

# Lower Swatara Township

## **Early Intervention Program Report**



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## CHAPTER 1 INTRODUCTION

In 2017, Lower Swatara Township, Dauphin County, received a grant from the Pennsylvania Department of Community and Economic and Development through the Early Intervention Program to conduct a management and financial audit and to prepare a five-year financial plan. The objective as stated in the Township's Request for Proposals was to "establish short and long-term management objectives as well as short and long-term financial objectives to strengthen the internal management structures of the Township, improve the Township's ability to provide necessary services, improve the Township's ability to increase non-tax revenues and ensure the long-term fiscal health of the Township through better management, cost-containment and economic growth." The Pennsylvania Economy League was selected to complete an Early Intervention Program Plan for the Township.

The current analysis involved a review of the municipality's year-end financial reports; independent audits; debt payment schedules; pension obligations; collective bargaining agreements; the Township's 2017 and 2018 budgets; other fiscal data; and other relevant information and factors that may affect the current and future financial condition of the Township, including socio-demographic data. In addition, PEL staff interviewed and held discussions with Township officials regarding the municipal information.

PEL acknowledges and appreciates the full cooperation of all who contributed in the preparation of this study including the elected officials, department heads and staff of Lower Swatara Township. Special thanks are extended to the current members of the Board of Commissioners: Jon G. Wilt, president; Todd F. Truntz, vice president; Ronald J. Paul, assistant secretary; Michael J. Davies and Christopher DeHart, and former commissioners Laddie J. Springer, and Benjamin C. Hall; and to Frank Lynch, interim Township manager. The analysis could not have been successfully completed without their assistance.

In the course of this project PEL:

- Analyzed the financial history of the Township from 2012 through 2016 focusing on such factors as revenues, expenditures, tax base, operating positions, and debt structure.
- Examined the Township's 2017 and 2018 budgets in relation to ongoing operations, collective bargaining agreements, other salary and benefit requirements, financial

inter-relationships among the component funds and other obligations of the Township.

- Projected, to the extent possible based on known factors and available data, revenues and expenditures for 2018 through 2022 assuming continuation of obligated levels of wages and operations, existing revenue patterns, and other operating trends.
- Performed an operational/management review of the Townships various departments, as well as reviews of labor, assets and debt.
- Developed recommendations for all departmental areas reviewed including finances, operations/management, labor, assets and debt.

## CHAPTER 2 GOVERNMENT STRUCTURE AND DEMOGRAPHICS

### Introduction

The existence of municipal governments in Pennsylvania is authorized by the Pennsylvania Constitution and state law. All land within the Commonwealth is incorporated by law as a municipality with its own government. There are three primary types or classifications of municipal governments: cities (of the first, second, or third class), boroughs and townships (of the first or second class).

Municipal governments in Pennsylvania are the principal providers of direct public services to citizens. Services often include, but are not limited to, police and fire protection; construction and maintenance of roadways and bridges; street lighting; parks and recreation facilities and programs; planning and zoning activities; enforcement of building and related codes; water treatment and distribution; sewage collection and treatment; storm water management; solid waste collection and disposal; and recycling collection.

### Lower Swatara Township Government

#### Location and Structure

Lower Swatara Township, Dauphin County is located in southcentral Pennsylvania approximately six miles outside of Harrisburg. The Township is 14.6 square miles. It is bordered by Middletown Borough, Highspire Borough, Steelton Borough, Swatara Township, Derry Township and Londonderry Township. The Susquehanna River (and York County) borders on the south and the Swatara Creek (Derry and Londonderry townships) on the east. Established by Presbyterians from Scotland and Ireland, followed by Germans, the Township's name is derived from the Native American language. The area in and around the Township was active in the Revolutionary War, with a group of men drawing up the Middletown Resolves — similar to the later Declaration of Independence — at the home of Colonel James Burd in 1774. The Township was originally part of Paxtang Township and then Swatara Township. Lower Swatara Township was incorporated from Swatara Township in 1961. The Township is home to the Harrisburg International Airport, Penn State Harrisburg, the Pennsylvania State Lottery Headquarters and the Pennsylvania Turnpike Commission.

Lower Swatara is a First Class Township operating under Pennsylvania's First Class Township Code. The Lower Swatara Board of Commissioners is comprised of five members who serve four-year terms. The Commissioners are charged with the general governance of the Township including the execution of legislative, executive and administrative powers in order to maintain good government and protect the safety and welfare of Township residents. The Commissioners adopt resolutions and ordinances, hire staff, establish fees and charges, adopt a budget and establish tax rates. In addition to the elected Commissioners, the Township has an elected treasurer.

An appointed township manager is the Township's chief administrative officer. The manager's responsibilities include informing and making recommendations to the Commissioners in the areas of personnel, finance and general administration. In addition, the manager prepares and submits the annual budget to the Commissioners and handles day-to-day Township administration.

#### Overview of Government Services, Staffing, Taxes, and Fees

In addition to the township manager, the Township administration includes a Director of Administration and an accountant. There is also a Director who oversees three professionals who carry out codes enforcement, planning, zoning and administrative functions.

The Township provides direct police protection to its residents with a Chief of Police and 13 full-time officers including three sergeants, two detectives and a school resources office, as well as an administrative assistant. Fire protection is provided by the volunteer Lower Swatara Fire Department and emergency management services are provided by the Life Lion Emergency Medical Services, which is operated by Hershey Medical Center.

Curbside recycling and trash collection are provided by third-party refuse collectors. Public works has 11 employees in addition to the Director, all responsible for maintaining the Township's recreational facilities and 50 miles of streets and related infrastructure. The Township Municipal Authority owns the sewage collection system and leases it to the Township, which charges a fee to residents for sewer collection. Treatment is handled by the Highspire, Middletown (Suez) and Southwest (Derry Township) treatment facilities. The Municipal Authority is managed by the Township manager and the Operations Manager who also serves as

the Public Works Director. Three public works employees perform Authority systems operations, and there is also an Authority administrative assistant.

Parks and recreation offerings are overseen by the Board of Commissioners and the Manager and with guidance from a five-member Township Recreation Board comprised of volunteers appointed by the Commissioners. The Township has a soccer field complex and six parks with amenities including baseball and softball fields, soccer fields, walking tracks, pavilions, playgrounds, basketball courts and tennis courts. The Township also participates in the newly constituted Middletown Area Recreation Alliance, or MARA, which replaces the former Olmsted Regional Recreation Board to provide various recreation and programs for all ages.

Township taxes in 2017 include a 4.376 mill real estate tax (3.25 for general purposes, 0.54 for debt service, 0.49 for fire equipment and buildings, and 0.096 for fire hydrants). The resident earned income tax received by the Township is 0.5 percent. Other taxes include a \$47 local services tax, a 0.5 percent realty transfer tax, a 100 mill occupation tax and a \$10 per capita tax. There is a street light assessment of \$1.75 per lineal front footage.

### Lower Swatara Township Demographics

#### Introduction

Demographics in Lower Swatara portrays a community that is fairly consistent with Dauphin County and the Commonwealth in terms of income and housing value levels — Township income is slightly higher and median housing values are somewhat lower. The greatest amount of population growth over the last 40 years was from 1970 to 1980, but population has also steadily increased since then. Much of the population growth since 1990 can be attributed to in-migration. The population since 1990 experienced a slight percentage decline in the under age 18 population and a fairly large increase in the over age 65 population of 72 percent. However, the working-age population also experienced growth. The community has a strong number of owner-occupied housing units (83 percent) compared to rental units (12 percent). Vacant housing units experienced a growth of almost 150 percent, although vacant units still represent only 5 percent of all housing units. The two trends of an increasing older population and a growing percentage of vacant units bear watching. The graying of the population could erode the working age population, which would result in less earned income tax. It also places more pressure on the Township to keep property taxes in check because of concerns about burdening property owners

on a fixed income. Larger numbers of vacant housing units, meanwhile, can result in lower property values and blight, which could ultimately impact the assessment value of the Township and hence negatively affect property values. Lower median housing values could also be seen as an opportunity to draw residents.

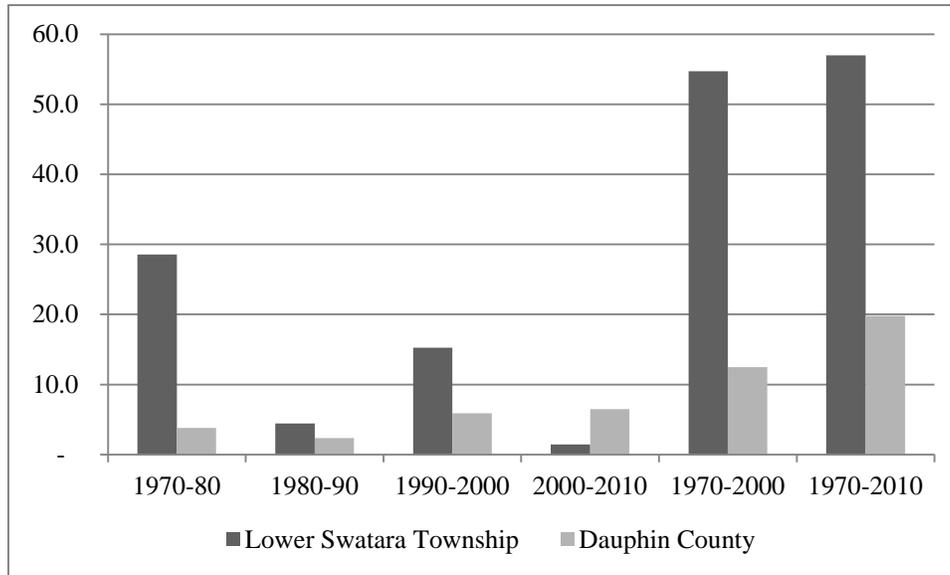
Population

The Township experienced the most significant population growth from 1970 to 1980 when the number of residents rose by 1,505, or 28.6 percent, from 5,267 in 1970 to 6,772 in 1980. The population has steadily grown since then. The change between 1970 and 2010 is an increase of 3,001 or 57.0 percent. The population in Dauphin County also increased throughout the historical review period, rising by 44,266, or 19.8 percent, from 223,834 in 1970 to 268,100 in 2010. The County’s largest population increase was from 2000 to 2010, when population grew by 16,302, or 6.5 percent. (See Table 2-1 and Graph 2-1.)

Table 2-1  
 LOWER SWATARA TOWNSHIP  
Population Trend  
 1970 to 2010

	1970	1980	1990	2000	2010	
<b>Lower Swatara Township</b>	5,267	6,772	7,072	8,149	8,268	
<b>Dauphin County</b>	223,834	232,317	237,813	251,798	268,100	
<b>Population Change</b>	<b>1970-80</b>	<b>1980-90</b>	<b>1990-2000</b>	<b>2000-2010</b>	<b>1970-2000</b>	<b>1970-2010</b>
<b>Lower Swatara Township</b>	1,505	300	1,077	119	2,882	3,001
<b>Dauphin County</b>	8,483	5,496	13,985	16,302	27,964	44,266
<b>% Change</b>	<b>1970-80</b>	<b>1980-90</b>	<b>1990-2000</b>	<b>2000-2010</b>	<b>1970-2000</b>	<b>1970-2010</b>
<b>Lower Swatara Township</b>	28.6	4.4	15.2	1.5	54.7	57.0
<b>Dauphin County</b>	3.8	2.4	5.9	6.5	12.5	19.8

Table 2-1  
 LOWER SWATARA TOWNSHIP  
% Population Change  
 1970 to 2010



Births, Deaths, and Population Change 1990 through 2014

Lower Swatara experienced a “natural” population growth of 346 from 1990 to 1999, while the total population change during that period was 1,077. That indicates a net in-migration of 731 individuals who moved into the Township, the largest from 1990 to 2015. In contrast, net in-migration fell from 2000 to 2009, indicating lost population of 31 from residents moving out of the Township. Comparing 1990 to 2015, the “natural” population change was an increase of 421, while net in-migration was a growth of 775. (See Table 2-2.)

Table 2-2  
 LOWER SWATARA TOWNSHIP  
Resident Births, Deaths and Population Trend  
 1970 to 2014

	1990 to 1999	2000 to 2009	2010 to 2015	1990 to 2015
<b>Births</b>	901	769	413	2,083
<b>Deaths</b>	555	619	488	1,662
<b>Natural Pop. Change</b>	346	150	-75	421
<b>Total Population (start)</b>	7,072	8,149	8,268	7,072
<b>Total Population (end)</b>	8,149	8,268	8,541	8,268
<b>Total Population Change</b>	1,077	119	273	1,196
<b>Less Natural Change</b>	346	150	-75	421
<b>Net Migration</b>	731	-31	348	775

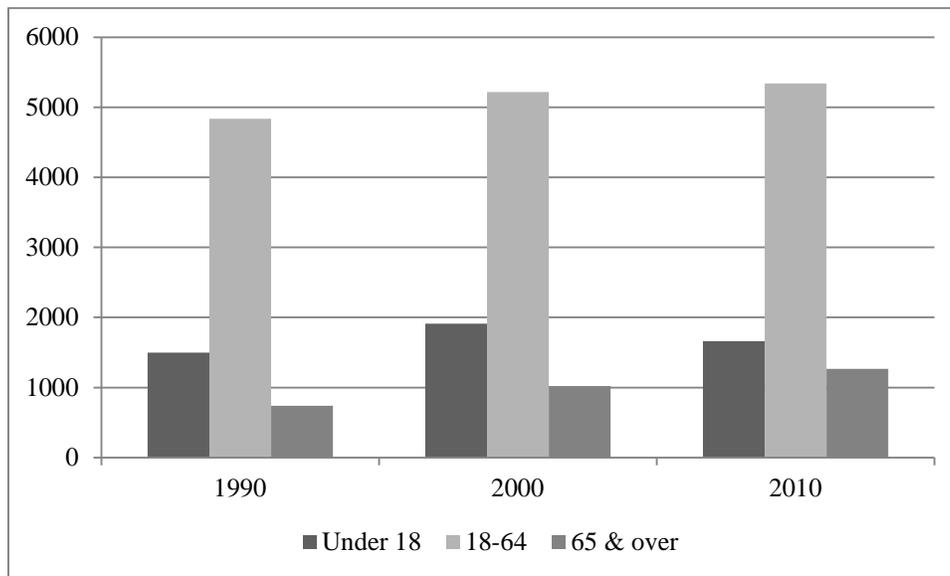
Population by Age Group

The largest percentage population growth by age from 1990 to 2010 came in the 65 and over category, which increased by 71.9 percent during the review period, rising from 737 in 1990 to 1,267 in 2010. The under age 18 population increased from 1,499 in 1990 to 1,660 in 2010, a growth of 10.7 percent, while the 18 to 64 population increased from 4,836 in 1990 to 5,341 in 2010, a growth of 10.4 percent. (See Table 2-3 and Graph 2-2.)

