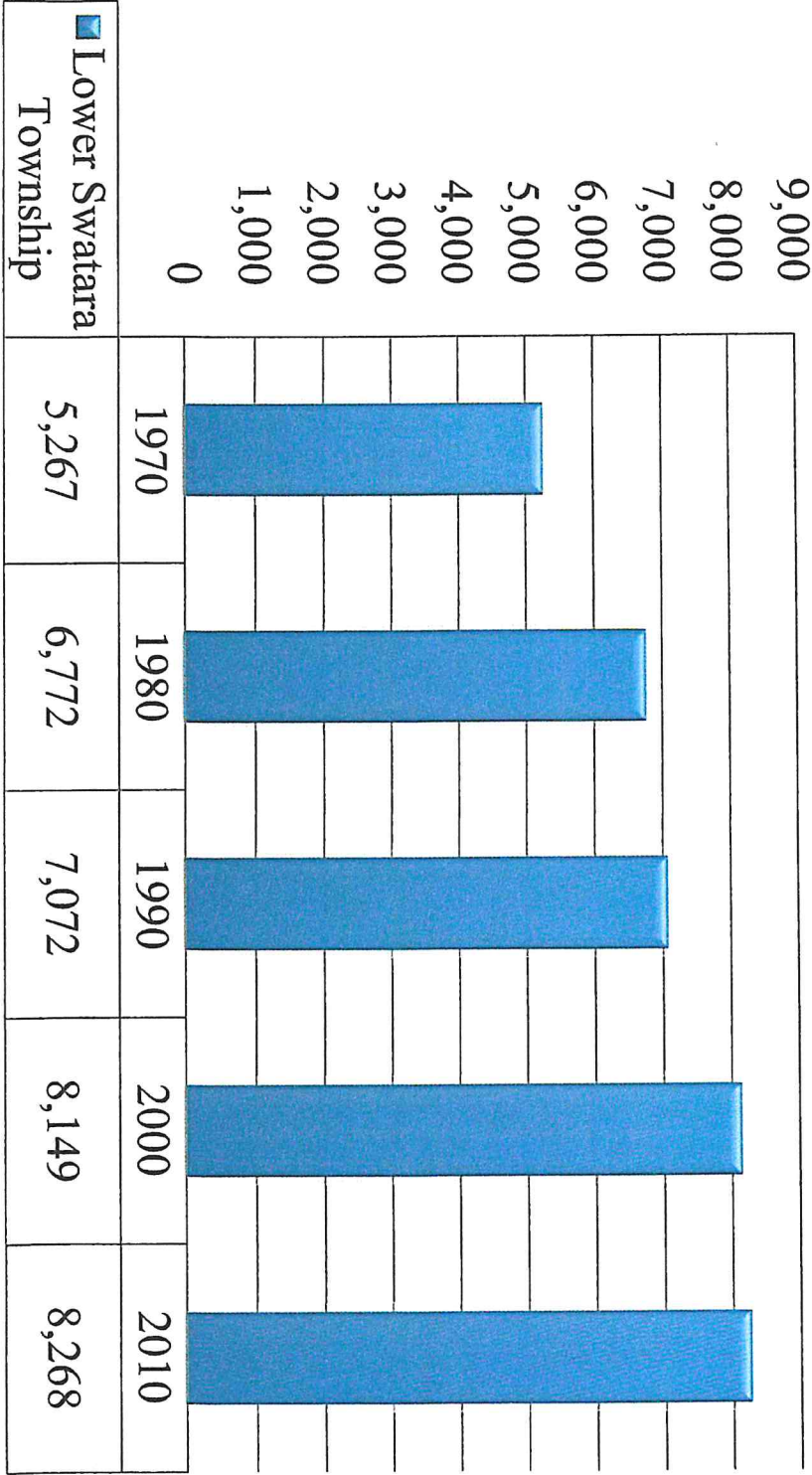


Demographics

Population



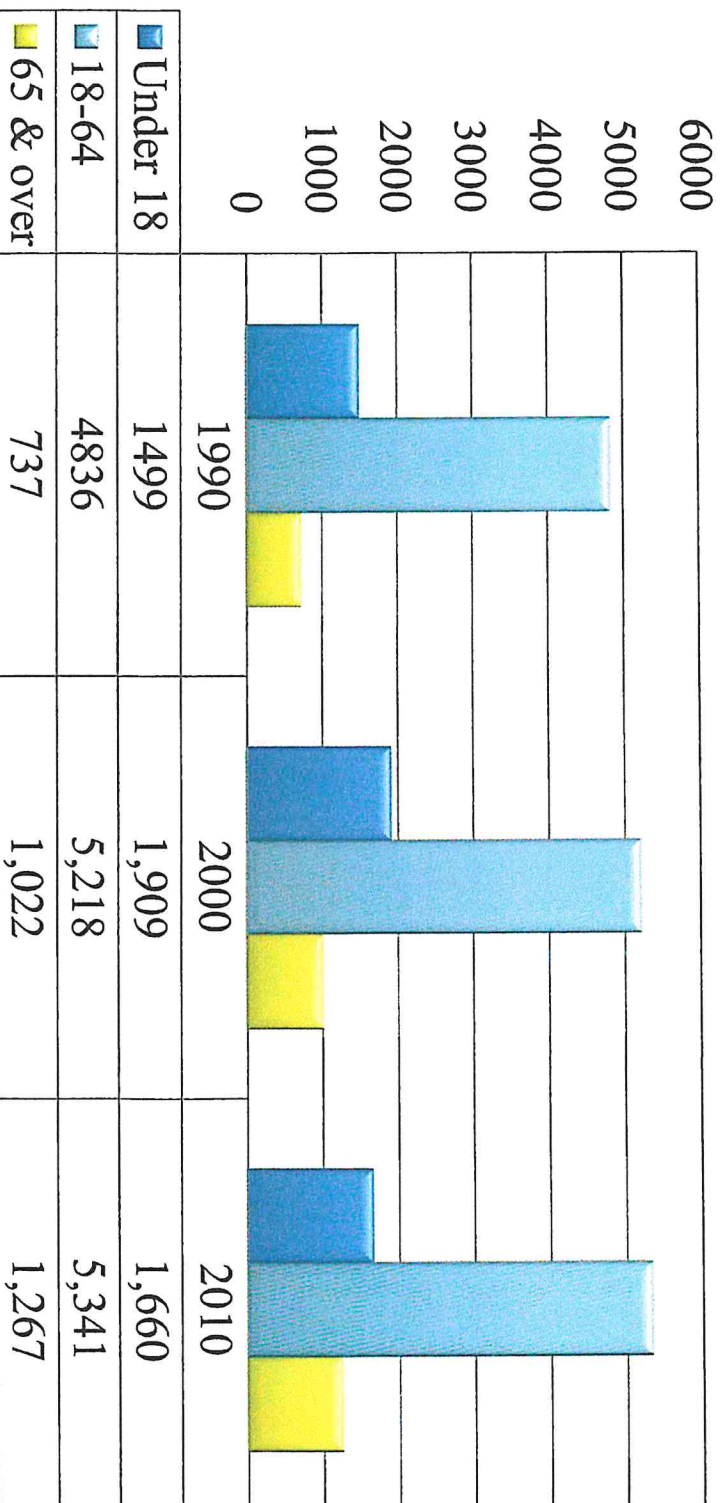
Lower Swatara Township



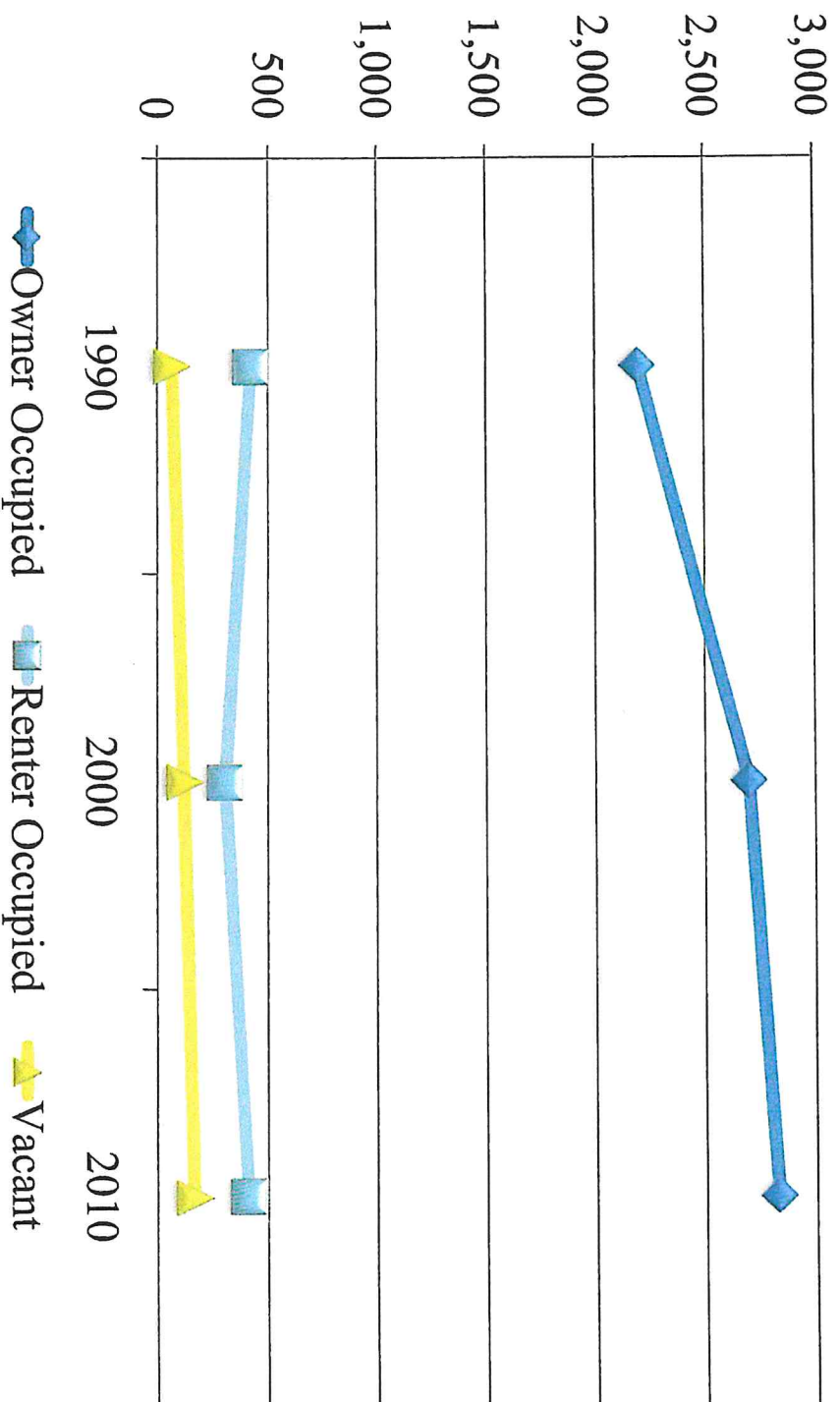
Demographics

Population by Age

