

MINUTES

NOVEMBER 1, 2017 – SPECIAL BUDGET MEETING

LOWER SWATARA TOWNSHIP BOARD OF COMMISSIONERS

The November 1, 2017 Special Budget Meeting of the Lower Swatara Township Board of Commissioners was called to order at 6:00 P.M. by President Jon G. Wilt. President Wilt called for the pledge of allegiance followed by a moment of silence.

Roll call was taken with the following officials in attendance:

- Jon G. Wilt, President
- Laddie J. Springer, Vice President
- Michael J. Davies, Assistant Secretary
- Todd F. Truntz, Commissioner
- Benjamin C. Hall, Commissioner
- Frank Lynch, Interim Manager
- Jean R. Arroyo, Secretary
- Peter R. Henninger, Solicitor
- Rebecca McClain, Accountant
- Allison Burke, Finance Consultant, Zelenkofske and Axelrod

Residents and visitors in attendance:

PLEASE SEE ATTACHED SIGN-IN SHEET

President Wilt welcomed everyone to this evening's Special Meeting, which is to publicly review the preliminary draft of the 2018 General Fund Budget document. He turned the floor over to Commissioner Davies, Budget & Finance Chairman.

Commissioner Davies stated that he will be presenting a PowerPoint of the 2018 preliminary budget (see attached), and commended Mr. Lynch, Ms. McClain, and Ms. Burke for helping put this together. First discussed was an overview of how the spending plan was prepared. Budget preparation is a year-long process, and the staff meets to refine the budget and the needs of each department to provide the services that they are mandated to provide. Multiple meetings were held with staff, the Commissioners and tonight, with members of the public regarding the 2018 spending plan.

Revenues were reviewed. The two biggest sources of revenue are Real Estate and Act 511, or Local Enabling Taxes, which includes per capita, earned income and local services taxes.

Commissioner Davies noted that most of the numbers are very close to the 2017 ones. The biggest drop this year is in Intergovernmental Grants, to \$188,818 from last year's \$571,000. This is because most of the expected grant money that was applied for is already in – for example, state grants for Old Reliance and Shope Gardens. The charges for services is for zoning, permits and parking fees generated by HIA. Commissioner Davies referenced a pie chart which gives a visual representation of the expected revenue; again, Real Estate and Local Enabling taxes account for two-thirds of the budget income. Commissioner Davies stated that as shown on the chart, revenue sources are generally flat.

Expenditures were reviewed. There is a slight decrease in 2018 versus 2017. There is a slight increase for General Government, partially due to the increase for the new IT vendor and new security measures. The Public Safety line increased due to new radios for the Police Department, which are mandated to bring the Township into compliance with County directives. The full cost of the radios is expected to be incurred over the next four to five years. In Health and Welfare, the biggest percentage increase, but one of the smaller actual dollar changes, is a result of the feral cat Trap Neuter Release (TNR) program through the contracted provider, Steelton Community Cats. The slight increase in Public Works can be attributed to a lease purchase of a new street sweeper over a five year period. The MS4 – storm water control – line item is down this year because the Township is just completing its study and strategy to comply with state and federal stormwater control activities. Staff anticipates the size of this line to increase significantly in 2019 because of state and federal mandates. There is a slight increase in Debt Service, which is offset by a slight decrease in the overall Tax, Benefits and Insurance line.

Commissioner Davies called attention to a pie chart giving a visual perspective on spending. Public Safety is the Township's top expenditure with 38% of the budget. Public Works is second at 17% of expenditures. Together, these two line items account for 56% of the budget.

Commissioner Davis stated that the good news is that the Township's projected revenues of \$6,798,309 will be meeting the projected expenditures of \$6,798,309. The Township anticipates fulfilling its service obligations to the community in a fiscally prudent manner, and will have a balanced budget with no tax increases for 2018.

The floor was opened for public comments.

PUBLIC COMMENTS:

Bill Leonard, 1401 Heritage Square, stated that he is here representing the Fire Department, and would like to confirm what is being budgeted for the Department. He noted his understanding that Dale Rider, the Fire Department's Treasurer, did obtain the preliminary number from staff; it looks like the allocation will be \$326,592, which is terrific. Mr. Leonard stated that the Fire Department's budget is hovering around \$400,000 - \$425,000. As the Board is aware, the Fire Department has a new vehicle coming in the first quarter. He added that the Fire Department is also almost ten years old, and will need some work, including the possibility of a new roof. He explained that these Township funds basically take care of 75% of the Department's needs, and the other 25% is raised through fundraisers, grants, etc. Mr. Leonard stated that the Fireman's Relief looks to be \$63,480. The Department is required to replace its breathing apparatus on a rotational basis. It also does this with the turn-out gear. The majority of the Fireman's Relief money is spent on these two items. Mr. Leonard explained that the Fire Department will be reviewing its own budget tonight and will use these numbers. It will be coming back to the Board with its budget in January. In response to a question from Solicitor Henninger, Mr. Leonard confirmed that the mortgage on the Fire Department's building, which is \$82,000, comes out of the \$326,592 contribution.