Table 2-3  
 LOWER SWATARA TOWNSHIP  
Population by Age  
 1990 to 2010

	1990		2000		2010		Change 1990 -2010	
	#	%	#	%	#	%	#	%
<b>Under 18</b>	<b>1,499</b>	21.2	<b>1,909</b>	23.4	<b>1,660</b>	20.1	161	10.7
<b>18-64</b>	<b>4,836</b>	68.4	<b>5,218</b>	64.0	<b>5,341</b>	64.6	505	10.4
<b>65 &amp; over</b>	<b>737</b>	10.4	<b>1,022</b>	12.5	<b>1,267</b>	15.3	530	71.9

Graph 2-2  
 LOWER SWATARA TOWNSHIP  
Population by Age  
 1990 to 2010



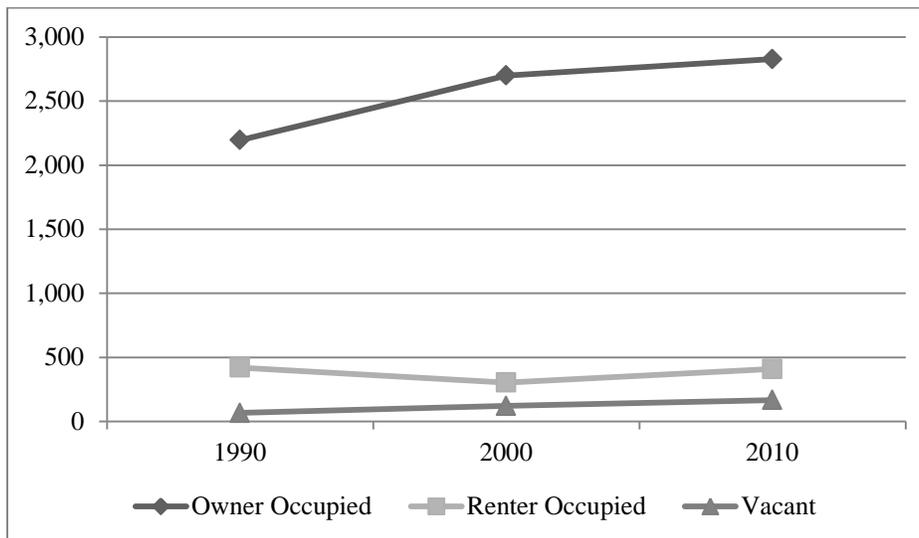
Housing Units

The total number of housing units in Lower Swatara Township increased from 1990 to 2010, rising by 26.8 percent from 2,683 in 1990 to 3,403 in 2010. The largest absolute growth was in owner-occupied housing, with 631 units added for an increase of 28.7 percent. Renter-occupied units declined by 11 or 2.6 percent. Owner-occupied units represented 81.8 percent of all housing units in 1990. By 2010, owner-occupied units made up 83.1 percent of all housing units, with renter-occupied units declining to 12.0 percent of the total and vacant units rising to 4.9 percent of the total. (See Table 2-4 and Graph 2-3.)

Table 2-4  
 LOWER SWATARA TOWNSHIP  
Owner, Renter, Vacant and Total Housing  
 1990 to 2010

	1990		2000		2010		Change 1990-2010	
	#	%	#	%	#	%	#	%
<b>Owner Occupied</b>	2,196	81.8	2,699	86.4	2,827	83.1	631	28.7
<b>Renter Occupied</b>	420	15.7	304	9.7	409	12.0	-11	-2.6
<b>Total Occupied</b>	2,616	97.5	3,003	96.1	3,236	95.1	620	23.7
<b>Vacant</b>	67	2.5	121	3.9	167	4.9	100	149.3
<b>Total Units</b>	2,683	100.0	3,124	100.0	3,403	100.0	720	26.8

Graph 2-3  
 LOWER SWATARA TOWNSHIP  
Total Housing Units  
Owner, Renter and Vacant Housing  
 1990 to 2010

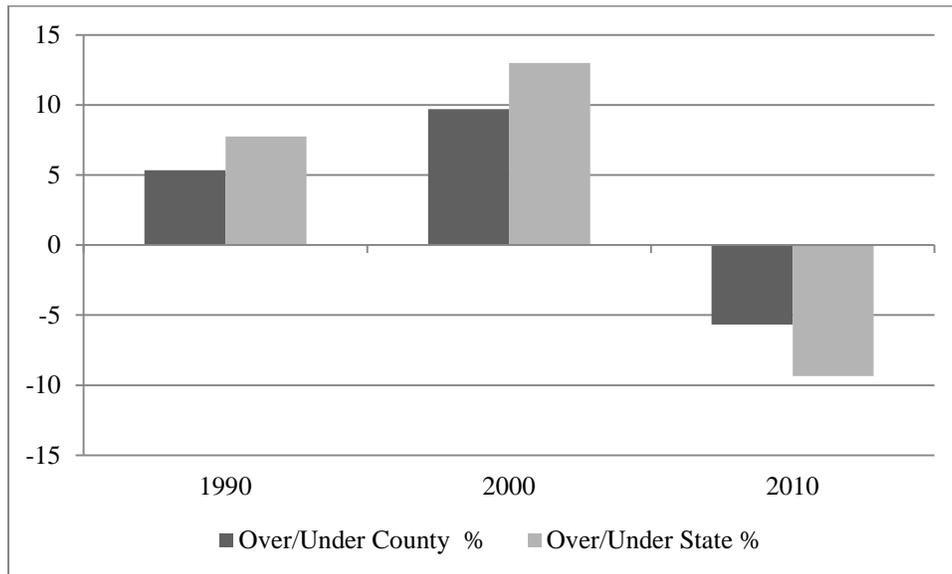


The Township’s median value of an owner-occupied house rose from \$75,100 in 1990 to \$144,400 in 2010, an increase of \$69,300 or 92.3 percent. Lower Swatara’s median housing value was above Dauphin County and the state in 1990 and 2000, but below that of Dauphin County and the state in 2010. Lower Swatara’s percentage increase in median value (92.3 percent) during that time period was below both the County (114.7 percent median value increase) and the state (128.6 percent). (See Table 2-5 and Graph 2-4.)

Table 2-5  
 LOWER SWATARA TOWNSHIP  
 Median Value of Owner Occupied House  
 1990 to 2010

	1990	2000	2010	Change 1990 - 2010	
				\$	%
<b>Lower Swatara Township</b>	<b>\$75,100</b>	<b>\$109,600</b>	\$144,400	<b>69,300</b>	<b>92.3</b>
<b>Dauphin County</b>	\$71,300	\$99,900	\$153,100	<b>81,800</b>	114.7
<b>Pennsylvania</b>	\$69,700	\$97,000	\$159,300	<b>89,600</b>	128.6

Graph 2-4  
 LOWER SWATARA TOWNSHIP  
 Median Value of Owner Occupied House  
 Compared to Dauphin County and Pennsylvania  
 1990 to 2010



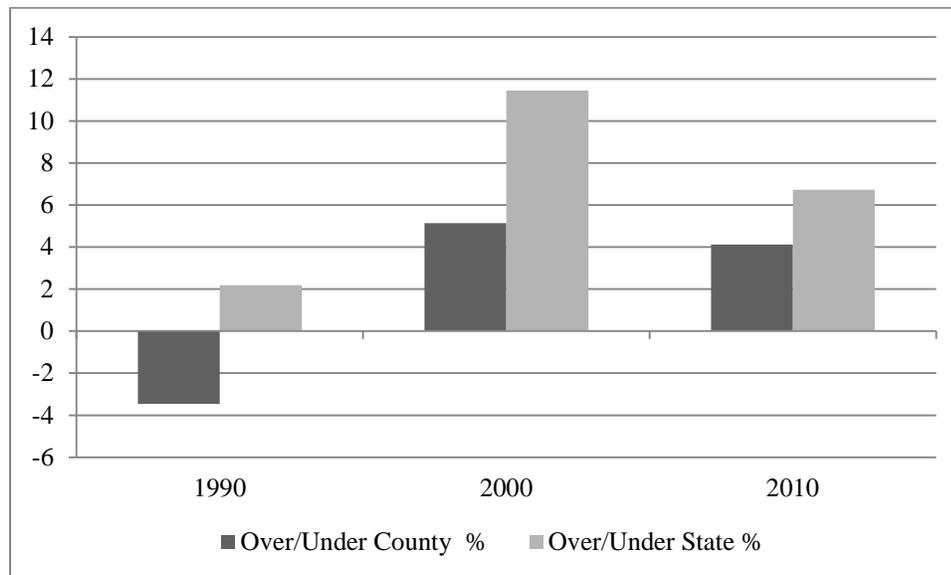
Income Measures

For the most part, Lower Swatara’s per capita income was slightly higher than that of Dauphin County and the state from 1990 to 2010. Median per capita income increased by \$14,495 or 100.8 percent, from \$14,375 in 1990 to \$28,870 in 2010. Meanwhile, Dauphin County’s per capita median income rose to \$27,727, an increase of \$12,837 or 86.2 percent, and the state’s grew to \$27,049, an increase of \$12,981 or 92.3 percent. (See Table 2-6 and Graph 2-5.)

Table 2-6  
 LOWER SWATARA TOWNSHIP  
Per Capita Income  
 1990 to 2010

	1990	2000	2010	Change 1990 - 2010	
				\$	%
<b>Lower Swatara Township</b>	<b>\$14,375</b>	<b>\$23,271</b>	\$28,870	<b>14,495</b>	<b>100.8</b>
<b>Dauphin County</b>	<b>\$14,890</b>	\$22,134	\$27,727	12,837	86.2
<b>Pennsylvania</b>	\$14,068	\$20,880	\$27,049	12,981	92.3

Graph 2-5  
 LOWER SWATARA TOWNSHIP  
Per Capita Income  
Compared to Dauphin County and Pennsylvania  
 1990 to 2010

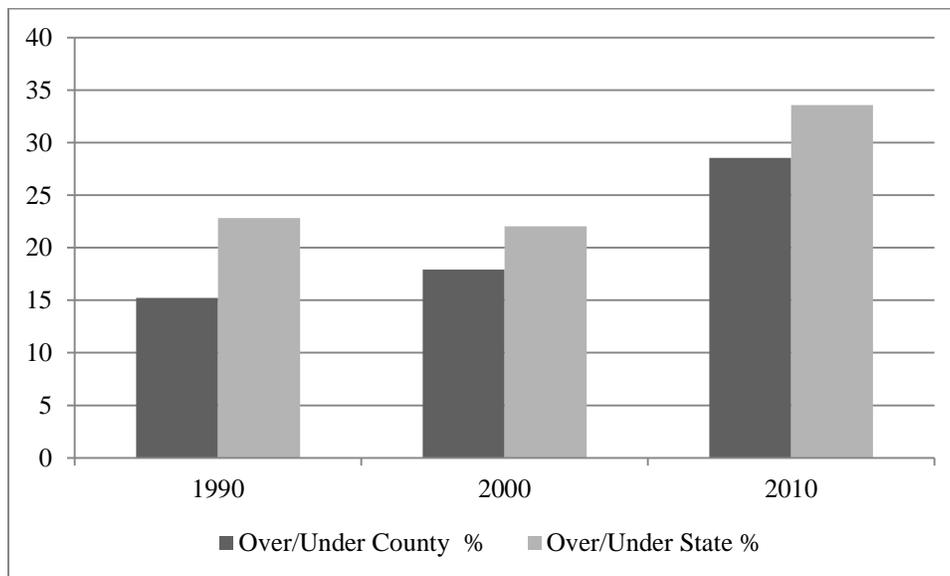


Median household income in Lower Swatara Township increased from \$35,700 in 1990 to \$67,321 in 2010, a growth of \$31,621 or 88.6 percent. During the same period, median household income in Dauphin County rose from \$30,985 to \$52,371, a 69 percent increase. For Pennsylvania, median household income grew from \$29,069 to \$50,398 in 2010 or 73 percent. (See Table 2-7 and Graph 2-6.)

Table 2-7  
 LOWER SWATARA TOWNSHIP  
Median Household Income  
 1990 to 2010

	1990	2000	2010	Change 1990-2015	
				\$	%
<b>Lower Swatara Township</b>	<b>\$35,700</b>	<b>\$48,940</b>	<b>\$67,321</b>	<b>31,621</b>	<b>88.6</b>
<b>Dauphin County</b>	\$30,985	\$41,507	\$52,371	<b>21,386</b>	69.0
<b>Pennsylvania</b>	\$29,069	\$40,106	\$50,398	<b>21,329</b>	73.4

Graph 2-6  
 LOWER SWATARA TOWNSHIP  
Median Household Income  
Compared to Dauphin County and Pennsylvania  
 1990 to 2010



CHAPTER 3  
HISTORICAL FINANCIAL REVIEW  
2012 to 2016  
2017 Estimated to Budget

The Township performed well financially throughout the historical review period, with surpluses recorded every year with the exception of 2016. However, as discussed later in this chapter, the 2016 deficit disappears when adjusted for Capital Reserve Fund transfers and surpluses in other years become larger. The favorable financial situation also came in the wake of a general purpose millage increase in 2013 that raised property tax revenue by almost 50 percent by 2016. The Township also saw increases in earned income, local services and realty transfer tax revenue during the historical review period. Expenditures were fairly stable. Large cost fluctuations from year to year were often related to one-time capital expenses — often offset by grants and other one-time issues, such as recording the pension payment in the general fund for 2016 as opposed to the Pension Fund.

Methodology

PEL compiled this historical review of the Township’s General Fund through analysis of year-end financial reports, independent audits, annual budgets, debt obligation documents, salary and benefit data, pension obligations and other financial obligations, as well as interviews with Township officials.

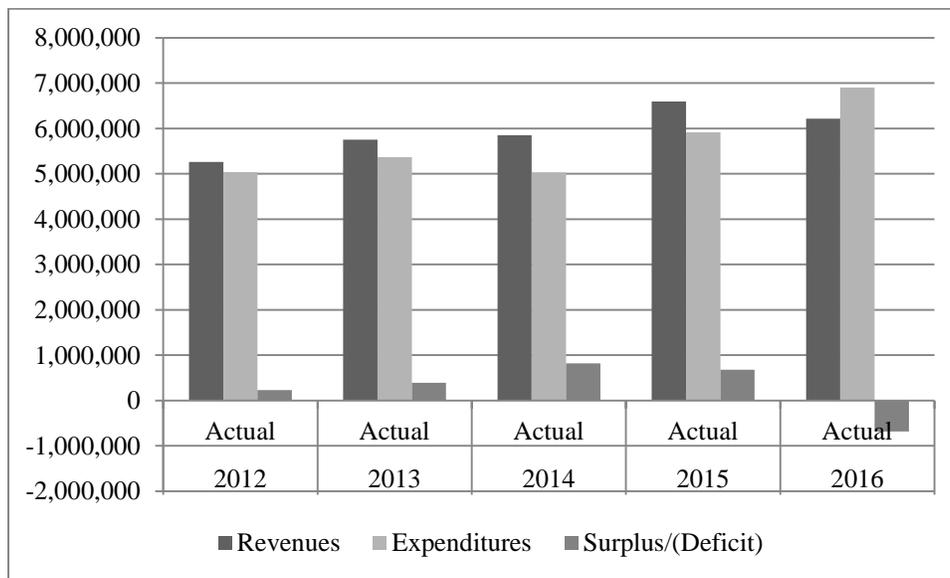
2012 - 2016 General Fund Revenues and Expenditures

Revenues during the historical review period steadily grew from \$5.3 million in 2012 to \$6.2 million in 2016 with property tax millage increases in 2013 and 2015. The revenue change between 2012 and 2016 was an increase of \$954,522 or 18.1 percent. Expenditures increased each year with the exception of 2014, rising from \$5.0 million in 2012 to \$6.9 million in 2016. The expenditure change from 2012 to 2016 was an increase of almost \$1.9 million or 37.1 percent. The Township experienced surpluses from 2012 to 2015 ranging from a low of \$229,657 in 2012 to a high of \$817,204 in 2014. In 2016, the Township had a deficit of \$681,971. (Table 3-1 and Graph 3-1.)