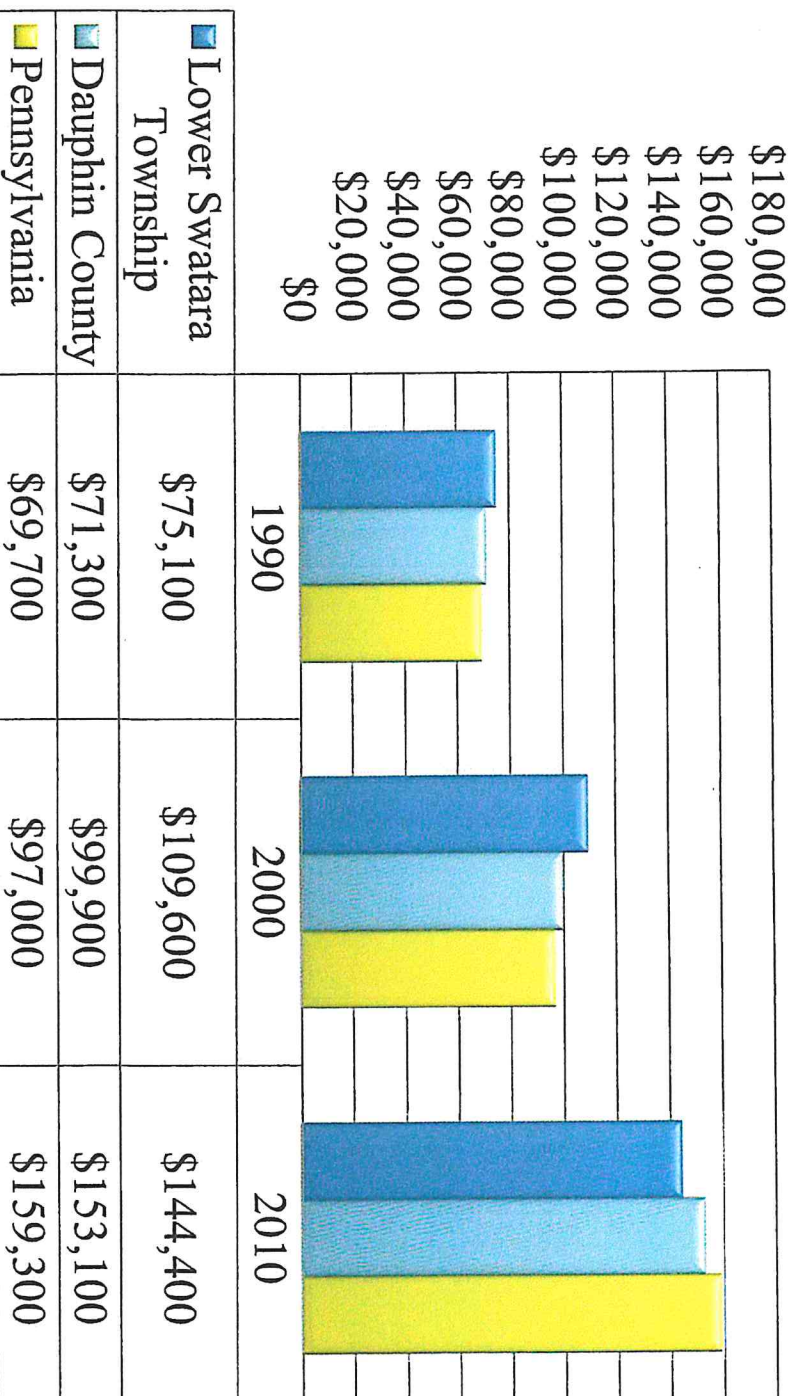
Lower Swatara



Demographics Housing Units

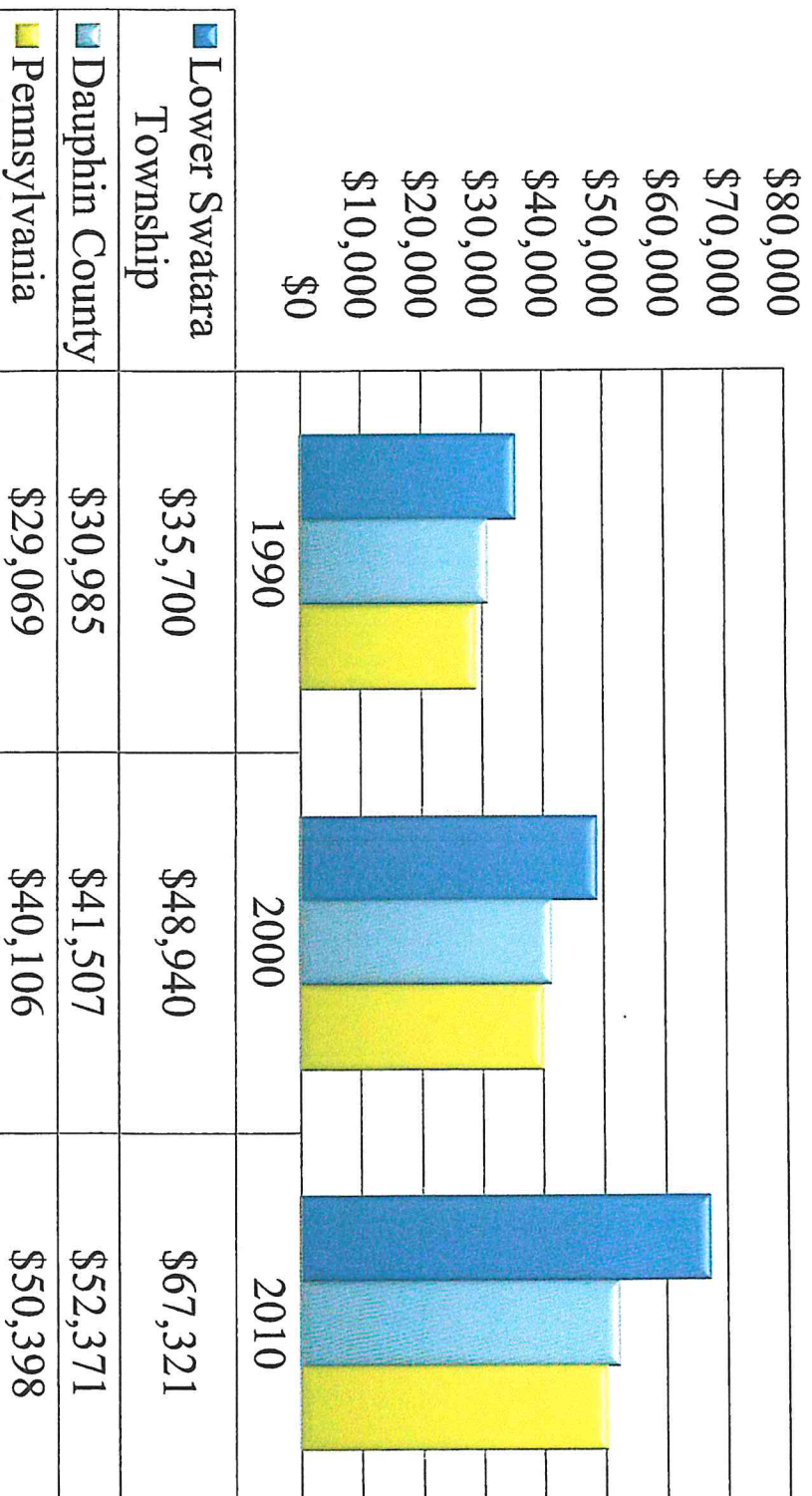


Demographics Median Value Owner Occupied Home



Demographics

Median Household Income