Commissioner Davies again acknowledged Rebecca McClain and Allison Burke for all their hard work on this document.

ADJOURN:

With no further business to discuss, a motion was made by Commissioner Truntz, seconded by Commissioner Hall, to adjourn the meeting. The meeting adjourned at 6:15 P.M.

ATTEST:



Jean R. Arroyo, Secretary

November 1, 2017 -- Special Budget Meeting at 6:00 P.M. followed by Workshop Meeting



FY 2018 TOWNSHIP BUDGET

GENERAL FUND BUDGET PRESENTATION

LOWER SWATARA TOWNSHIP
BOARD OF COMMISSIONERS
NOVEMBER 1, 2017

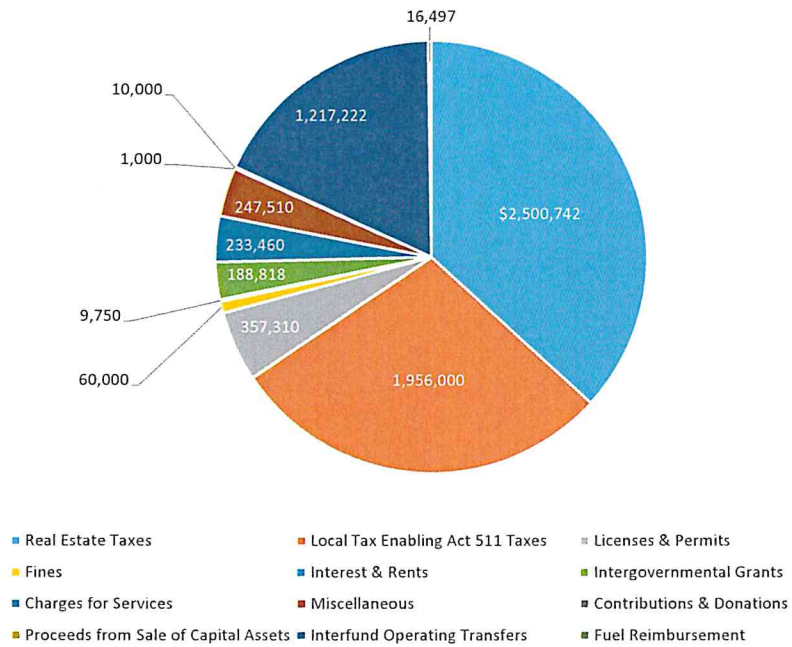
BUDGET DEVELOPMENT

- ▶ Departments prepared baseline budgets.
- ▶ Departments developed budget requests for current services and for potential additional resources.
- ▶ Budget proposals were reviewed and analyzed with department staff.
- ▶ Budget meetings were held with the Budget and Finance Chairman and Board President.

BUDGETED REVENUES

| | FY 2018 | FY 2017 | % Change |
|--------------------------------------|---------------------|---------------------|---------------|
| Real Estate Taxes | \$ 2,500,742 | \$ 2,513,031 | -0.49% |
| Local Tax Enabling Act 511 Taxes | 1,956,000 | 1,984,600 | -1.44% |
| Licenses & Permits | 357,310 | 353,850 | 0.98% |
| Fines | 60,000 | 50,000 | 20.00% |
| Interest & Rents | 9,750 | 8,550 | 14.04% |
| Intergovernmental Grants | 188,818 | 571,560 | -66.96% |
| Charges for Services | 233,460 | 184,008 | 26.87% |
| Miscellaneous | 247,510 | 296,719 | -16.58% |
| Contributions & Donations | 1,000 | 1,000 | 0.00% |
| Proceeds from Sale of Capital Assets | 10,000 | 12,000 | -16.67% |
| Interfund Operating Transfers | 1,217,222 | 987,329 | 23.28% |
| Fuel Reimbursement | 16,497 | 21,000 | -21.44% |
| | <u>\$ 6,798,309</u> | <u>\$ 6,983,647</u> | <u>-2.65%</u> |

BUDGET REVENUES (CONTINUED)



BUDGET REVENUES (CONTINUED)