Table 3-1  
 LOWER SWATARA TOWNSHIP  
General Fund Revenues, Expenditures and Surplus/(Deficit)  
 2012 to 2016

	2012	2013	2014	2015	2016	Change 2012 - 2016	
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	\$	%
<b>Revenues</b>	\$5,264,269	\$5,755,557	\$5,849,461	\$6,593,292	\$6,218,791	954,522	18.1
<b>Expenditures</b>	<u>5,034,612</u>	<u>5,363,784</u>	<u>5,032,257</u>	<u>5,915,313</u>	<u>6,900,762</u>	1,866,151	37.1
<b>Surplus/(Deficit)</b>	<b>\$229,657</b>	<b>\$391,773</b>	<b>\$817,204</b>	<b>\$677,979</b>	<b>-\$681,971</b>		

Graph 3-1  
 LOWER SWATARA TOWNSHIP  
General Fund Revenues, Expenditures and Surplus/(Deficit)  
 2012 to 2016



The Capital Reserve Fund

For much of the historical review period, the Township transferred money from the General Fund to the Capital Reserve Fund, which appears to act as a Township investment fund. The Capital Reserve Fund currently has a cash balance of \$996,732 and approximately \$2 million in a Certificate of Deposit (CD). Much of the money transferred into Capital Reserve was moved from a General Fund investment account — including \$800,000 in 2016 — rather than from General Fund annual revenues. However, in at least one year, 2015, the Township made monthly transfers of \$11,381 from General Fund annual revenues to the Capital Reserve Fund, totaling \$136,578 for that year. PEL was unable to clearly track all the sources of the monies placed in the fund or the reason for placing them in the Capital Reserve Fund. These transfers

have implications for the Township in this report because they reduce the General Fund’s bottom line. In the case of the 2016 transfer, the result is that the General Fund shows a deficit. Adding the transfers back to the General Fund increases annual surpluses from 2013 to 2015 and results in a surplus for 2016. It is also noted that the Township transfers money back from the Capital Reserve Fund to the General Fund in 2017 and 2018. (See Table 3-2.)

Table 3-2  
 LOWER SWATARA TOWNSHIP  
General Fund Revenues, Expenditures and Surplus/(Deficit)  
 2012 to 2016

	2012	2013	2014	2015	2016
<b>General Fund Surplus/(Deficit)</b>	\$229,657	\$391,773	\$817,204	\$677,979	-\$681,971
<b>Add back to General Fund: Capital Reserve Transfer</b>	—	476,509	143,743	815,228	800,000
<b>Adjusted General Fund Surplus/(Deficit)</b>	<b>\$229,657</b>	<b>\$868,282</b>	<b>\$960,947</b>	<b>\$1,493,207</b>	<b>\$118,029</b>

Revenue Components

The Township receives the bulk of its General Fund revenue from taxes, ranging from 66.0 percent to 76.2 percent of total revenues from 2012 to 2016. Tax revenue rose from \$3.5 million in 2012 to \$4.7 million in 2016, an increase of \$1.2 million or 34.8 percent.

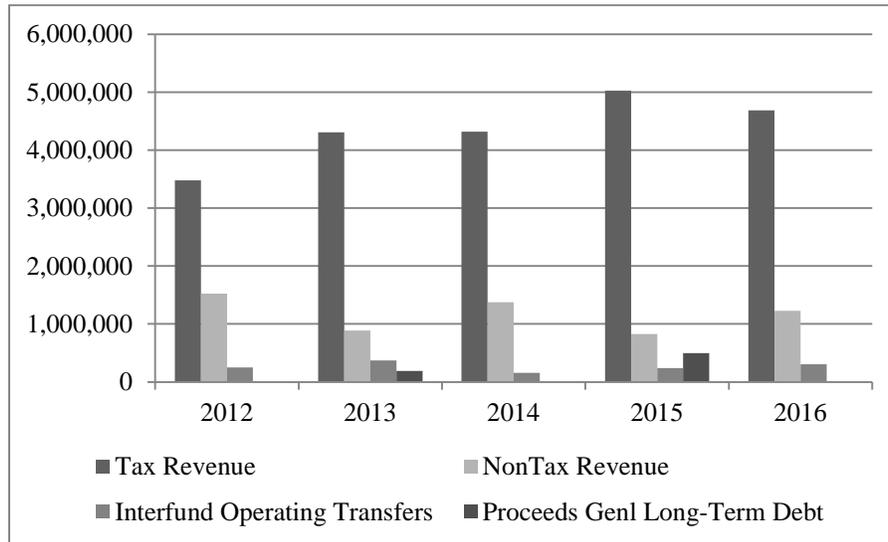
Non-tax revenue (business licenses and permits, local government grants and public safety disbursements, for example) varied from 12.6 percent to 28.9 percent of total revenues. Non-tax revenue fluctuated throughout the historical review period, declining from \$1.5 million in 2012 to \$889,815 in 2013. In 2014, non-tax revenue rose to almost \$1.4 million but then fell again in 2015 to \$829,228. Non-tax revenue was \$1.2 million in 2016. The change from 2012 to 2016 was a drop of \$296,309 or 19.5 percent.

Interfund transfers fluctuated significantly, ranging from a high of \$371,245 in 2013 to a low of \$155,630 in 2014. Most transfers were from the Highway Aid Fund (state liquid fuels revenue): 2012, \$149,861; 2013, \$271,245; 2014, \$70,086; 2015, \$238,430; and 2016, \$307,177. Other transfers included \$100,000 from the Recreation Fund in 2012 and \$100,000 from the Capital Improvement fund in 2013. Proceeds from long-term debt include \$15,112 in 2012 and \$187,919 in 2013 for equipment leases and \$500,000 in 2015 for the Richardson Road Bridge. (See Table 3-3 and Graphic 3-2.)

Table 3-3  
 LOWER SWATARA TOWNSHIP  
General Fund Total Revenues  
 2012 to 2016

	2012	2013	2014	2015	2016	Change 2012 - 2016	
<u>Revenue</u>	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	\$	%
<b>Tax Revenue</b>	\$3,476,325	\$4,306,579	\$4,318,858	\$5,025,633	\$4,684,952	1,208,627	34.8
<b>Non-Tax Revenue</b>	1,522,971	889,815	1,374,974	829,228	1,226,662	-296,309	-19.5
<b>Interfund Operating Transfers</b>	249,861	371,245	155,630	238,430	307,177	57,316	22.9
<b>Proceeds Genl Long-Term Debt</b>	15,112	187,919	0	500,000	0	-15,112	-100.0
<b>Total Revenue</b>	<b>\$5,264,269</b>	<b>\$5,755,557</b>	<b>\$5,849,461</b>	<b>\$6,593,292</b>	<b>\$6,218,791</b>	<b>954,522</b>	<b>18.1</b>
<u>Revenue</u>	<u>Percent of Total Revenue</u>						
<b>Tax Revenue</b>	66.0	74.8	73.8	76.2	75.3		
<b>Non-Tax Revenue</b>	28.9	15.5	23.5	12.6	19.7		
<b>Interfund Operating Transfers</b>	4.7	6.5	2.7	3.6	4.9		
<b>Proceeds Genl Long-Term Debt</b>	0.3	3.3	0.0	7.6	0.0		
<b>Total Revenue</b>	100.0	100.0	100.0	100.0	100.0		

Graphic 3-2  
 LOWER SWATARA TOWNSHIP  
General Fund Total Revenues  
 2012 to 2016



Real Estate Market Value and Assessed Value

Dauphin County underwent its last reassessment in 2001. As a result, the Township’s assessed value increased in 2002 by approximately \$239 million or 78.5 percent, while market value as estimated by the State Tax Equalization Board (STEB) grew by 11.7 percent. Prior to the reassessment, County assessed value was 71.3 percent of STEB market value. Following the

reassessment, assessed value was 114.0 percent of market value. Assessed value remained above market value until 2006, when it fell to 99.7 percent of market value. In 2016, assessed value was only 77.8 percent of market value. Assessed value declined slightly in 2011— as did market value — and in 2012. From 2001 to 2016, assessed value grew by 126.9 percent compared to market value growth of 107.9 percent. However, assessed value increased by only 27.1 percent from 2002 to 2016 compared to an increase in market value of 86.2 percent. Accurate, up-to-date assessments allow the Township to capture market value growth that can lessen the need to raise taxes. (See Table 3-4.)

Table 3-4  
 LOWER SWATARA TOWNSHIP  
Market Value and Assessed Value  
 2001 to 2015

	Market Value	Change	% Change	Assessed Value	Change	% Change	Ratio of Assessed To Market Value
2001	\$426,134,700			\$303,925,300			71.3%
2002	475,806,500	49,671,800	11.7	542,454,900	238,529,600	78.5	114.0%
2003	493,369,400	17,562,900	3.7	556,168,600	13,713,700	2.5	112.7%
2004	532,423,300	39,053,900	7.9	561,074,000	4,905,400	0.9	105.4%
2005	544,377,900	11,954,600	2.2	574,752,500	13,678,500	2.4	105.6%
2006	582,413,500	38,035,600	7.0	580,551,700	5,799,200	1.0	99.7%
2007	600,229,700	17,816,200	3.1	595,286,700	14,735,000	2.5	99.2%
2008	656,336,255	56,106,555	9.3	609,991,900	14,705,200	2.5	92.9%
2009	666,125,769	9,789,514	1.5	617,037,400	7,045,500	1.2	92.6%
2010	738,050,102	71,924,333	10.8	641,851,200	24,813,800	4.0	87.0%
2011	727,713,742	-10,336,360	-1.4	634,275,200	-7,576,000	-1.2	87.2%
2012	775,740,537	48,026,795	6.6	633,465,100	-810,100	-0.1	81.7%
2013	785,066,728	9,326,191	1.2	641,333,200	7,868,100	1.2	81.7%
2014	804,363,946	19,297,218	2.5	645,934,800	4,601,600	0.7	80.3%
2015	840,576,939	36,212,993	4.5	665,770,400	19,835,600	3.1	79.2%
2016	\$885,840,594	\$45,263,655	5.4	\$689,550,200	\$23,779,800	3.6	77.8%
<b>Change 2001 - 2016</b>		<b>\$459,705,894</b>	<b>107.9</b>		<b>\$385,624,900</b>	<b>126.9</b>	
<b>Change 2002 - 2016</b>		<b>\$410,034,094</b>	<b>86.2</b>		<b>\$147,095,300</b>	<b>27.1</b>	

Real Estate Taxes

Real estate taxes are the Township’s largest source of revenue, averaging more than half of General Fund total taxes annually throughout the historical review period. The Township levies real property millages for general purpose, debt service, fire hydrants and fire equipment

and fire houses. General purpose millage was increased from 2.5 mills to 3.25 mills in 2013, while fire equipment and fire houses millage rose from 0.27 mills to 0.49 mills. The hikes were the result of unfunded pension liability, the cost of mandated pollution controls for the Chesapeake Bay, and the need to upgrade public works equipment, according to the Township’s audit. In 2015, debt millage was increased from 0.50 mills to 0.54 mills and millage for fire hydrants was reduced from 0.136 mills to 0.096 mills. The total property tax millage remained at 4.376 mills in 2016. Total general purpose real estate millage generated approximately \$1.8 million in 2012 compared to \$2.6 million in 2016, an increase of \$870,853 or 49.1 percent. Revenue from the debt service millage is recorded in the Capital Improvement Fund. (See Table 3-5.)

Table 3-5  
 LOWER SWATARA TOWNSHIP  
Total Tax Revenue by Source  
 2012 to 2016

	2012	2013	2014	2015	2016	Change 2012 - 2016		
<u>Tax Revenue</u>	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	\$	%	
<b>Real Property Taxes</b>	\$1,775,243	\$2,363,634	\$2,402,769	\$2,487,252	\$2,646,095	870,853	49.1	
<b>Earned Income Tax</b>	1,119,335	1,117,656	1,107,381	1,140,875	1,177,539	58,204	5.2	
<b>Local Services Tax</b>	321,358	343,011	351,966	636,627	468,516	147,159	45.8	
<b>Real Estate Transfer Tax</b>	130,725	358,999	341,642	654,400	291,138	160,413	122.7	
<b>Occupation Tax</b>	87,203	82,274	77,252	71,676	67,852	-19,351	-22.2	
<b>Per Capita Tax</b>	<u>42,462</u>	<u>41,005</u>	<u>37,848</u>	<u>34,803</u>	<u>33,811</u>	-8,650	-20.4	
<b>Total Tax Revenue</b>	<b>\$3,476,325</b>	<b>\$4,306,579</b>	<b>\$4,318,858</b>	<b>\$5,025,633</b>	<b>\$4,684,952</b>	<b>1,208,627</b>	<b>34.8</b>	
<b>Tax Revenue</b>	Percent of Tax Revenue							
<b>Real Property Taxes</b>	51.1	54.9	55.6	49.5	56.5			
<b>Earned Income Tax</b>	32.2	26.0	25.6	22.7	25.1			
<b>Local Services Tax</b>	9.2	8.0	8.1	12.7	10.0			
<b>Real Estate Transfer Tax</b>	3.8	8.3	7.9	13.0	6.2			
<b>Occupation Tax</b>	2.5	1.9	1.8	1.4	1.4			
<b>Per Capita Tax</b>	<u>1.2</u>	<u>1.0</u>	<u>0.9</u>	<u>0.7</u>	<u>0.7</u>			
<b>Total Tax Revenue</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>			

Act 511 Taxes

The Township levies a 1.0 percent Earned Income Tax (EIT), which is evenly split with the Middletown Area School District, leaving the Township with an actual collection of 0.5 percent of EIT. The Township levies a \$52 Local Services Tax (LST), of which the school

district receives \$5. The Township also charges a 0.5 percent realty transfer tax, a \$10 per capita tax and a \$25 per capita occupation tax.

EIT is the Township's second most productive tax, averaging approximately one-quarter of General Fund total taxes. EIT grew from \$1.1million in 2012 to almost \$1.2 million in 2016. The EIT change from 2012 to 2016 was an increase of \$58,204 or 5.2 percent.

The LST accounts for 8.0 percent to 12.7 percent of General Fund total taxes. LST rose significantly from \$351,966 in 2014 to \$636,627 in 2015 due to a large LST settlement that included back taxes, and then fell to \$468,516 in 2016. Real estate transfer taxes fluctuated based on property sales in the township, ranging from a low of \$130,725 in 2012 to a high of \$654,400 in 2015. Revenue from both the occupation and per capita taxes declined during the historical review period but represent less than 5 percent of total tax revenues.

### Non-Tax Revenue

The Township's main sources of non-tax revenue are business licenses and permits, local government grants and public safety disbursements. Business license and permits includes the Susquehanna Area Regional Airport Authority (SARAA) parking tax, which averaged approximately \$200,000 annually. The tax is paid by parkers at the Harrisburg International Airport, with Lower Swatara receiving 26.4 percent of the total tax and the Middletown Area School District collecting the rest. Franchise fees from cable television are the other major revenue source for this category, with the amount rising from \$135,340 in 2012 to \$170,868 in 2016. Overall, the business license and permits category grew from \$344,582 in 2012 to \$394,745 in 2016, an increase of \$50,163 or 14.6 percent. Local government grants fluctuated depending on the type of grants received that year. The Township receives funds consistently in this category for providing a school resource officer, although the actual amount varied from a high of \$85,561 in 2013 to a low of \$53,742 in 2015. Solid waste recycling grants were recorded every year except for 2014. Amounts ranged from \$15,773 in 2013 to \$30,134 in 2015 (amount for 2015 might include the 2014 funds). Other grants for 2012 included \$71,969 for the South Central Task Force (a regional emergency preparedness organization), \$349,142 for the Meade Avenue project and \$189,838 in other miscellaneous grants. The Township also received \$51,913 for the South Central Task Force in 2013, a \$68,836 County grant in 2015, and a \$25,071 comprehensive plan grant in 2016, in addition to miscellaneous grants of \$20,302 and

\$57,809 in 2015 and 2016, respectively. The public safety category contains several permit fee revenue streams that vary annually. The bulk of permit revenue is from building permits. Miscellaneous revenue in 2016 includes state pension aid of \$236,231 that is normally recorded in the pension fund, a \$130,948 Benecon health insurance reimbursement and \$57,482 in fire department state aid, as well as miscellaneous revenue. (See Table 3-6.)