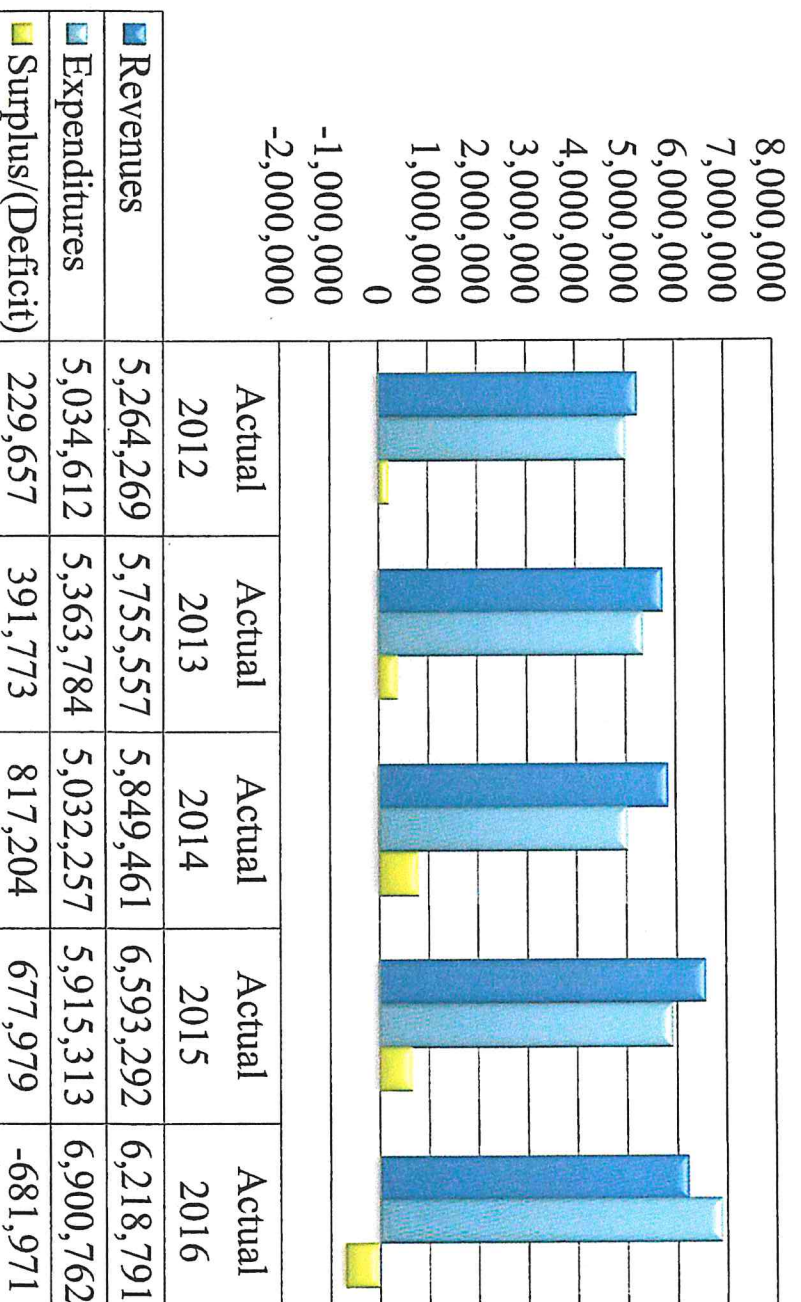
Demographics Findings



Demographics do not indicate any major issues

- Stable population size with some recent growth
- Stable working population (age 18 to 64)
- Income levels higher than state and county