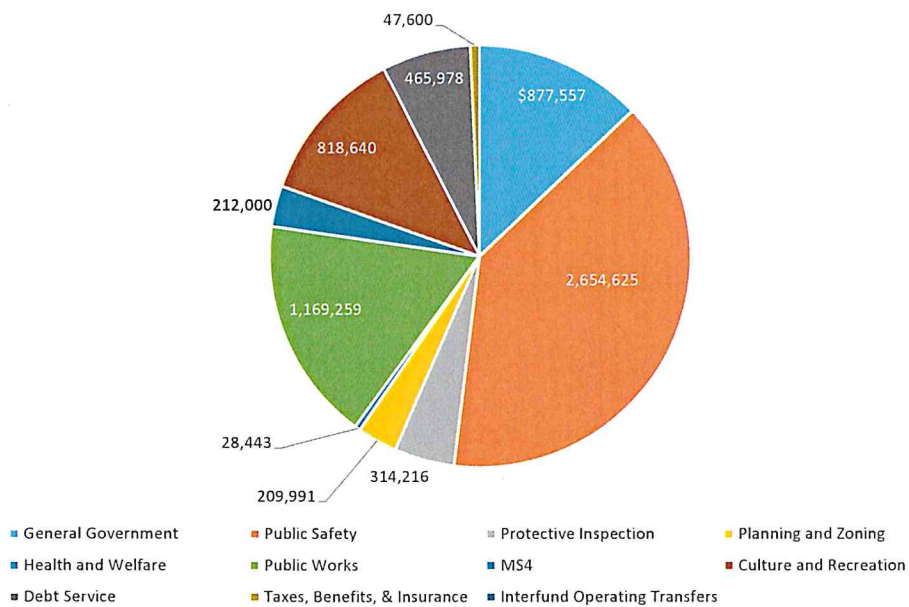
- Real Estate Taxes and Act 511 Taxes account for approximately 66% of General Fund 2018 Budgeted Revenues.

| G.L. # | Account Title | 2016 Budget | 2016 Actual | 2017 Budget | 2017 Actual 9/30/2017 | 2018 Budget |
|-----------------|-------------------------------------|---------------------|---------------------|---------------------|--------------------------|---------------------|
| REVENUES | | | | | | |
| 01-301-100 | Real Estate Taxes - Current | \$ 2,031,000 | \$ 2,206,089 | \$ 2,114,699 | \$ 2,100,397 | \$ 2,113,626 |
| 01-301-400 | Real Estate Taxes - Delinquent | 70,000 | 95,015 | 72,000 | 41,704 | 60,524 |
| 01-301-500 | Real Estate Taxes - Fire | 306,200 | 332,611 | 318,832 | 316,539 | 318,669 |
| 01-301-550 | Real Estate Taxes - Fire Delinquent | 6,600 | 12,380 | 7,500 | 5,375 | 7,923 |
| | Real Property Taxes | \$ 2,413,800 | \$ 2,646,095 | \$ 2,513,031 | \$ 2,464,015 | \$ 2,500,742 |
| 01-310-010 | Per Capita Tax - Current | \$ 30,000 | \$ 29,227 | \$ 27,000 | \$ 21,741 | \$ 27,000 |
| 01-310-030 | Per Capital Tax - Delinquent | 5,000 | 4,584 | 4,500 | 4,501 | 4,000 |
| 01-310-100 | Real Estate Transfer Tax | 200,000 | 291,138 | 210,000 | 647,234 | 250,000 |
| 01-310-200 | Earned Income Tax - Current | 1,050,000 | 1,058,711 | 680,000 | 588,412 | 973,376 |
| 01-310-300 | Earned Income Tax - Prior | - | 118,828 | 375,600 | 102,516 | 191,624 |
| 01-310-410 | Occupation Tax - Current | 58,000 | 57,095 | 57,500 | 42,736 | 50,000 |
| 01-310-430 | Occupation Tax - Prior | 10,000 | 10,757 | 10,000 | 10,332 | 10,000 |
| 01-310-600 | Local Services Tax - Current | 345,000 | 438,236 | 425,000 | 234,905 | 388,104 |
| 01-310-650 | Local Services Tax - Prior | - | 30,281 | 195,000 | 37,612 | 61,896 |
| | Act 511 Enabling Taxes | \$ 1,698,000 | \$ 2,038,857 | \$ 1,984,600 | \$ 1,689,989 | \$ 1,956,000 |

BUDGETED EXPENDITURES

| | FY 2018 | FY 2017 | % Change |
|-------------------------------|---------------------|---------------------|---------------|
| General Government | \$ 877,557 | \$ 869,500 | 0.93% |
| Public Safety | 2,654,625 | 2,645,010 | 0.36% |
| Protective Inspection | 314,216 | 293,677 | 6.99% |
| Planning and Zoning | 209,991 | 223,795 | -6.17% |
| Health and Welfare | 28,443 | 17,310 | 64.32% |
| Public Works | 1,169,259 | 1,123,073 | 4.11% |
| MS4 | 212,000 | 338,500 | -37.37% |
| Culture and Recreation | 818,640 | 886,200 | -7.62% |
| Debt Service | 465,978 | 440,538 | 5.77% |
| Taxes, Benefits, & Insurance | 47,600 | 65,044 | -26.82% |
| Interfund Operating Transfers | - | 81,000 | -100.00% |
| | <u>\$ 6,798,309</u> | <u>\$ 6,983,647</u> | <u>-2.65%</u> |

BUDGETED EXPENDITURES (CONTINUED)



BUDGET REVENUES VS. EXPENDITURES

REVENUES

\$6,798,309

EXPENDITURES

\$6,798,309

Balanced Budget for FY 2018