Table 3-6  
 LOWER SWATARA TOWNSHIP  
 Total Non-Tax Revenues  
 2012 to 2016

	2012	2013	2014	2015	2016	Change 2012 - 2016	
<b>Nontax Revenue</b>	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	\$	%
<b>Business Licenses &amp; Permits</b>	\$344,582	\$358,431	\$366,245	\$362,487	\$394,745	50,163	14.6
<b>Non Business License &amp; Permits</b>	2,267	1,398	4,084	3,374	1,256	-1,011	-44.6
<b>Fines</b>	51,667	53,458	90,095	55,933	43,956	-7,712	-14.9
<b>Interest Earnings</b>	2,005	3,019	7,490	7,696	7,450	5,445	271.6
<b>Rents And Royalties</b>	25	50	0	150	425	400	1,600.0
<b>St Shared Rev &amp; Entitlements</b>	6,629	6,368	7,465	8,868	5,295	-1,335	-20.1
<b>Local Govt Cap &amp; Oper Grants</b>	706,367	154,595	67,148	173,013	158,646	-547,721	-77.5
<b>General Government Fees</b>	78,386	61,852	49,446	50,737	85,189	6,803	8.7
<b>Public Safety</b>	282,710	192,678	681,727	110,432	46,204	-236,506	-83.7
<b>Highway And Streets</b>	42,602	43,702	45,537	38,069	33,151	-9,451	-22.2
<b>Health And Sanitation</b>	743	-1,046	193	1,720	134	-609	-82.0
<b>Miscellaneous Revenue</b>	2,031	9,738	310	3,430	441,008	438,976	21,611.1
<b>Refunds Prior Yr Expenditures</b>	691	159	797	0	0	-691	-100.0
<b>Proceeds-Genl Fixed Asset Disp</b>	1,080	1,000	41,185	12,408	6,792	5,712	528.9
<b>Contributions And Donations</b>	<u>1,184</u>	<u>4,411</u>	<u>13,250</u>	<u>911</u>	<u>2,411</u>	<u>1,227</u>	<u>103.6</u>
<b>Total Non-Tax Revenue</b>	<b>\$1,522,971</b>	<b>\$889,815</b>	<b>\$1,374,974</b>	<b>\$829,228</b>	<b>\$1,226,662</b>	<b>-296,309</b>	<b>-19.5</b>
<b>Nontax Revenue</b>	Percent of Nontax Revenue						
<b>Business Licenses &amp; Permits</b>	22.6	40.3	26.6	43.7	32.2		
<b>Non Business License &amp; Permits</b>	0.1	0.2	0.3	0.4	0.1		
<b>Fines</b>	3.4	6.0	6.6	6.7	3.6		
<b>Interest Earnings</b>	0.1	0.3	0.5	0.9	0.6		
<b>Rents And Royalties</b>	0.0	0.0	0.0	0.0	0.0		
<b>St Shared Rev &amp; Entitlements</b>	0.4	0.7	0.5	1.1	0.4		
<b>Local Govt Cap &amp; Oper Grants</b>	46.4	17.4	4.9	20.9	12.9		
<b>General Government Fees</b>	5.1	7.0	3.6	6.1	6.9		
<b>Public Safety</b>	18.6	21.7	49.6	13.3	3.8		
<b>Highway And Streets</b>	2.8	4.9	3.3	4.6	2.7		
<b>Health And Sanitation</b>	0.0	-0.1	0.0	0.2	0.0		
<b>Miscellaneous Revenue</b>	0.1	1.1	0.0	0.4	36.0		
<b>Refunds Prior Yr Expenditures</b>	0.0	0.0	0.1	0.0	0.0		
<b>Proceeds-Genl Fixed Asset Disp</b>	0.1	0.1	3.0	1.5	0.6		
<b>Contributions And Donations</b>	<u>0.1</u>	<u>0.5</u>	<u>1.0</u>	<u>0.1</u>	<u>0.2</u>		
<b>Total Non-Tax Revenue</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>		

Expenditures

Personnel versus Non-Personnel

Personnel expenditures make up over half of the Township’s total expenditures. Personnel costs dropped slightly from \$3.0 million in 2012 to \$2.9 million in 2013, and then steadily grew to reach \$3.5 million in 2016. The change from 2012 to 2016 was an increase of \$471,188 or 15.5 percent. Non-personnel costs accounted for approximately one-third of expenses but showed the largest growth, rising from almost \$1.7 million in 2012 to \$2.4 million in 2016, an increase of \$773,660 or 46.5 percent. Debt service declined during the historical review period. The change from 2012 to 2016 was a drop of \$28,698 or 26.6 percent. Transfers to other funds fluctuated from a low of \$224,743 in 2014 to a high of \$947,228 in 2015. The Township transferred money each year to the Capital Improvement Fund as follows: \$81,000, 2012; \$181,000, 2013; \$81,000, 2014; \$132,000, 2015; and \$81,000, 2016. Transfers to the Capital Reserve Fund include: \$476,509, 2013; \$143,743, 2014; \$136,578 and \$678,650, 2015; and \$800,000, 2016. In addition, the Township transferred \$50,000 to the Highway Aid Fund and \$100,000 to the Recreation Development Fund in 2012. (See Table 3-7.)

Table 3-7  
 LOWER SWATARA TOWNSHIP  
Personnel versus Non-Personnel Expenditures  
 2012 to 2016

	2012	2013	2014	2015	2016	Change 2012 - 2016	
Category	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	\$	%
<b>Personnel</b>	\$3,030,946	\$2,912,887	\$3,071,470	\$3,115,763	\$3,502,134	471,188	15.5
<b>Non-Personnel</b>	1,664,735	1,689,510	1,629,239	1,802,156	2,438,395	773,660	46.5
<b>Debt Service</b>	107,931	103,878	106,805	50,167	79,233	-28,698	-26.6
<b>Transfers</b>	<u>231,000</u>	<u>657,509</u>	<u>224,743</u>	<u>947,228</u>	<u>881,000</u>	<u>650,000</u>	<u>281.4</u>
<b>Total Expenditures</b>	<b>\$5,034,612</b>	<b>\$5,363,784</b>	<b>\$5,032,257</b>	<b>\$5,915,313</b>	<b>\$6,900,762</b>	<b>1,866,151</b>	<b>37.1</b>
<b>Category</b>	Percent of Total						
<b>Employee</b>	60.2	54.3	61.0	52.7	50.7		
<b>Nonemployee</b>	33.1	31.5	32.4	30.5	35.3		
<b>Debt Service</b>	2.1	1.9	2.1	0.8	1.1		
<b>Transfers</b>	4.6	12.3	4.5	16.0	12.8		
<b>Total Expenditures</b>	100.0	100.0	100.0	100.0	100.0		

Personnel

The majority of the Township’s day-to-day expenses are related to personnel including salaries and wages (56 percent to 61 percent of total), benefits (16.0 percent to 25 percent of total) and pension (2.3 percent to 13.7 percent). Pension showed the most growth, rising fairly steadily from \$69,069 in 2012 to \$478,319 in 2016, an increase of \$409,250 or 592.5 percent. However, the large jump in 2016 was due to the fact that state pension aid was recorded in the General Fund that year and was then moved to the Pension Fund. Previously, state pension aid was placed directly in the Pension Fund. Salary and wages — the largest expenditure category — rose from approximately \$1.8 million in 2012 to almost \$2.0 million in 2016. The change from 2012 to 2016 was an increase of \$183,238 or 10.3 percent. The cost of benefits fell over the historical review period from a high of \$746,199 in 2012 to \$556,361 in 2016, a decrease of \$189,839 or 25.4 percent. Overtime was approximately five percent of expenditures, fluctuating from a high of \$217,355 in 2016 to a low of \$132,525 in 2014. (See Table 3-8.)

Table 3-8  
 LOWER SWATARA TOWNSHIP  
Personnel Expenditures  
 2012 to 2016

	2012	2013	2014	2015	2016	Change 2012 - 2016	
Category	Actual	Actual	Actual	Actual	Actual	\$	%
Salary & Wages	\$1,777,669	\$1,690,670	\$1,860,666	\$1,895,374	\$1,960,907	183,238	10.3
Overtime	156,414	189,337	132,525	150,433	217,355	60,941	39.0
FICA	181,207	172,542	175,220	183,008	186,444	5,237	2.9
Benefits	746,199	542,500	662,494	559,265	556,361	-189,839	-25.4
Pension	69,069	207,806	173,580	253,910	478,319	409,250	592.5
Workers Comp	83,674	73,001	45,607	58,872	73,395	-10,279	-12.3
Uniform	16,714	37,030	21,378	14,901	29,353	12,640	75.6
<b>Total Personnel</b>	<b>\$3,030,946</b>	<b>\$2,912,887</b>	<b>\$3,071,470</b>	<b>\$3,115,763</b>	<b>\$3,502,134</b>	<b>471,188</b>	<b>15.5</b>
	<u>Percent of Employee Expenditures</u>						
Salary & Wages	58.7	58.0	60.6	60.8	56.0		
Overtime	5.2	6.5	4.3	4.8	6.2		
FICA	6.0	5.9	5.7	5.9	5.3		
Benefits	24.6	18.6	21.6	17.9	15.9		
Pension	2.3	7.1	5.7	8.1	13.7		
Workers Comp	2.8	2.5	1.5	1.9	2.1		
Uniform	0.6	1.3	0.7	0.5	0.8		
<b>Total Personnel</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>		

### Non-Personnel

Other than contributions and capital, the largest non-personnel expenditures are engineering and materials and supplies. Engineering costs grew from \$12,375 in 2012 to \$247,647 in 2016, a change of \$235,272. Materials and supplies, which include expenses for snow and ice removal and highway construction and repair, among other items, varied throughout the historical review period from a high of \$378,514 in 2016 to a low of \$186,764 in 2012, a difference of \$191,750 or 102.7 percent. Other non-personnel expenditures are approximately five percent or less of total non-personnel expenditures. (See Table 3-9.)

Table 3-9  
 LOWER SWATARA TOWNSHIP  
Non-Personnel Expenditures  
 2012 to 2016

	2012	2013	2014	2015	2016	Change 2012 - 2016		
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	\$	%	
<b>Engineering</b>	\$12,375	\$61,656	\$89,739	\$146,870	\$247,647	235,272	1,901.2	
<b>Fuel</b>	76,223	64,157	66,928	41,615	33,096	-43,126	-56.6	
<b>Insurance</b>	65,797	63,870	62,795	83,212	92,110	26,313	40.0	
<b>Legal</b>	89,165	53,191	98,807	57,275	104,649	15,484	17.4	
<b>Materials &amp; Supplies</b>	186,764	376,732	231,405	358,839	378,514	191,750	102.7	
<b>Membership &amp; Dues</b>	7,416	7,741	6,565	6,726	7,352	-64	-0.9	
<b>Minor Equipment</b>	4,494	14,256	24,727	18,734	32,081	27,587	613.9	
<b>Other</b>	152,001	66,161	38,705	42,070	77,354	-74,646	-49.1	
<b>Repairs &amp; Maintenance</b>	80,988	77,321	101,577	117,806	114,929	33,942	41.9	
<b>Contracted Services</b>	60,189	77,925	85,693	87,088	144,303	84,114	139.8	
<b>Services</b>	96,951	97,317	101,258	107,888	114,108	17,157	17.7	
<b>Supplies</b>	23,484	22,394	24,770	24,224	22,558	-926	-3.9	
<b>Utilities</b>	48,017	47,187	47,087	43,532	44,166	-3,851	-8.0	
<b>Vehicle Expense</b>	16,880	20,300	20,672	16,029	23,251	6,370	37.7	
<b>Fire Relief</b>	0	0	0	0	57,482	57,482	100.0	
<b>Contributions</b>	341,593	443,940	386,323	392,734	438,813	97,220	28.5	
<b>Capital</b>	<u>402,398</u>	<u>195,362</u>	<u>242,188</u>	<u>257,515</u>	<u>505,980</u>	<u>692,200</u>	<u>172.0</u>	
	<b>\$1,664,735</b>	<b>\$1,689,510</b>	<b>\$1,629,239</b>	<b>\$1,802,156</b>	<b>\$2,438,395</b>	<b>\$1,362,278</b>	<b>81.8</b>	
	Percentage of Total							
<b>Engineering</b>	0.7	3.6	5.5	8.1	10.2			
<b>Fuel</b>	4.6	3.8	4.1	2.3	1.4			
<b>Insurance</b>	4.0	3.8	3.9	4.6	3.8			
<b>Legal</b>	5.4	3.1	6.1	3.2	4.3			
<b>Materials &amp; Supplies</b>	11.2	22.3	14.2	19.9	15.5			
<b>Membership &amp; Dues</b>	0.4	0.5	0.4	0.4	0.3			
<b>Minor Equipment</b>	0.3	0.8	1.5	1.0	1.3			
<b>Other</b>	9.1	3.9	2.4	2.3	3.2			
<b>Repairs &amp; Maintenance</b>	4.9	4.6	6.2	6.5	4.7			
<b>Contracted Services</b>	3.6	4.6	5.3	4.8	5.9			
<b>Services</b>	5.8	5.8	6.2	6.0	4.7			
<b>Supplies</b>	1.4	1.3	1.5	1.3	0.9			
<b>Utilities</b>	2.9	2.8	2.9	2.4	1.8			
<b>Vehicle Expense</b>	1.0	1.2	1.3	0.9	1.0			
<b>Fire Relief</b>	0.0	0.0	0.0	0.0	2.4			
<b>Contributions</b>	20.5	26.3	23.7	21.8	18.0			
<b>Capital</b>	<u>24.2</u>	<u>11.6</u>	<u>14.9</u>	<u>14.3</u>	<u>20.8</u>			
<b>Total</b>	100.0	100.0	100.0	100.0	100.0			

General Department Expenditures

Police expenditures account for one-third or more of total departmental expenditures during the historical review, by far the largest amount of any department. Police spending increased throughout the period with the exception of a decrease in 2015, rising from \$1.8 million in 2012 to \$2.0 million in 2016, for an increase of \$202,177 or 11.2 percent. The next largest category is highway maintenance at 12 percent to 14 percent of total departmental expenditures. Highway maintenance fluctuated from a high of \$818,040 in 2015 to a low of \$628,870 in 2012. The change from 2012 to 2016 was an increase of \$166,328 or 26.4 percent. (See Table 3-10.)