- Housing values slightly lower than state and county in 2010 but reverse in 1990 and 2000

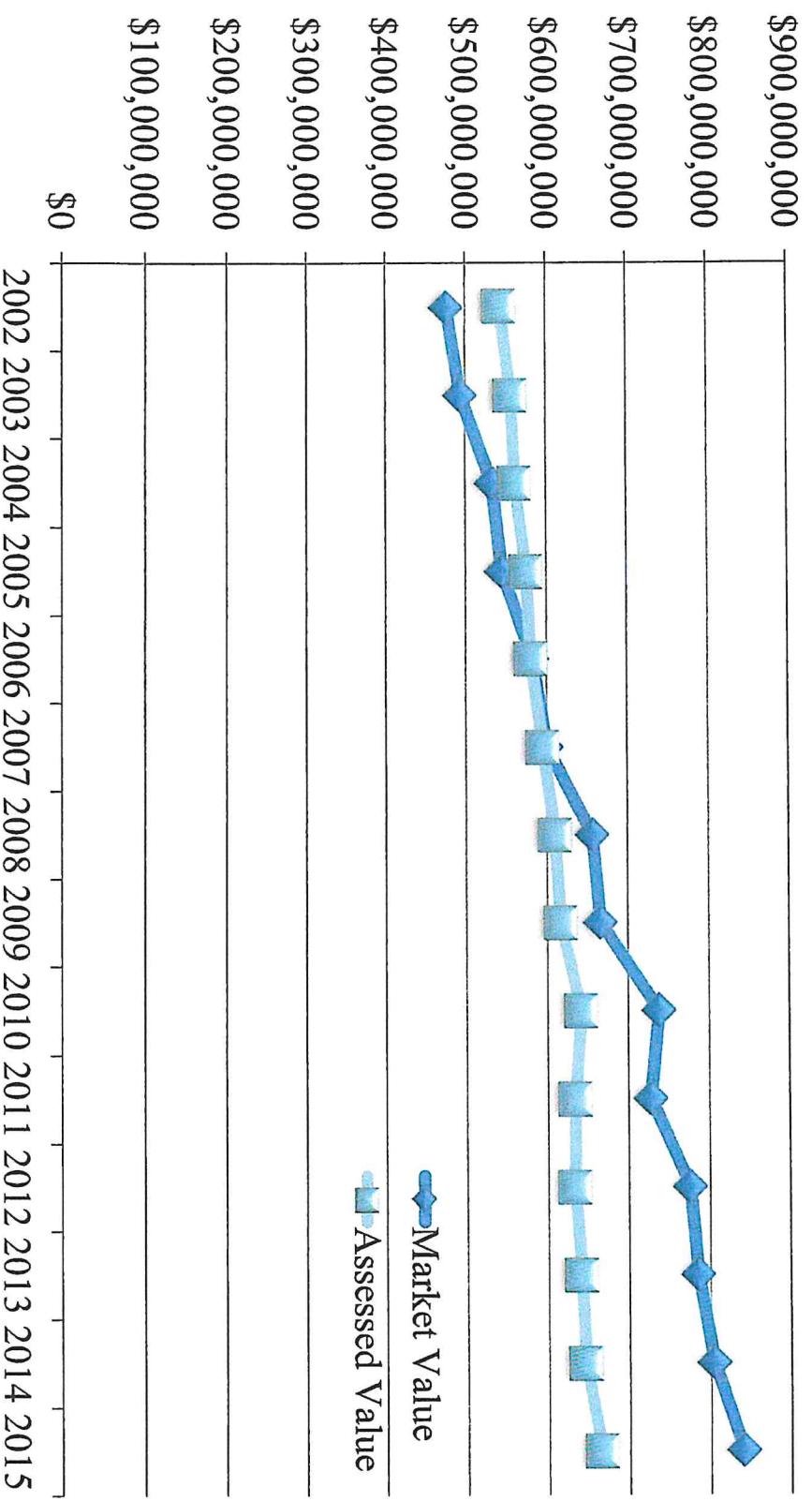
Historical General Fund Revenues, Expenditures, Surplus/Deficit