Table 3-10  
 LOWER SWATARA TOWNSHIP  
Departmental Expenditures  
 2012 to 2016

	2012	2013	2014	2015	2016	Change 2012 - 2016	
Department	Actual	Actual	Actual	Actual	Actual	\$	%
Legislative Body	74,764	82,348	84,251	69,923	314,568	239,804	320.7
Executive	181,063	64,423	112,741	152,073	180,594	-469	-0.3
Financial Administration	164,675	173,318	151,589	144,985	211,720	47,045	28.6
Tax Collection	13,735	13,532	12,605	11,421	10,901	-2,833	-20.6
Administration	69,628	71,004	75,770	79,644	95,142	25,514	36.6
Business Technology	51,560	18,540	12,291	11,230	8,679	-42,880	-83.2
Receptionist	3,447	10,997	31,791	42,463	36,199	32,752	950.0
Genl Govt Buildings & Plant	41,691	51,465	57,000	50,256	53,895	12,204	29.3
Police	1,810,992	1,861,909	1,951,706	1,828,262	2,013,169	202,177	11.2
Fire	176,715	305,288	313,330	326,603	433,232	256,517	145.2
Ambulance/Rescue	137,554	119,953	70,000	70,000	70,000	-67,554	-49.1
Protective Inspection	254,882	213,455	232,398	229,647	251,487	-3,395	-1.3
Planning And Zoning	107,614	162,753	186,127	284,456	217,952	110,338	102.5
Emergency Management	2,253	3,260	1,895	12,094	3,807	1,554	69.0
Health	18,543	17,102	17,812	16,449	17,317	-1,225	-6.6
Sanitation	3,499	6,328	11,079	0	21,873	18,374	525.1
Hwy Maint-General	628,870	740,471	689,683	818,040	795,198	166,328	26.4
Streets & Gutters Cleaning	21,183	24,775	24,918	20,049	21,774	591	2.8
Hwy Maint-Snow & Ice	31,168	69,822	137,193	144,077	88,908	57,741	185.3
Traffic Signals & St. Signs	20,217	22,272	30,733	28,583	29,647	9,430	46.6
Capital Projects	349,142	0	85,544	34,780	279,535	-69,607	-19.9
Highway Maint/Repairs	71,534	100,335	74,336	121,950	99,362	27,829	38.9
Construction & Rebuilding	176,972	288,741	128,139	203,856	307,177	130,205	73.6
Npdes-MS4	59,541	0	28,042	43,014	76,725	17,184	28.9
Culture - Recreation	21,187	0	0	0	10,000	-11,187	-52.8
Parks	123,322	104,514	90,811	114,583	219,287	95,965	77.8
Debt Principal	98,027	95,657	98,973	45,813	74,699	-23,328	-23.8

	2012	2013	2014	2015	2016	Change 2012 - 2016	
<b>Debt Interest</b>	9,904	8,221	7,832	4,354	4,534	-5,369	-54.2
<b>Refund Prior Yr Revenues</b>	4,932	677	0	0	0	-4,932	-100.0
<b>Insurance</b>	0	0	13,755	59,481	72,036	72,036	100.0
<b>Employee Benefits</b>	0	114	170	0	342	342	0.0
<b>Interfund Operating Trans</b>	306,000	732,509	299,743	947,228	881,000	575,000	187.9
<b>Total Expenditures</b>	<b>\$5,034,612</b>	<b>\$5,363,784</b>	<b>\$5,032,257</b>	<b>\$5,915,313</b>	<b>\$6,900,762</b>	<b>1,866,151</b>	<b>37.1</b>
<b>Percent of Total Expenditures</b>							
<b>Legislative Body</b>	1.5	1.5	1.7	1.2	4.6		
<b>Executive</b>	3.6	1.2	2.2	2.6	2.6		
<b>Financial Administration</b>	3.3	3.2	3.0	2.5	3.1		
<b>Tax Collection</b>	0.3	0.3	0.3	0.2	0.2		
<b>Administration</b>	1.4	1.3	1.5	1.3	1.4		
<b>Business Technology</b>	1.0	0.3	0.2	0.2	0.1		
<b>Receptionist</b>	0.1	0.2	0.6	0.7	0.5		
<b>Genl Govt Buildings &amp; Plant</b>	0.8	1.0	1.1	0.8	0.8		
<b>Police</b>	36.0	34.7	38.8	30.9	29.2		
<b>Fire</b>	3.5	5.7	6.2	5.5	6.3		
<b>Ambulance/Rescue</b>	2.7	2.2	1.4	1.2	1.0		
<b>Protective Inspection</b>	5.1	4.0	4.6	3.9	3.6		
<b>Planning And Zoning</b>	2.1	3.0	3.7	4.8	3.2		
<b>Emergency Management</b>	0.0	0.1	0.0	0.2	0.1		
<b>Health</b>	0.4	0.3	0.4	0.3	0.3		
<b>Sanitation</b>	0.1	0.1	0.2	0.0	0.3		
<b>Hwy Maint-General</b>	12.5	13.8	13.7	13.8	11.5		
<b>Streets &amp; Gutters Cleaning</b>	0.4	0.5	0.5	0.3	0.3		
<b>Hwy Maint-Snow &amp; Ice</b>	0.6	1.3	2.7	2.4	1.3		
<b>Traffic Signals &amp; St.Signs</b>	0.4	0.4	0.6	0.5	0.4		
<b>Capital Projects</b>	6.9	0.0	1.7	0.6	4.1		
<b>Highway Maint/Repairs</b>	1.4	1.9	1.5	2.1	1.4		
<b>Construction &amp; Rebuilding</b>	3.5	5.4	2.5	3.4	4.5		
<b>Npdes-MS4</b>	1.2	0.0	0.6	0.7	1.1		
<b>Culture - Recreation</b>	0.4	0.0	0.0	0.0	0.1		
<b>Parks</b>	2.4	1.9	1.8	1.9	3.2		
<b>Debt Principal</b>	1.9	1.8	2.0	0.8	1.1		
<b>Debt Interest</b>	0.2	0.2	0.2	0.1	0.1		
<b>Refund Prior Yr Revenues</b>	0.1	0.0	0.0	0.0	0.0		
<b>Insurance</b>	0.0	0.0	0.3	1.0	1.0		
<b>Employee Benefits</b>	0.0	0.0	0.0	0.0	0.0		
<b>Interfund Operating Transfers</b>	6.1	13.7	6.0	16.0	12.8		
<b>Total Expenditures</b>	100.0	100.0	100.0	100.0	100.0		

Police

Payroll is the largest police personnel expenditure (and largest expenditure overall), with salaries and wages rising from \$923,165 in 2012 to \$1.0 million in 2016, a change of \$97,158 or 10.5 percent. Benefit costs were slightly lower in 2016 compared to 2012, falling from \$283,790 to \$269,170, a decline of \$14,620 or 5.2 percent. Overtime varied from 6.2 percent to 11.2 percent of total police personnel expenditures. The change in overtime from 2012 to 2016 was an increase of \$35,550 or 24.9 percent from \$142,714 to \$178,264. Pension costs are the net amounts paid by the Township after subtracting state pension aid from the amount owed under the Township’s Minimum Municipal Obligation (MMO). The Police Pension Plan actuarial report verifies that the Township’s MMO was paid in full each year during the historical review period. Workers’ compensation declined from 2012 to 2016 from \$53,979 to \$35,784. The uniform category includes uniform allowance, cleaning and replacement costs, with replacement costs accounting for much of the year-to-year fluctuations. Personnel expenditures grew by \$329,641 or 21.7 percent from 2012 to 2016. Non-personnel expenditures fell by \$12,206 or 4.1 percent in total, with declines in fuel (\$31,389), insurance (\$25,259) and legal (\$44,942). (See Tables 3-11 and 3-12.)

Table 3-11  
 LOWER SWATARA TOWNSHIP  
Police Personnel Expenditures  
 2012 to 2016

	2012	2013	2014	2015	2016	Change 2012 - 2016	
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	\$	%
<b>Salary &amp; Wages</b>	\$923,165	\$919,140	\$1,043,413	\$1,026,112	\$1,020,324	97,158	10.5
<b>Overtime</b>	142,714	176,113	100,191	111,227	178,264	35,550	24.9
<b>FICA</b>	91,632	94,340	94,219	98,103	99,725	8,093	8.8
<b>Benefits</b>	283,790	207,834	274,759	265,951	269,170	-14,620	-5.2
<b>Pension</b>	8,166	100,361	74,267	135,927	219,299	211,133	2,585.4
<b>Workers Comp</b>	53,979	47,683	26,529	35,252	35,784	-18,195	-33.7
<b>Uniform</b>	<u>12,477</u>	<u>30,785</u>	<u>14,314</u>	<u>8,612</u>	<u>22,999</u>	<u>10,522</u>	<u>84.3</u>
<b>Total Personnel</b>	<b>\$1,515,923</b>	<b>\$1,576,257</b>	<b>\$1,627,693</b>	<b>\$1,681,184</b>	<b>\$1,845,565</b>	<b>329,641</b>	<b>21.7</b>
<b><u>Percent of Personnel Expenditures</u></b>							
<b>Salary &amp; Wages</b>	60.9	58.3	64.1	61.0	55.3		
<b>Overtime</b>	9.4	11.2	6.2	6.6	9.7		
<b>FICA</b>	6.0	6.0	5.8	5.8	5.4		
<b>Benefits</b>	18.7	13.2	16.9	15.8	14.6		
<b>Pension</b>	0.5	6.4	4.6	8.1	11.9		
<b>Workers Comp</b>	3.6	3.0	1.6	2.1	1.9		
<b>Uniform</b>	<u>0.8</u>	<u>2.0</u>	<u>0.9</u>	<u>0.5</u>	<u>1.2</u>		
<b>Total Personnel</b>	100.0	100.0	100.0	100.0	100.0		

Table 3-12  
 LOWER SWATARA TOWNSHIP  
 Police Non-Personnel Expenditures  
 2012 to 2016

	2012	2013	2014	2015	2016	Change 2012 - 2016	
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	\$	%
<b>Fuel</b>	\$46,868	\$43,520	\$46,259	\$26,472	\$15,479	-31,389	-67.0
<b>Insurance</b>	32,838	31,450	19,093	6,281	7,579	-25,259	-76.9
<b>Legal</b>	51,692	915	25,961	15,773	6,750	-44,942	-86.9
<b>Membership &amp; Dues</b>	1,650	1,595	455	455	1,000	-650	-39.4
<b>Minor Equipment</b>	289	6,978	5,393	9,853	10,540	10,251	3,547.2
<b>Other</b>	73,568	51,913	0	0	0	-73,568	-100.0
<b>Repairs &amp; Maintenance</b>	4,924	10,218	9,307	12,520	11,651	6,727	136.6
<b>Contracted Services</b>	18,272	35,726	52,731	19,783	24,713	6,441	35.3
<b>Services</b>	19,143	15,394	16,306	25,677	14,853	-4,290	-22.4
<b>Supplies</b>	10,101	8,497	9,730	8,382	8,203	-1,899	-18.8
<b>Vehicle Expense</b>	16,880	20,300	20,672	16,029	23,251	6,370	37.7
<b>Capital</b>	<u>18,845</u>	<u>59,146</u>	<u>118,106</u>	<u>5,855</u>	<u>43,587</u>	<u>140,000</u>	<u>742.9</u>
	<b>\$295,069</b>	<b>\$285,652</b>	<b>\$324,013</b>	<b>\$147,079</b>	<b>\$167,604</b>	<b>-12,206</b>	<b>-4.1</b>
	Percentage of Non-Personnel						
<b>Fuel</b>	15.9	15.2	14.3	18.0	9.2		
<b>Insurance</b>	11.1	11.0	5.9	4.3	4.5		
<b>Legal</b>	17.5	0.3	8.0	10.7	4.0		
<b>Membership &amp; Dues</b>	0.6	0.6	0.1	0.3	0.6		
<b>Minor Equipment</b>	0.1	2.4	1.7	6.7	6.3		
<b>Other</b>	24.9	18.2	0.0	0.0	0.0		
<b>Repairs &amp; Maintenance</b>	1.7	3.6	2.9	8.5	7.0		
<b>Contracted Services</b>	6.2	12.5	16.3	13.5	14.7		
<b>Services</b>	6.5	5.4	5.0	17.5	8.9		
<b>Supplies</b>	3.4	3.0	3.0	5.7	4.9		
<b>Vehicle Expense</b>	5.7	7.1	6.4	10.9	13.9		
<b>Capital</b>	<u>6.4</u>	<u>20.7</u>	<u>36.5</u>	<u>4.0</u>	<u>26.0</u>		
<b>Total</b>	100.0	100.0	100.0	100.0	100.0		

Public Works

The two largest personnel expenditures in the Public Works Department are salary and wages and benefits. Salary and wages has steadily grown from \$370,121 in 2012 to \$461,358 in 2016, an increase of \$91,238 or 24.7 percent. In contrast, the cost of benefits fell, declining from \$223,485 in 2012 to \$145,376 in 2016, a decrease of \$78,109. Like police, pension costs are the net amounts paid by the Township after subtracting state pension aid from the amount owed under the Township’s Minimum Municipal Obligation (MMO). The Non-Uniform Pension Plan actuarial report verifies that the Township’s MMO was paid in full each year during the historical review period. Capital and materials and supplies are the largest non-personnel

expenditures. Capital spending includes the Meade Avenue project in 2012 (\$349,142), a storm water project in 2014 (\$85,544), and the Richardson Road Bridge project in 2016 (\$279,535), in addition to various capital equipment purchases. Materials and supplies rose from \$184,140 in 2012 to \$377,010 in 2016, an increase of \$192,870 or 104.7 percent. Total personnel expenditures increased by \$122,768 or 17.3 percent from \$711,662 in 2012 to \$834,431 in 2016. Non-personnel costs increased by \$621,744 or 78.2 percent, although much of the increase was the result of one-time capital spending. (See Tables 3-13 and 3-14.)

Table 3-13  
 LOWER SWATARA TOWNSHIP  
Public Works Personnel Expenditures  
 2012 to 2016

	2012	2013	2014	2015	2016	Change 2012 - 2016	
Category	Actual	Actual	Actual	Actual	Actual	\$	%
<b>Salary &amp; Wages</b>	\$370,121	\$362,705	\$389,389	\$379,130	\$461,358	91,238	24.7
<b>Overtime</b>	13,700	13,224	32,270	39,206	39,091	25,391	185.3
<b>FICA</b>	40,687	41,018	43,820	42,281	43,613	2,927	7.2
<b>Benefits</b>	223,485	183,334	180,700	167,089	145,376	-78,109	-35.0
<b>Pension</b>	32,348	53,576	53,437	64,811	114,866	82,518	255.1
<b>Workers' Comp</b>	27,085	23,153	17,739	21,932	23,772	-3,313	-12.2
<b>Uniform</b>	<u>4,237</u>	<u>6,245</u>	<u>7,064</u>	<u>6,288</u>	<u>6,354</u>	<u>2,118</u>	<u>50.0</u>
<b>Total Personnel</b>	<b>\$711,662</b>	<b>\$683,255</b>	<b>\$724,418</b>	<b>\$720,737</b>	<b>\$834,431</b>	<b>122,768</b>	<b>17.3</b>
	<u>Percent of Employee Expenditures</u>						
<b>Salary &amp; Wages</b>	52.0	53.1	53.8	52.6	55.3		
<b>Overtime</b>	1.9	1.9	4.5	5.4	4.7		
<b>FICA</b>	5.7	6.0	6.0	5.9	5.2		
<b>Benefits</b>	31.4	26.8	24.9	23.2	17.4		
<b>Pension</b>	4.5	7.8	7.4	9.0	13.8		
<b>Workers' Comp</b>	3.8	3.4	2.4	3.0	2.8		
<b>Uniform</b>	<u>0.6</u>	<u>0.9</u>	<u>1.0</u>	<u>0.9</u>	<u>0.8</u>		
<b>Total Personnel</b>	100.0	100.0	100.0	100.0	100.0		

Table 3-14  
 LOWER SWATARA TOWNSHIP  
 Public Works Non-Personnel Expenditures  
 2012 to 2016

	2012	2013	2014	2015	2016	Change 2012 - 2016	
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	\$	%
<b>Engineering</b>	\$34	\$0	\$0	\$0	\$0	-34	-100.0
<b>Fuel</b>	29,355	20,637	20,670	15,142	17,617	-11,738	-40.0
<b>Insurance</b>	18,233	16,071	13,688	10,760	12,123	-6,110	-33.5
<b>Materials &amp; Supplies</b>	184,140	373,663	228,601	356,560	377,010	192,870	104.7
<b>Minor Equipment</b>	597	6,415	14,164	6,363	19,128	18,531	3,104.2
<b>Other</b>	62,315	3,157	31,230	28,430	59,864	-2,452	-3.9
<b>Repairs &amp; Maintenance</b>	74,069	64,864	86,480	101,303	98,959	24,890	33.6
<b>Contracted Services</b>	13,453	12,390	19,519	21,358	26,262	12,809	95.2
<b>Services</b>	8,030	8,261	10,675	12,552	12,556	4,526	56.4
<b>Supplies</b>	2,508	4,242	3,718	3,944	3,294	786	31.4
<b>Utilities</b>	28,809	28,086	27,028	23,968	25,463	-3,346	-11.6
<b>Contributions</b>	21,187	0	0	0	10,000	-11,187	-52.8
<b>Capital</b>	<u>352,241</u>	<u>136,217</u>	<u>120,286</u>	<u>227,816</u>	<u>452,783</u>	<u>402,200</u>	<u>114.2</u>
<b>Total</b>	<b>\$794,972</b>	<b>\$674,003</b>	<b>\$576,059</b>	<b>\$808,196</b>	<b>\$1,115,057</b>	<b>621,744</b>	<b>78.2</b>
	Percentage of Total						
<b>Fuel</b>	3.7	3.1	3.6	1.9	1.6		
<b>Insurance</b>	2.3	2.4	2.4	1.3	1.1		
<b>Materials &amp; Supplies</b>	23.2	55.4	39.7	44.1	33.8		
<b>Minor Equipment</b>	0.1	1.0	2.5	0.8	1.7		
<b>Other</b>	7.8	0.5	5.4	3.5	5.4		
<b>Repairs &amp; Maintenance</b>	9.3	9.6	15.0	12.5	8.9		
<b>Contracted Services</b>	1.7	1.8	3.4	2.6	2.4		
<b>Services</b>	1.0	1.2	1.9	1.6	1.1		
<b>Supplies</b>	0.3	0.6	0.6	0.5	0.3		
<b>Utilities</b>	3.6	4.2	4.7	3.0	2.3		
<b>Contributions</b>	2.7	0.0	0.0	0.0	0.9		
<b>Capital</b>	<u>44.3</u>	<u>20.2</u>	<u>20.9</u>	<u>28.2</u>	<u>40.6</u>		
<b>Total</b>	100.0	100.0	100.0	100.0	100.0		

2017 General Fund Estimated Versus 2017 General Fund Budget

Lower Swatara Township is expected to end 2017 with a \$174,779 surplus as opposed to breaking even as anticipated in the budget.

Table 3-15  
 LOWER SWATARA TOWNSHIP  
 Revenues, Expenditures and Surplus/(Deficit)  
Estimated vs. Budget  
 2017

	2017	2017	<u>2017</u> <u>Actual vs. Budget</u>	
	<u>Actual</u>	<u>Budget</u>	<u>\$</u>	<u>%</u>
<b>Revenues<sup>1</sup></b>	\$7,034,591	\$6,983,647	50,944	0.7
<b>Expenditures</b>	<u>6,859,811</u>	<u>6,983,647</u>	<u>-123,836</u>	<u>-1.8</u>
<b>Surplus/(Deficit)</b>	\$174,779	\$0		

Table 3-16  
 LOWER SWATARA TOWNSHIP  
 Revenues Estimated vs. Budget  
 2017

<b>Revenue</b>	2017	2017	<u>2017</u> <u>Actual vs. Budget</u>	
	<u>Actual</u>	<u>Budget</u>	<u>\$</u>	<u>%</u>
<b>Real Property Taxes</b>	\$2,550,465	\$2,513,031	37,434	1.5
<b>Earned Income Tax</b>	1,212,688	1,055,600	157,088	14.9
<b>Local Services Tax</b>	497,287	620,000	-122,713	-19.8
<b>Real Estate Transfer Tax</b>	685,128	210,000	475,128	226.3
<b>Occupation Tax</b>	64,261	67,500	-3,239	-4.8
<b>Per Capita Tax</b>	31,128	31,500	-373	-1.2
<b>Business Licenses &amp; Permits</b>	386,442	352,950	33,492	9.5
<b>Non Business License &amp; Permits</b>	7,235	900	6,335	703.9
<b>Fines</b>	69,720	50,000	19,720	39.4
<b>Interest Earnings</b>	11,909	8,400	3,509	41.8
<b>Rents And Royalties</b>	125	150	-25	-16.7
<b>Intergovernmental Revenues</b>	1	0	1	100.0
<b>St Shared Rev &amp; Entitlements</b>	6,616	6,400	216	3.4
<b>Local Govt Cap &amp; Oper Grants</b>	310,157	565,160	-255,003	-45.1
<b>General Government Fees</b>	58,826	70,850	-12,024	-17.0
<b>Public Safety</b>	300,692	75,000	225,692	300.9
<b>Highway And Streets</b>	45,494	35,658	9,836	27.6
<b>Health And Sanitation</b>	-494	2,500	-2,994	-119.7
<b>Recycling Can Sales</b>	0	0	0	0.0
<b>Miscellaneous Revenue</b>	284,048	296,719	-12,671	-4.3
<b>Contributions And Donations</b>	911	1,000	-89	-8.9
<b>Proceeds-Genl Fixed Asset Disp</b>	20,845	12,000	8,845	73.7

<sup>1</sup> Revenues do not include proceeds of long-term debt.

	2017	2017	<u>2017</u> <u>Actual vs. Budget</u>	
<b>Interfund Operating Transfers</b>	474,861	987,329	-512,468	-51.9
<b>Refunds Prior Yr Expenditures</b>	16,244	21,000	-4,756	-22.6
<b>Total Revenues</b>	<b>\$7,034,591</b>	<b>\$6,983,647</b>	<b>50,944</b>	<b>0.7</b>

Table 3-17  
 LOWER SWATARA TOWNSHIP  
 Expenditures Estimated vs. Budget  
 2017

	2017	2017	<u>2017</u> <u>Actual vs. Budget</u>	
<b>Department</b>	<u>Actual</u>	<u>Budget</u>	<u>\$</u>	<u>%</u>
<b>Legislative Body</b>	184,247	108,926	75,321	69.1
<b>Executive</b>	147,808	229,172	-81,364	-35.5
<b>Financial Administration</b>	159,350	173,771	-14,421	-8.3
<b>Tax Collection</b>	10,267	14,450	-4,183	-28.9
<b>Administration</b>	99,111	94,765	4,346	4.6
<b>Business Technology</b>	18,130	39,900	-21,770	-54.6
<b>Receptionist</b>	12,892	64,076	-51,184	-79.9
<b>Genl Govt Buildings &amp; Plant</b>	58,386	144,440	-86,054	-59.6
<b>Police</b>	2,133,601	2,106,857	26,744	1.3
<b>Fire</b>	445,714	450,353	-4,639	-1.0
<b>Ambulance/Rescue</b>	79,950	83,000	-3,050	-3.7
<b>Protective Inspection</b>	248,644	293,677	-45,033	-15.3
<b>Planning And Zoning</b>	219,027	223,795	-4,768	-2.1
<b>Emergency Management</b>	3,524	4,800	-1,276	-26.6
<b>Health</b>	27,568	17,310	10,258	59.3
<b>Hway Maint-General Services</b>	895,046	781,873	113,173	14.5
<b>Cleaning Of Streets &amp; Gutters</b>	27,642	25,000	2,642	10.6
<b>Hway Maint-Snow &amp; Ice Removal</b>	76,413	144,700	-68,287	-47.2
<b>Traffic Signals &amp; Street Signs</b>	22,934	33,500	-10,566	-31.5
<b>Capital Projects</b>	129,464	0	129,464	—
<b>Maint/Repairs- Hways &amp; Bridges</b>	70,983	138,000	-67,017	-48.6
<b>Contruccion &amp; Rebuilding</b>	0	0	0	0.0
<b>Npdes-Ms4</b>	161,449	338,500	-177,051	-52.3
<b>Culture - Recreation</b>	10,000	10,000	0	0.0
<b>Parks</b>	638,177	876,200	-238,023	-27.2
<b>Debt Principal</b>	210,511	339,321	-128,810	-38.0
<b>Debt Interest</b>	95,118	101,217	-6,099	-6.0
<b>Refund Prior Yr Revenues</b>	0	0	0	0.0
<b>Bond Related</b>	70,661	0	70,661	—
<b>Insurance</b>	59,760	63,875	-4,115	-6.4
<b>Employee Benefits</b>	226	1,169	-943	-80.6
<b>Interfund Operating Transfers</b>	<u>543,207</u>	<u>81,000</u>	<u>462,207</u>	<u>570.6</u>
<b>Total Expenditures</b>	<b>\$6,859,811</b>	<b>\$6,983,647</b>	<b>-123,836</b>	<b>-1.8</b>

## CHAPTER 4 FINANCIAL PROJECTIONS

PEL's financial projections for the period 2018 to 2022 indicate that the Township's General Fund revenues will keep pace with growing General Fund expenditures. The Township's 2018 budget, which serves as the baseline for projections, is expected to break even. Going forward, annual surpluses are anticipated from 2019 through 2022, although the size of the surpluses decreases from \$475,000 in 2019 to \$231,528 in 2022.

PEL prepared its General Fund operating projections using the 2018 budget, the historical revenue and expenditure patterns outlined in Chapter 3, the current police collective bargaining agreement, a public works employment agreement, actuarial pension data, amortization tables and similar information. [NOTE: Since the interviews for this chapter were conducted, Teamsters Local 766 organized the Public Works Department and four non-PW administrative employees.]

### 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

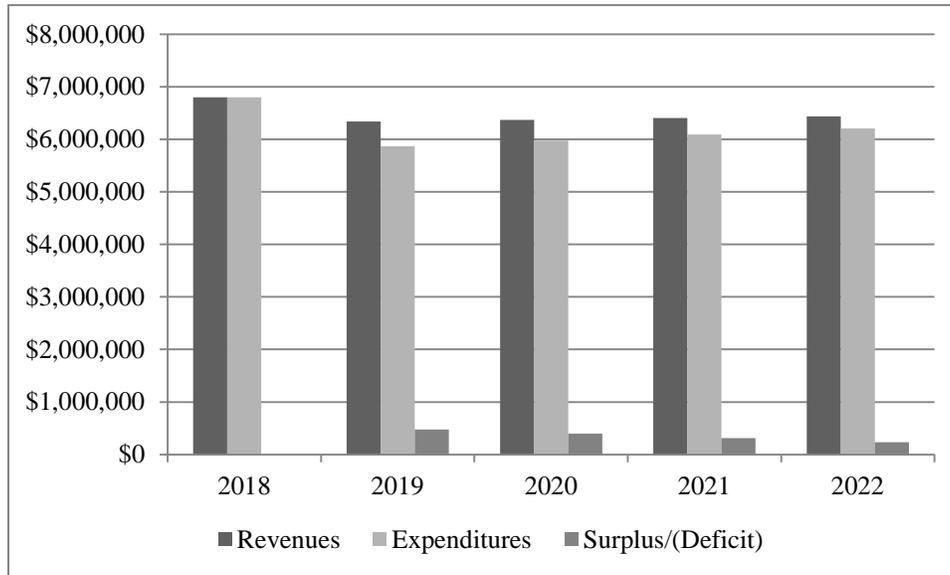
General Fund Revenues and Expenditures

The 2018 Township budget includes one-time revenues of \$255,331 from the Capital Reserve Fund (See Chapter 3 for historical information on the Capital Reserve Fund) and \$355,300 from the Recreation Fund. Meanwhile, one-time expenditures include \$210,700 for the Shope Gardens and Old Reliance Park projects and \$464,740 in capital spending for the \$375,200 purchase of land to be used for a park and the purchase of a new mower and trailer. The land purchase is offset by a state matching grant of \$187,000 received in 2016. These one-time revenues and expenditures are the reason that the 2018 budget figures are higher than the projections going forward. The Township is essentially expected to break even in 2018 with a surplus of \$1 on revenues and expenditures of \$6.8 million. In 2019, projections indicate revenues of \$6.3 million, which increases to \$6.4 million by 2022. Expenditures in 2019 are estimated at almost \$5.9 million, growing to \$6.2 million by 2022. The Township is projected to end each year from 2019 to 2022 with a surplus: \$475,000, 2019; \$396,995, 2020; \$315,888, 2021; \$231,528, 2022. (See Table 4-1 and Graph 4-1.)

Table 4-1  
 LOWER SWATARA TOWNSHIP  
General Fund Revenues, Expenditures and Surplus/(Deficit)  
 2018 to 2022

	2018	2019	2020	2021	2022	Change 2018 - 2022	
	Budget	Projected	Projected	Projected	Projected	\$	%
<b>Revenues</b>	\$6,798,309	\$6,340,631	\$6,371,001	\$6,403,437	\$6,436,501	-361,808	-5.3
<b>Expenditures</b>	6,798,308	5,865,631	5,974,005	6,087,549	6,204,973	-593,335	-8.7
<b>Surplus/(Deficit)</b>	<b>\$1</b>	<b>\$475,000</b>	<b>\$396,995</b>	<b>\$315,888</b>	<b>\$231,528</b>		

Graph 4-1  
 LOWER SWATARA TOWNSHIP  
General Fund Revenues, Expenditures, and Surplus/(Deficit)  
 2018 to 2022



General Fund Revenues

Tax revenue is projected to account for 66 percent of total revenues in 2018 and almost 73 percent of total revenues from 2019 to 2022. Tax revenues are anticipated to increase by \$215,648 or 4.8 percent, from \$4.5 million in 2018 to \$4.7 million in 2022. Nontax revenue is expected to grow by \$35,687 or 3.2 percent. Interfund operating transfers for 2018 include the one-time revenue sources previously listed. The remaining ongoing transfer amounts are from the Capital Improvement Fund to pay debt service (\$526,645 in 2018) and from the Other Post-Employment Benefits Fund (OPEB) (\$79,946) to pay for retiree benefits. (See Table 4-3.)