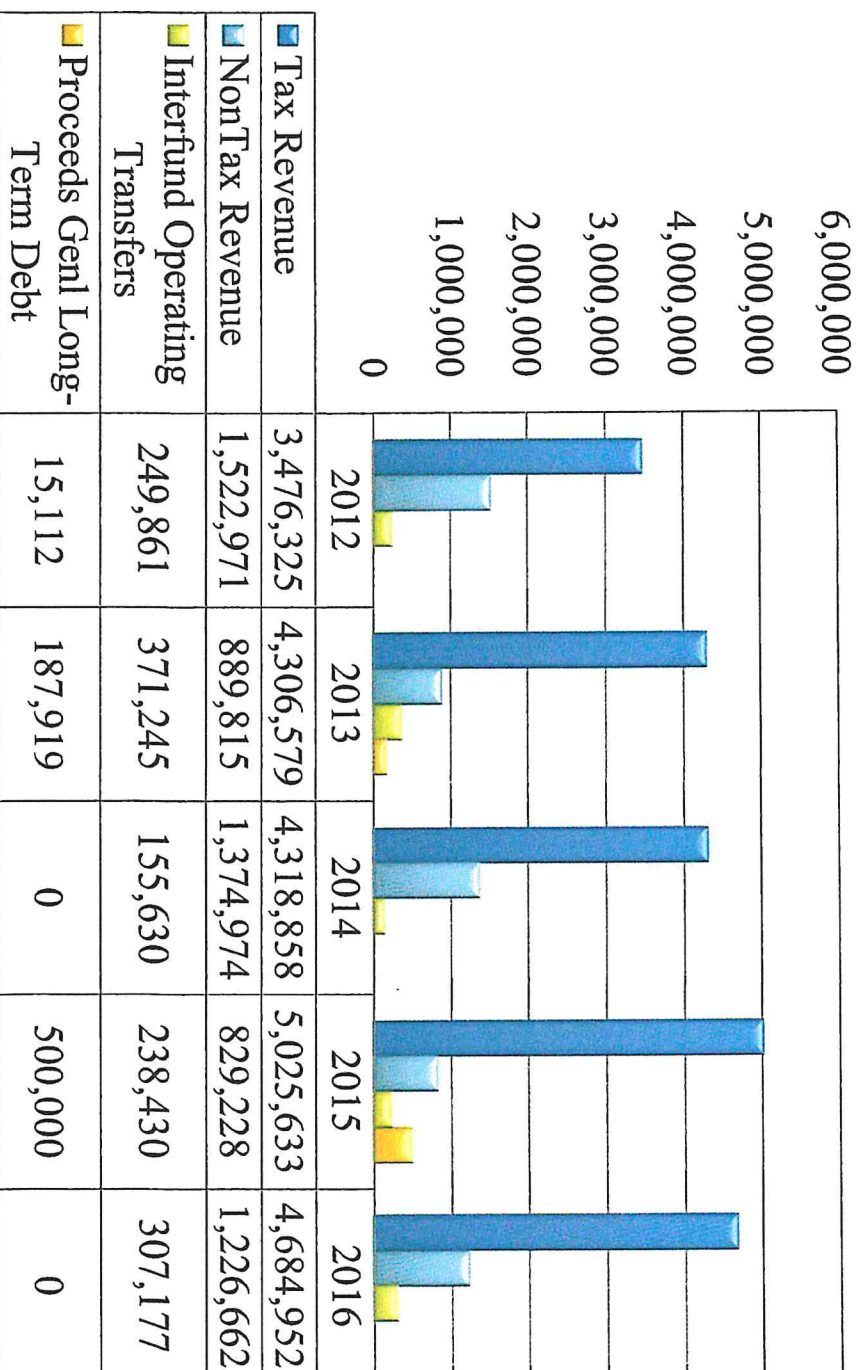


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Assessed vs. Market Value



Historical General Fund Revenues



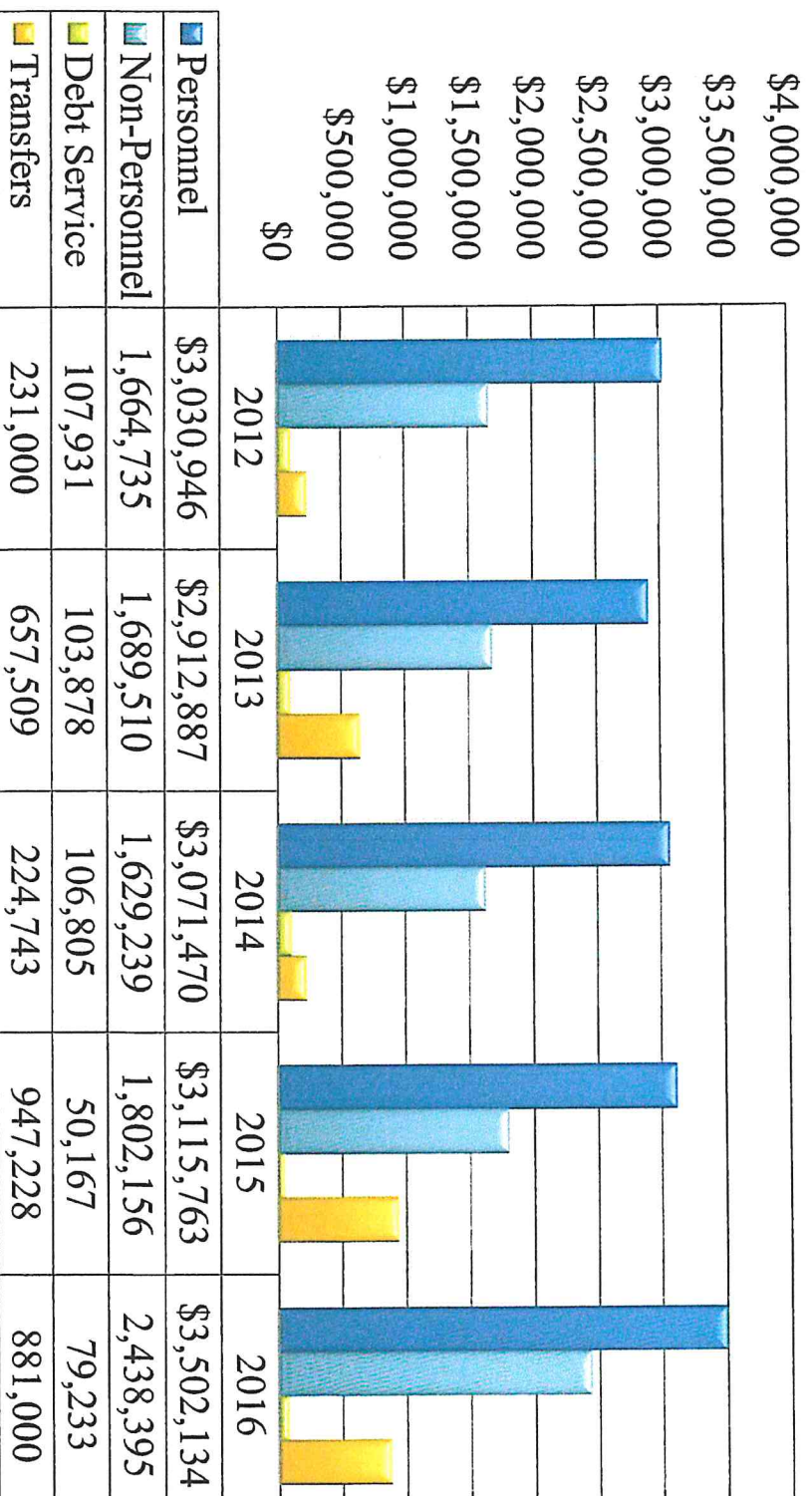


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Historical General Fund Tax Revenue

	2012	2013	2014	2015	2016
<u>Tax Revenue</u>	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>
Real Property	\$1,775,243	\$2,363,634	\$2,402,769	\$2,487,252	\$2,646,095
Earned Income	1,119,335	1,117,656	1,107,381	1,140,875	1,177,539
Local Services	321,358	343,011	351,966	636,627	468,516
Real Estate Transfer	130,725	358,999	341,642	654,400	291,138
Occupation	87,203	82,274	77,252	71,676	67,852
Per Capita	<u>42,462</u>	<u>41,005</u>	<u>37,848</u>	<u>34,803</u>	<u>33,811</u>
Total Tax Revenue	\$3,476,325	\$4,306,579	\$4,318,858	\$5,025,633	\$4,684,952

Historic Expenditures Personnel vs. Non-Personnel



Historical General Fund Personnel Expenditures

	2012	2013	2014	2015	2016
Category	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>
Salary/Wages	\$1,777,669	\$1,690,670	\$1,860,666	\$1,895,374	\$1,960,907
Overtime	156,414	189,337	132,525	150,433	217,355
FICA	181,207	172,542	175,220	183,008	186,444
Benefits	746,199	542,500	662,494	559,265	556,361
Pension	69,069	207,806	173,580	253,910	478,319
Workers Comp	83,674	73,001	45,607	58,872	73,395
Uniform	<u>16,714</u>	<u>37,030</u>	<u>21,378</u>	<u>14,901</u>	<u>29,353</u>
Total	\$3,030,946	\$2,912,887	\$3,071,470	\$3,115,763	\$3,502,134

General Fund 2017 Estimated vs. Budget

	2017	2017	<u>2017</u> <u>Estimated vs.</u> <u>Budget</u>	
	<u>Estimated</u>	<u>Budget</u>	<u>\$</u>	<u>%</u>
Revenues	\$8,255,002	\$6,983,647	1,271,355	18.2
Expenditures	<u>6,859,811</u>	<u>6,983,647</u>	<u>-123,836</u>	<u>-1.8</u>
Surplus/(Deficit)	\$1,395,191	\$0		

Historical General Fund Findings



The Township performed well financially throughout historical period

- Surpluses every year but 2016
- 2016 deficit disappears when capital reserve transfer is removed for that year
- Surpluses overall would be higher without capital reserve transfers

Tax Revenue Growth

- General purpose millage tax increase in 2013
- Also increases in earned income, local services and realty transfer

Stable Expenditures

- Large cost fluctuations often result of one-time capital expenses often offset by grants or other one-time issues
- Police is largest departmental expenditure (one-third) followed by public works (one-quarter)

Lower Swatara Projection Assumptions

Revenue Projection Assumptions

- The 2018 budget serves as the baseline
- Real Estate Tax revenue held constant
- 2.0 percent annual growth in Earned Income Tax revenue
- 2.0 percent annual growth in Local Services Tax revenue
- 2.0 percent annual growth in state pension aid and foreign fire insurance payments
- No increase in tax rates or fees for baseline projections
- Other revenues and transfers from other funds held at budgeted levels or 2012-2016 average revenue