Table 4-3  
 LOWER SWATARA TOWNSHIP  
Total Revenues  
 2018 to 2022

	2018	2019	2020	2021	2022	Change 2018 - 2022		
<u>Revenue</u>	<u>Budget</u>	<u>Projected</u>	<u>Projected</u>	<u>Projected</u>	<u>Projected</u>	\$	%	
<b>Tax Revenue</b>	\$4,456,742	\$4,609,958	\$4,630,358	\$4,651,166	\$4,672,390	215,648	4.8	
<b>Nontax Revenue</b>	1,124,345	1,125,515	1,136,739	1,148,242	1,160,032	35,687	3.2	
<b>Interfund Oper Transfers</b>	1,217,222	605,158	603,904	604,029	604,079	-613,143	-50.4	
<b>Total Revenue</b>	<b>\$6,798,309</b>	<b>\$6,340,631</b>	<b>\$6,371,001</b>	<b>\$6,403,437</b>	<b>\$6,436,501</b>	<b>-361,808</b>	<b>-5.3</b>	
<u>Revenue</u>	<u>Percent of Total Revenue</u>							
<b>Tax Revenue</b>	65.6	72.7	72.7	72.6	72.6			
<b>Nontax Revenue</b>	16.5	17.8	17.8	17.9	18.0			
<b>Interfund Oper Transfers</b>	17.9	9.5	9.5	9.4	9.4			
<b>Total Revenue</b>	100.0	100.0	100.0	100.0	100.0			

Tax Revenue

Increases in tax revenue from 2018 to 2022 are projected in real property taxes, \$56,716 or 2.3 percent; earned income taxes, \$108,432 or 9.3 percent; real estate transfer tax, \$50,000 or 20.0 percent; and per capita tax, \$500 or 1.6 percent. (See Table 4-4.)

Table 4-4  
 LOWER SWATARA TOWNSHIP  
Total Taxes  
 2018 to 2022

	2018	2019	2020	2021	2022	Change 2018 - 2022		
<u>Tax Revenue</u>	<u>Budget</u>	<u>Projected</u>	<u>Projected</u>	<u>Projected</u>	<u>Projected</u>	\$	%	
<b>Real Property Taxes</b>	2,500,742	2,557,458	2,557,458	2,557,458	2,557,458	56,716	2.3	
<b>Earned Income Tax</b>	1,165,000	1,211,000	1,231,400	1,252,208	1,273,432	108,432	9.3	
<b>Local Services Tax</b>	450,000	450,000	450,000	450,000	450,000	0	0.0	
<b>Real Estate Transfer Tax</b>	250,000	300,000	300,000	300,000	300,000	50,000	20.0	
<b>Occupation Tax</b>	60,000	60,000	60,000	60,000	60,000	0	0.0	
<b>Per Capita Tax</b>	31,000	31,500	31,500	31,500	31,500	500	1.6	
<b>Total Tax Revenue</b>	<b>\$4,456,742</b>	<b>\$4,609,958</b>	<b>\$4,630,358</b>	<b>\$4,651,166</b>	<b>\$4,672,390</b>	<b>215,648</b>	<b>4.8</b>	
<u>Tax Revenue</u>	<u>Percent of Tax Revenue</u>							
<b>Real Property Taxes</b>	56.1	55.5	55.2	55.0	54.7			
<b>Earned Income Tax</b>	26.1	26.3	26.6	26.9	27.3			
<b>Local Services Tax</b>	10.1	9.8	9.7	9.7	9.6			
<b>Real Estate Transfer Tax</b>	5.6	6.5	6.5	6.4	6.4			
<b>Occupation Tax</b>	1.3	1.3	1.3	1.3	1.3			
<b>Per Capita Tax</b>	0.7	0.7	0.7	0.7	0.7			
<b>Total Tax Revenue</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>			

Non-Tax Revenue

Revenue increases are projected in business licenses and permits (\$22,389), public safety (\$46,000), and miscellaneous revenue (\$38,189). Decreases are anticipated in general government fees (\$37,500), local government grants (\$24,700) and proceeds (\$9,000) (See Table 4-5.)

Table 4-5  
 LOWER SWATARA TOWNSHIP  
Total Non-Tax Revenues  
 2018 to 2022

	2018	2019	2020	2021	2022	Change 2018 - 2022	
	<u>Budget</u>	<u>Projected</u>	<u>Projected</u>	<u>Projected</u>	<u>Projected</u>	\$	%
<b>Business Licenses &amp; Permits</b>	\$356,310	\$361,662	\$367,174	\$372,851	\$378,699	22,389	6.3
<b>Non Business License &amp; Permits</b>	1,000	1,000	1,000	1,000	1,000	0	0.0
<b>Fines</b>	60,000	60,000	60,000	60,000	60,000	0	0.0
<b>Interest Earnings</b>	9,600	9,600	9,600	9,600	9,600	0	0.0
<b>Rents And Royalties</b>	150	0	0	0	0	-150	-100.0
<b>St Shared Rev &amp; Entitlements</b>	6,200	6,200	6,200	6,200	6,200	0	0.0
<b>Local Govt Cap &amp; Oper Grants</b>	182,617	157,917	157,917	157,917	157,917	-24,700	-13.5
<b>General Government Fees</b>	97,850	60,350	60,350	60,350	60,350	-37,500	-38.3
<b>Public Safety</b>	98,810	144,810	144,810	144,810	144,810	46,000	46.6
<b>Highway And Streets</b>	36,600	36,600	36,600	36,600	36,600	0	0.0
<b>Health And Sanitation</b>	200	200	200	200	200	0	0.0
<b>Miscellaneous Revenue</b>	247,510	269,250	274,625	280,107	285,699	38,189	15.4
<b>Refunds Prior Yr Expenditures</b>	16,497	16,827	17,163	17,507	17,857	1,360	8.2
<b>Proceeds-Genl Fixed Asset Disp</b>	10,000	1,000	1,000	1,000	1,000	-9,000	-90.0
<b>Contributions And Donations</b>	1,000	100	100	100	100	-900	-90.0
<b>Total</b>	<b>1,124,345</b>	<b>1,125,515</b>	<b>1,136,739</b>	<b>1,148,242</b>	<b>1,160,032</b>	<b>35,687</b>	<b>3.2</b>
<b>Non-Tax Revenue</b>	Percent of Non-Tax Revenue						
<b>Business Licenses &amp; Permits</b>	31.7	32.1	32.3	32.5	32.6		
<b>Non Business License &amp; Permits</b>	0.1	0.1	0.1	0.1	0.1		
<b>Fines</b>	5.3	5.3	5.3	5.2	5.2		
<b>Interest Earnings</b>	0.9	0.9	0.8	0.8	0.8		
<b>Rents And Royalties</b>	0.0	0.0	0.0	0.0	0.0		
<b>St Shared Rev &amp; Entitlements</b>	0.6	0.6	0.5	0.5	0.5		
<b>Local Govt Cap &amp; Oper Grants</b>	16.2	14.0	13.9	13.8	13.6		
<b>General Government Fees</b>	8.7	5.4	5.3	5.3	5.2		
<b>Public Safety</b>	8.8	12.9	12.7	12.6	12.5		
<b>Highway And Streets</b>	3.3	3.3	3.2	3.2	3.2		
<b>Health And Sanitation</b>	0.0	0.0	0.0	0.0	0.0		
<b>Miscellaneous Revenue</b>	22.0	23.9	24.2	24.4	24.6		
<b>Refunds Prior Yr Expenditures</b>	1.5	1.5	1.5	1.5	1.5		
<b>Proceeds-Genl Fixed Asset Disp</b>	0.9	0.1	0.1	0.1	0.1		
<b>Contributions And Donations</b>	0.1	0.0	0.0	0.0	0.0		
<b>Total Non-Tax Revenue</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>		

General Fund Expenditures

Personnel versus Non-Personnel

As noted previously, expenditures in 2018 include several one-time capital project costs that accounts for the sharp decline in non-personnel expenditures from 2018 to 2022. From 2019 to 2022, non-personnel expenditures increase from \$1.8 million to almost \$1.9 million. Meanwhile, personnel costs are expected to grow from almost \$3.6 million in 2018 to almost \$3.9 million in 2022, an increase of \$310,486 or 8.7 percent. (See Table 4-6.)

Table 4-6  
 LOWER SWATARA TOWNSHIP  
Personnel versus Non-Personnel Expenditures  
 2016 to 2021

	2018	2019	2020	2021	2022	Change 2018 - 2022	
	Budget	Projected	Projected	Projected	Projected	\$	%
<b>Personnel</b>	\$3,555,021	\$3,579,930	\$3,671,638	\$3,766,777	\$3,865,507	310,486	8.7
<b>Non-Personnel</b>	2,777,310	1,821,157	1,839,078	1,857,357	1,876,002	-901,308	-32.5
<b>Debt Service</b>	465,977	464,544	463,290	463,415	463,465	-2,512	-0.5
<b>Total Expenditures</b>	<b>\$6,798,308</b>	<b>\$5,865,631</b>	<b>\$5,974,005</b>	<b>\$6,087,549</b>	<b>\$6,204,973</b>	<b>-593,335</b>	<b>-8.7</b>
	Percent of Total						
<b>Personnel</b>	52.3	61.0	61.5	61.9	62.3		
<b>Non-Personnel</b>	40.9	31.0	30.8	30.5	30.2		
<b>Debt Service</b>	6.9	7.9	7.8	7.6	7.5		
<b>Total Expenditures</b>	100.0	100.0	100.0	100.0	100.0		

Projections indicate that police, which account for approximately one-third of expenditures, will show the most absolute growth of any category, rising by \$170,738 or 7.8 percent. Highways, roughly 15 percent of total expenditures, are anticipated to have the most proportional growth at 8.4 percent or \$74,122. There are large decreases in several categories from 2018 to 2019 due to one-time expenditures. Debt service principal payments are anticipated to rise by \$19,061 or 5.1 percent from \$376,217 in 2018 to \$395,278 in 2022, while debt service interest in projected to decline by \$21,573 or 24 percent. (See Table 4-7.)

Table 4-7  
 LOWER SWATARA TOWNSHIP  
Total Departmental Expenditures  
 2016 to 2021

Department	2018	2019	2020	2021	2022	Change 2018 - 2022	
	Budget	Projected	Projected	Projected	Projected	\$	%
Legislative Body	\$162,777	\$162,777	\$164,277	\$165,807	\$167,368	4,591	2.8
Executive	189,882	162,145	166,089	170,171	174,397	-15,485	-8.2
Financial Administration	172,627	174,320	177,943	181,663	185,484	12,857	7.4
Tax Collection	12,498	12,498	12,698	12,902	13,110	612	4.9
Administration	105,314	107,440	110,252	113,177	116,223	10,909	10.4
Business Technology	48,100	40,100	40,652	41,215	41,789	-6,311	-13.1
Receptionist	7,846	7,846	7,846	7,846	7,846	0	0.0
Genl Govt Buildings & Plant	158,513	69,760	70,810	71,881	72,974	-85,539	-54.0
Police	2,192,537	2,190,814	2,246,315	2,303,774	2,363,275	170,738	7.8
Fire	398,469	399,749	401,171	402,622	404,102	5,633	1.4
Ambulance/Rescue	80,118	80,118	80,320	80,527	80,737	619	0.8
Protective Inspection	314,216	319,591	326,884	334,440	342,271	28,055	8.9
Planning And Zoning	209,991	211,739	215,958	220,320	224,831	14,840	7.1
Emergency Management	3,500	3,500	3,500	3,500	3,500	0	0.0
Health	28,443	28,688	29,207	29,736	30,276	1,833	6.4
Hwy Maint-General Services	883,409	892,890	913,577	935,110	957,531	74,122	8.4
Cleaning Of Streets & Gutters	22,000	22,440	22,889	23,347	23,814	1,814	8.2
Hwy Maint-Snow & Ice Removal	134,700	135,200	135,810	136,432	137,067	2,367	1.8
Traffic Signals & Street Signs	36,150	36,150	36,873	37,610	38,363	2,213	6.1
Maint/Repairs- Hways & Bridges	93,000	93,700	95,574	97,485	99,435	6,435	6.9
Npdes-Ms4	212,000	57,340	57,687	58,041	58,401	-153,599	-72.5
Culture - Recreation	10,000	10,000	10,000	10,000	10,000	0	0.0
Parks	808,640	134,680	136,782	138,926	141,113	-667,527	-82.5
Debt Principal	376,217	379,992	384,778	390,027	395,278	19,061	5.1
Debt Interest	89,760	84,552	78,512	73,388	68,187	-21,573	-24.0
Insurance	47,376	47,376	47,376	47,376	47,376	0	100.0
Employee Benefits	225	225	225	225	225	0	0.0
<b>Total Expenditures</b>	<b>\$6,798,308</b>	<b>\$5,865,631</b>	<b>\$5,974,005</b>	<b>\$6,087,549</b>	<b>\$6,204,973</b>	<b>-593,335</b>	<b>-8.7</b>
Percent of Total Expenditures							
Legislative Body	2.4	2.8	2.7	2.7	2.7		
Executive	2.8	2.8	2.8	2.8	2.8		
Financial Administration	2.5	3.0	3.0	3.0	3.0		
Tax Collection	0.2	0.2	0.2	0.2	0.2		
Administration	1.5	1.8	1.8	1.9	1.9		
Business Technology	0.7	0.7	0.7	0.7	0.7		
Receptionist	0.1	0.1	0.1	0.1	0.1		
Genl Govt Buildings & Plant	2.3	1.2	1.2	1.2	1.2		

	2018	2019	2020	2021	2022	<u>Change</u> <u>2018 - 2022</u>	
<b>Police</b>	32.3	37.4	37.6	37.8	38.1		
<b>Fire</b>	5.9	6.8	6.7	6.6	6.5		
<b>Ambulance/Rescue</b>	1.2	1.4	1.3	1.3	1.3		
<b>Protective Inspection</b>	4.6	5.4	5.5	5.5	5.5		
<b>Planning And Zoning</b>	3.1	3.6	3.6	3.6	3.6		
<b>Emergency Management</b>	0.1	0.1	0.1	0.1	0.1		
<b>Health</b>	0.4	0.5	0.5	0.5	0.5		
<b>Hwy Maint-General Services</b>	13.0	15.2	15.3	15.4	15.4		
<b>Cleaning Of Streets &amp; Gutters</b>	0.3	0.4	0.4	0.4	0.4		
<b>Hwy Maint-Snow &amp; Ice Removal</b>	2.0	2.3	2.3	2.2	2.2		
<b>Traffic Signals &amp; Street Signs</b>	0.5	0.6	0.6	0.6	0.6		
<b>Capital Projects</b>	0.0	0.0	0.0	0.0	0.0		
<b>Maint/Repairs- Hways &amp; Bridges</b>	1.4	1.6	1.6	1.6	1.6		
<b>Npdes-Ms4</b>	3.1	1.0	1.0	1.0	0.9		
<b>Culture - Recreation</b>	0.1	0.2	0.2	0.2	0.2		
<b>Parks</b>	11.9	2.3	2.3	2.3	2.3		
<b>Debt Principal</b>	5.5	6.5	6.4	6.4	6.4		
<b>Debt Interest</b>	1.3	1.4	1.3	1.2	1.1		
<b>Insurance</b>	0.7	0.8	0.8	0.8	0.8		
<b>Employee Benefits</b>	0.0	0.0	0.0	0.0	0.0		
<b>Total Expenditures</b>	100.0	100.0	100.0	100.0	100.0		

## Chapter 5 PERSONNEL

### Introduction

Located in southern Dauphin County, Lower Swatara Township (the “Township”) is a mostly rural/residential municipality punctuated with other types of taxable and non-taxable properties as well. It is uniquely located approximately five miles southeast of the City of Harrisburg and shares a border with six other municipalities, including Swatara, Londonderry and Derry Townships and the Boroughs of Steelton, Middletown and Highspire. The Harrisburg International Airport is also located within its borders.