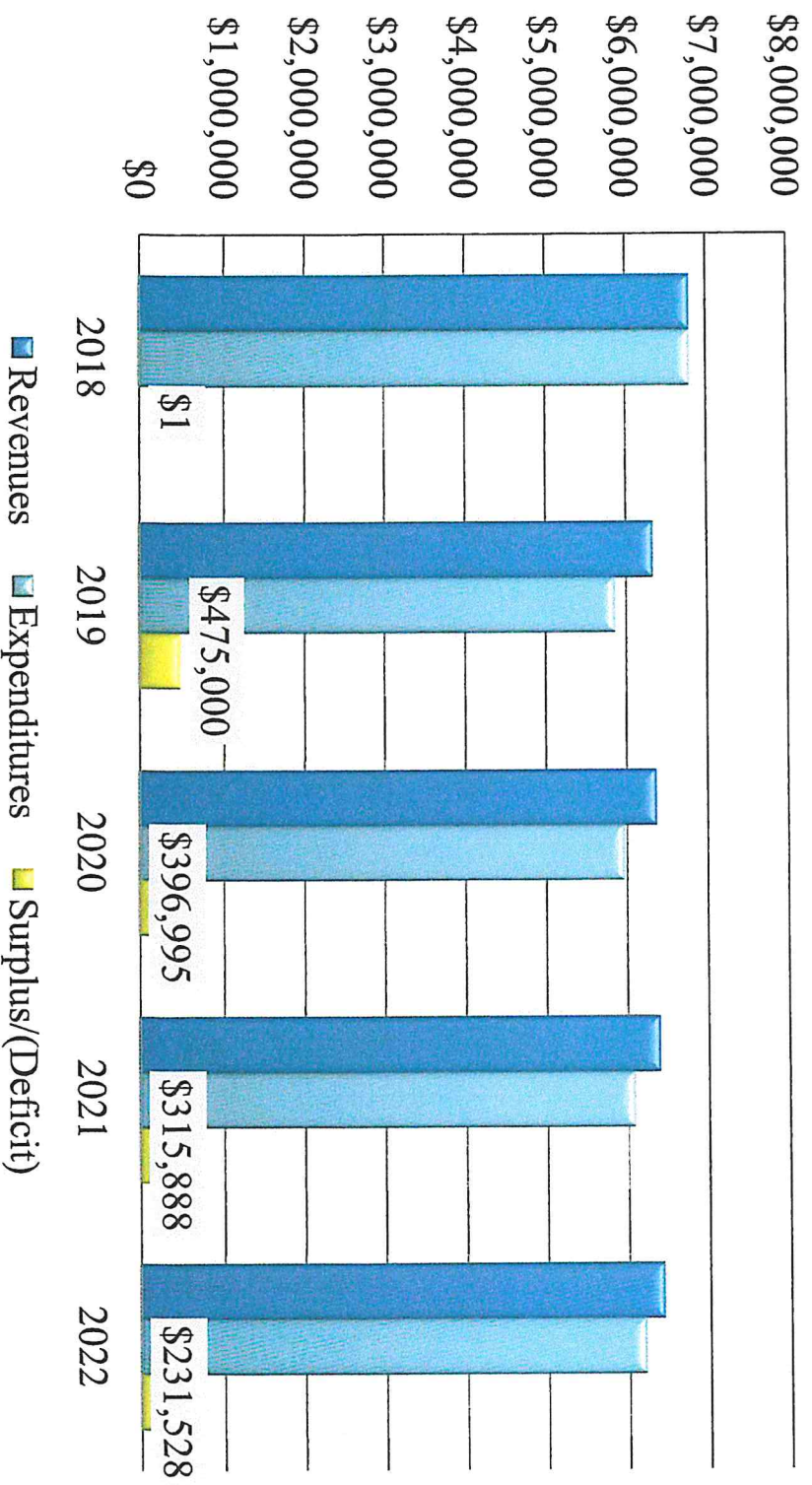
Expenditure Projection Assumptions

- The 2018 budget serves as the baseline
- Employee counts were assumed to remain at 2018 budgeted levels
- Police salary increases were estimated at the current contractual level and then 2.0 percent annually for the remainder of the projection period
- Other salaries increase 2.0 percent throughout period
- Pension contribution increased by same percentage as salaries/wages
- Healthcare increases 6.0 percent annually (note: employer health care premiums rose 16 percent for 2018)
- No new debt incurred
- Capital items for parks were set at zero for 2019. (Note: In December 2017 the Township acquired a 32-acre tract of land known as the Shireman Tract, and will required capital investment to make improvements necessary for recreational uses.) Other capital items were reduced based on historical trends.
- Other items greater than \$5,000 were increased 2.0 percent

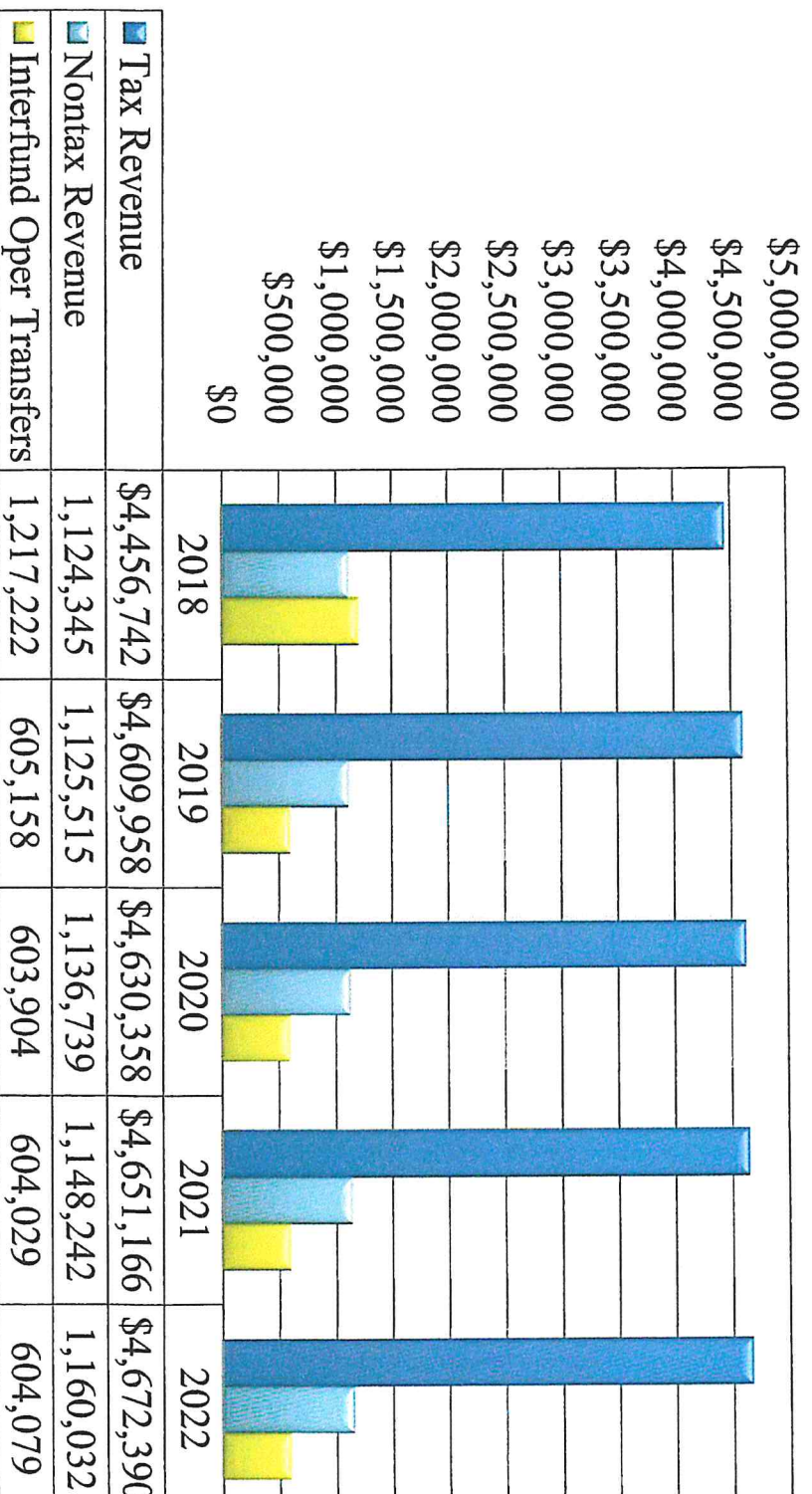


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Financial Projections



Projected General Fund Revenues



Projected General Fund Expenditures

	2018	2019	2020	2021	2022
	<u>Budget</u>	<u>Projected</u>	<u>Projected</u>	<u>Projected</u>	<u>Projected</u>
Personnel	\$3,555,021	\$3,579,930	\$3,671,638	\$3,766,777	\$3,865,507
Non- Personnel	2,777,310	1,821,157	1,839,078	1,857,357	1,876,002
Debt Service	465,977	464,544	463,290	463,415	463,465
Total Expenditures	\$6,798,308	\$5,865,631	\$5,974,005	\$6,087,549	\$6,204,973

Lower Swatara

Findings and Recommendations

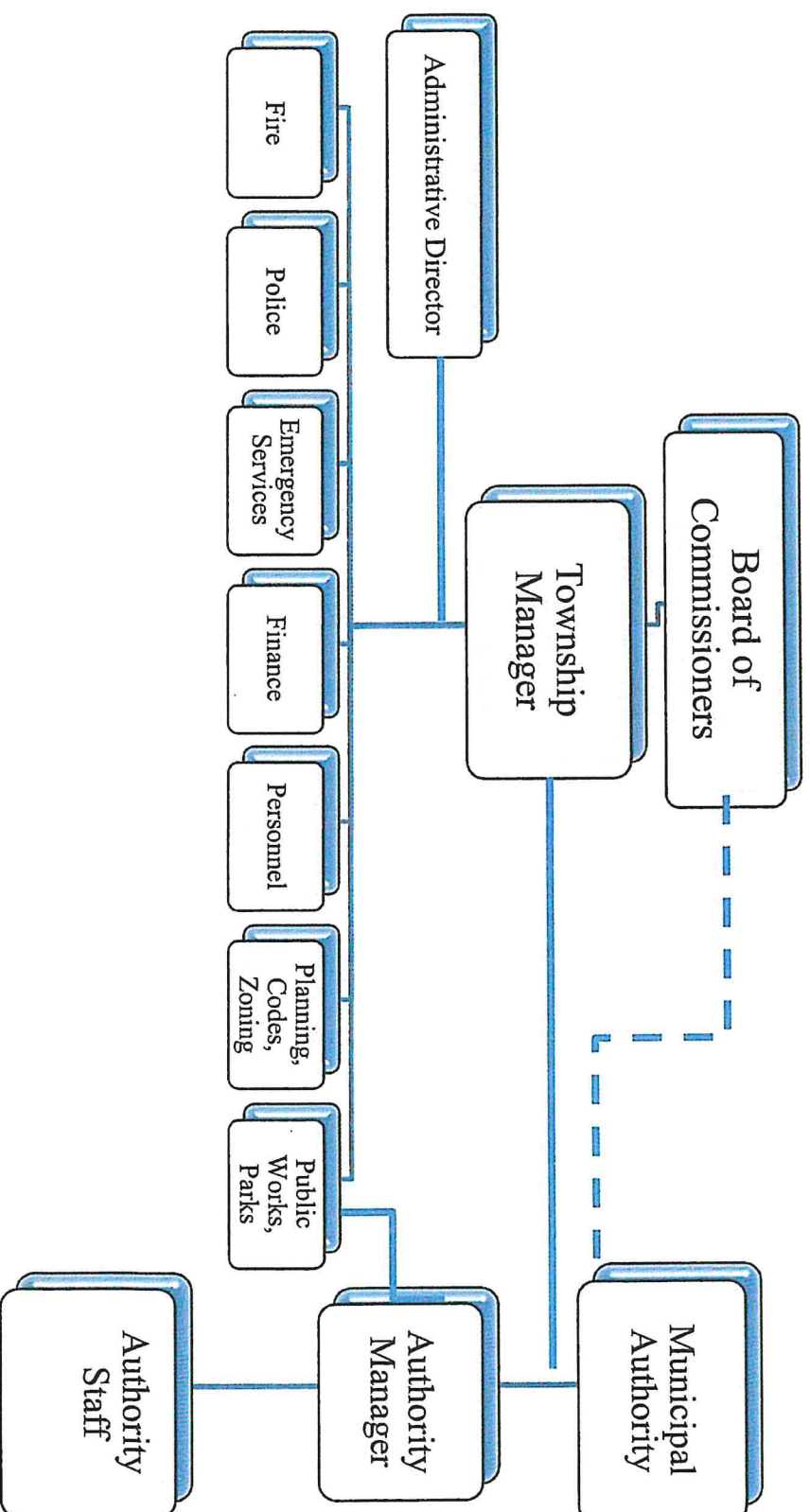
Lower Swatara is a financially healthy community

- Historical and projected surpluses
- Dozens of recommendations in finance, labor, sewer, administration, public works and police for continued sustainability

Key Recommendations

- Develop policies for Capital Reserve Fund
- Maintain Pension/OPEB Oversight
- Update Act 537 Wastewater Plan
- Review sewer rates and intermunicipal sewer agreements
- Consider monetization of sewer assets
- Follow Township organization chart

Lower Swatara Township Organization Chart



EIP Phase II Grant Recommendations



Conduct an overhead allocation study

- The General Fund pays salaries, benefits and other costs that benefit the Sewer Fund.

Consider undergoing a strategic plan

- Provides a road map for Township goals

Strengthen human resources.

- Personnel Policy Manual
- Job descriptions and salary schedule
- Cross training and successor plan
- Performance Evaluation System

Information technology upgrades

- Electronic document management system.
- New accounting software package
- Electronic agendas.



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Questions?