The Township appears to be growing and has a stable revenue base to assist in its growth. However, the Township faces a common municipal challenge of controlling future labor costs while seeking to maintain and expand public services. A commitment toward professional management and reasonable personnel relations will prepare the Township to confront this challenge. This section of the report is intended to provide the Township with a review of the Township’s management of its labor force, its current labor practices and policies, and finally to provide the Township with recommendations as it seeks to manage its future personnel costs.

### Background

Presently, the Township has two employee bargaining units – Public Works and certain non-PW administrative personnel in December 2017 voted to be represented by Teamsters Local 776, and the Township’s police officers are currently represented by the Lower Swatara Township Police Civic Association (the “PCA”). (NOTE: Police are in the process of also seeking Teamsters representation). The Township is currently negotiating an initial collective bargaining agreement (CBA) with non-uniform employees. The Township’s current collective bargaining agreement (the “CBA”) with the PCA expires on December 31, 2018. The Township should be reviewing the current CBA and seeking reasonable but creative cost controls now.

The Township’s police department is the major cost driver for the Township. This is not unusual, but one that must be controlled through assertive collective bargaining. The Township’s non-uniformed employees have also recently unionized as noted previously. Regardless of the employee group in question, the Township will need to intensify its efforts to control its labor costs.

While the Township's pension plans and labor costs are manageable at the present time, it is imperative that the Township focus on structural cost drivers that are associated with the wages and benefits paid to its employees. The Township will need to do so in order to ensure the long-term sustainability of the services it provides to their citizens. While the Township is not currently facing the fiscal distress that other Pennsylvania municipalities are facing, the Township must take advantage of its current fiscal position to create a long-term plan to manage its future labor costs. Fiscally distressed municipalities were also once in a favorable fiscal position but failed to properly manage structural cost increases that contributed to their fiscal distress.

The implementation of the recommendations of this report will require the Township to review its employees direct compensation and to undertake a comprehensive evaluation of its total employee compensation, which includes direct compensation as well as the value (and cost) of current and future employee benefits such as healthcare, retirement and paid time off. Implementation will be difficult but not taking these steps will be more damaging for the Township's employees and taxpayers in the long-term. Further, evaluating and implementing these steps cannot be viewed as a one-time effort with overnight success. Instead, this effort must remain a consistent focus of current and future Township governing boards when deciding future employee compensation and benefits and utilized in all future employee collective bargaining negotiations and interest arbitration. It will also require a change in the expectations and culture among Township employees.

Lastly, it appears that there exists in the Township an uneasy employment relationship between the Township Board of Commissioners (the "Board") and some segments of the Township's labor force. This problem appears to have existed for some time and may be corrected by simple changes in behavior and leadership. At the very least, a solution to this issue should be a priority for the Township because a dysfunctional employment relationship inhibits labor productivity.

### Labor Recommendations

With the foregoing in mind, the following areas of concern and recommendations are highlighted.

#### 1 Office of Township Manager.

Ordinance 1974-8, as amended, created the Office of Township Manager. The Ordinance states that the Township Manager is the chief administrator of the Township and is responsible to the Board for the proper and efficient administration of Township affairs. The Ordinance also provides that the Township Manager shall supervise and be responsible for the activities of the municipal departments. The Ordinance further provides that the Board and its members shall deal with the administrative service of the Township through the Township Manager and that neither the Board nor its members shall give orders, publicly or privately, to any subordinates of the Township Manager except in an emergency situation.

In the past several years the Township has had several managers. Frequent turnover in this important Township management position is not a typical management succession pattern nor is it recommended. It often leads to inconsistent management policy which in turn affects the morale of Township employees. It also creates a disincentive for qualified and experienced municipal managers to seek the manager position, particularly those who may be highly qualified. This issue may be the result of prior Board members who may have attempted to assume responsibilities that are legislatively delegated to the Township Manager.

The Board's role is limited to setting overall policy and providing general administrative direction. The Board is required to make these decisions collectively based upon established majority voting procedures. Individual Board members may disagree with each other but the Board is required to act as one body for the benefit of the Township. The Township Manager and the Department heads, on the other hand, implement the general policy created by the Board. These individuals are responsible for making the day-to-day administrative decisions and for directing the Township's employees in implementing their decisions. If an individual Board member feels there is an administrative issue that must be addressed, he or she should appropriately address that issue with the Township Manager with the whole Board present at an executive session or public meeting, whichever is most

appropriate and permitted under the Pennsylvania Sunshine Act. When an individual Board member or group of Board members attempts to direct the Township Manager or Department heads on day-to-day administrative operations they are not only violating Township Ordinance 1974-8, they are treating the Township's management team as mere front line supervisors instead of professional managers. It is recommended that the Township Board of Commissioners be mindful of the strictures legislatively enacted by the Board in Ordinance 1974-8 and avoid encroaching upon the day-to-day administrative responsibilities of the Township Manager and his/her professional management team.

2 Personnel Cost Issues.

The Township's primary structural cost drivers relate to Township personnel and in particular the collective bargaining agreement with its uniformed police bargaining unit. The terms of the collective bargaining agreement between the Township and the PCA are not unreasonable, particularly when viewed relative to other municipalities across the Commonwealth. The Township, however, must be vigilant on personnel cost issues to make sure that it does not become a victim of its own success. Although the benefits the Township provides to its employees are reasonable when compared to other municipalities, Township employees, particularly the PCA, may seek to increase such benefits. Indeed, it has already done so, particularly in 2012 when a significant and costly police pension benefit increase was granted to the PCA as the result of arbitration. While we agree that Township employees should be rewarded for their work, the Township must continue to take a focused and assertive approach toward employee compensation and benefits to ensure that personnel costs do not increase to unreasonable levels in the future. This vigilance must apply to all employees, but particularly the Township's police employees due to the adverse impact that binding Act 111 interest arbitration can have on the Township finances. The most problematic personnel cost areas that we have identified and upon which the Township should focus are discussed below.

A. Healthcare. The Township has done a good job of controlling its healthcare costs during the past four years. Its participation in the Pennsylvania Municipal Health Insurance Cooperative (PMHIC) through Benecon along with periodic benefit plan design changes appear to be the main reasons for the Township's ability to

control increases in its healthcare costs. There are other steps that the Township should consider as well:

- i. Market Healthcare Business. Unfortunately, doing a good job in controlling healthcare costs does not necessarily mean that healthcare costs are low. While it most likely will be difficult to top the rates provided through PMHIC, the Township should be shopping its healthcare business on a periodic basis and as often as possible while also guarding against alluring low rates and hidden long commitments that are sometimes found with other brokers and insurance trusts. The Township's healthcare costs are compounded by the Township's past commitments to provide post-retirement healthcare benefits for its police personnel. This benefit has been terminated for officers hired after March 15, 2015, but the commitments are still binding based on the current contract for officers hired prior to that date and for current retirees. The CBA does not expressly state what benefits are provided to police retirees who are eligible to receive such benefits. While the absence of such language suggests that retirees receive the benefits received by the then-current officers, the Township should seriously consider clarifying that issue to avoid a dispute in the future.
- ii. Healthcare Cost Increases. The Township should continue to monitor its employee cost sharing policy for healthcare expenses and develop a policy for sharing future healthcare cost increases between the Township and all of its employees. It appears that the Township currently funds Health Reimbursement Accounts (the "HRA") for its employees at a rate comparable to approximately half of the applicable health plan in which the employees participate (either \$500 deductible for single coverage or \$1000 for family coverage). Employee cost participation is significant and is helpful in making sure employees make smart and informed healthcare choices because he or she might have to share in a significant portion of the cost. The Township can continue with that strategy by either changing the HRA contribution or increasing the deductible, implementing plan changes, offering "buy-up" options if an employee chooses family coverage or

choosing an alternate health plan that the Township may choose to offer, or implementing a direct employee contribution. Multiple health plan options allow the Township to provide several health plans with different plan designs from which the employees can choose depending upon their needs and cost sharing preferences.

Likewise, the Township can work with Benecon or its broker and legal counsel to develop a defined contribution approach to healthcare so that the Township could provide a sum certain or stipend to employees to purchase the health benefits they choose from the options offered by the Township. The stipend should be the maximum that the Township would pay for health benefits for each employee, regardless of the health plan chosen by the employee.

- iii. Healthcare Plan/Healthcare Benefits. Township policies and documents, including its CBA, also should avoid mentioning a specific healthcare plan. Instead, a more preferred and realistic option is to mention the current level of benefits. The CBA should specifically reserve the right for the Township to change plans or carriers so long as it provides a reasonably similar level of benefits. This precise language will have to be negotiated but the right should be reserved to provide the Township with more flexibility in the future. Currently the CBA provides that health benefits can be changed as long as they are substantially equal. This allows some leeway, but it is a high hurdle to meet if the change in benefits is designed to save money.
- iv. Cadillac Tax. The Township must guard against the Cadillac Tax language that currently exists in its police CBA. In addition, in the Township's (current) non-unionized setting, the Township should also provide clear language regarding the need to change benefits to stay under the Cadillac Tax threshold. This caveat is mentioned because there has been chatter for years that the Cadillac Tax will be eliminated. However, that has not happened, although implementation has been delayed until 2020. The Cadillac Tax was a funding mechanism for the Affordable Care Act (ACA) and it will be difficult to eliminate. Further, many of the minor tweaks that

have been made to the ACA, including the elimination of the individual mandate, are predicted to have the effect of increasing healthcare costs to the federal government. The Cadillac Tax is still a reality and until it is actually eliminated once and for all, the Township should only seek to strengthen its Cadillac Tax language and ignore all claims that it is not necessary.

For example, the Township needs to negotiate language to its current CBA Cadillac Tax language to make sure that all retirees know that the tax provision will apply to them, as well. Although often overlooked, current retiree benefits will be subject to the Cadillac tax if the threshold is met. It is very difficult for a variety of reasons to require such retirees to pay the tax or to make changes to the language under which they retired. The Township, however, should take steps to protect itself from this scenario. To do so, the Cadillac tax language in the CBA must incorporate this possible scenario and provide an avenue of relief with respect to both current employees and retirees as well.

- v. Benefits Review. At the current time, the Township's healthcare benefits do not appear to be unreasonable compared to other municipalities. The Township, however, should conduct a periodic audit of the benefits it offers its employees and evaluate how they compare to surrounding municipalities. The Township does not want to overburden its finances on healthcare benefits, but it also wants to ensure that its healthcare benefit structure is at the appropriate level to attract quality employees. This audit, however, must consider more than just the description of healthcare benefits. It should analyze the total cost of all employee benefits including compensation provided to each group of employees and the actual value of such benefits. For example, even if the Township pays its other post-retirement benefits (OPEB) on a pay-as-you-go basis, there is an annual value of such benefits based on the GASB 45 OPEB study. The same is true with pension benefits. All employee compensation and benefits, including wages, longevity, uniform stipends and reimbursements, current and retiree healthcare,

pension benefits, all accrued leave and the impact any form of compensation has on pension benefits and pension liability, etc. has to be considered.

- vi. Healthcare Eligibility Review. Eligibility coordination rules for employees who have access to healthcare elsewhere should be developed for all employees and enforced. Periodic eligibility audits should be conducted to ensure that only eligible individuals are receiving the Township's benefits and that the Township has coordination and carve outs for certain contingencies. If an employee can get comparable coverage elsewhere or his or her dependents can do so, the Township should not be obligated to provide coverage. Having this option is useful, but its utility is limited if there is no effective periodic audit or enforcement procedure in place. This eligibility audit should be conducted for current employees and retirees.
- vii. Other Post-Retirement Benefits (OPEB). Due to the fact the Township has already reduced the availability of OPEBs for certain employees and eliminated them for employees hired after March 15, 2015, it is clear that the Township's post-retirement healthcare benefits are not as crippling as those found in other municipalities. With a Deferred Retirement Option Plan (DROP) available to all current employees, even if they are entitled to OPEBs, the justification for such benefits is lessened. In the future, the Township should use the availability of the DROP to seek further reduction or the elimination of the OPEBs for employees who are still entitled to them or seek provisions to curb the costs of the DROP.

Another potential issue that could be clarified is what type of coverage is available to police retirees. Article 3.06 provides that "full medical coverage" is available to retirees under the terms of the CBA. While it appears from the structure of the CBA that "Medical" coverage is separate from other forms of coverage such as "Dental Coverage," it would be best if this issue was clarified. At the very least, the word "medical" in Article 3.06 should be changed to be "Medical coverage referred to in Article 3.04" so it is more clear. In addition, as noted earlier, the CBA should be clarified so

that it is clear that the Cadillac Tax language should apply to all retiree coverage as well as current officers.

viii. OPEB Trust. While the Township should evaluate creating an OPEB trust to prefund their post-employment benefits, it should first analyze the cost/benefit of having an OPEB trust in light of the fact that its OPEB liability has been curtailed for recently hired employees. While the funding of such a trust is generally a good idea, the Township will have to consider its unique circumstances or carefully draft the terms of the trust. In some cases where such benefits are stopped or controlled going forward, or in a combination of the those scenarios, the financial requirement to support such benefits could decline in the future and the placement of money in such a dedicated trust may not be the best use of or best way to utilize public funds, depending upon the needs of the Township. This depends upon a careful actuarial study and a financial analysis of the Township relative to the Township's needs going forward.

B. Pension. The most recent Compliance Audit from the Pennsylvania Department of the Auditor General (“DAG”) under Act 205<sup>1</sup> does not reflect any compliance issues for either the Township’s police pension plan (the “Police Plan”) or non-uniformed pension plan (the “Non-Uniformed Plan”) (collectively the “Pension Plans”). A review of the Police Plan establishes that the Police Plan did have significant compliance issues as recently as 2011, but those issues were corrected by several 2012 Police Plan amendments. Both Pension Plans are neither distressed nor financially unsound. With funding ratios in the low 80 percentile (based on the most recent Act 205 audits), the Township should be taking action to guard against any further funding decline and seeking ways to control future costs.

The year 2017 most likely provided a solid investment return for the Pension Plans, but that is not a reason to consider any increase in benefits. This is particularly true in light of the funding ratio trends in of both Pension Plans since

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<sup>1</sup> The most recent audit on the DAG’s website. Such audits are performed every two years, but the audit for 2017 is not available.

2009 (based on the most recent act 205 audit). In 2009, the Police Plan was 101% funded. After several amendments, the Police Plan was only 83% funded as of January 2013 and 88% funded as of January 2015. Similarly, the Non-Uniformed Plan was 85% funded as of January 2009, and after dropping to 79.7% funded in 2011, the Non-Uniformed Plan was 80.2% funded as of January 2013. In January 2015 the Non-Uniformed Plan was 85% funded.

Most actuaries will confirm that a funding status of between 80% and 100% is not a reason for fiscal trepidation; however, such a funding status should prompt elected officials to develop a strategy to control future pension costs. For example, since 2011, the Township's Minimum Municipal Obligation ("MMO") to the Plans has generally increased.

In 2011, the MMO for the Non-Uniformed Plan was \$158,465. By 2016, the MMO for the Non-Uniformed Plan rose to \$309,777 with steady increases between 2011 and 2016. The 2011 MMO for the Police Plan was \$103,743. The MMO for the Police Plan rose to \$184,336 in 2016. While the MMO for the Police Plan rose to a high of \$204,696 in 2013 before dropping to the 2016 level, the Police Plan MMO has also increased from its 2011 level.

All of the foregoing MMO figures are before Act 205 state aid was applied, which in 2016 was \$236,231. Even with the application of 2016 state aid, the Township's taxpayers still had a sizable contribution from the Township's General Fund of \$257,000 to pay the Township's \$494,113 overall MMO for both Pension Plans that same year. The foregoing figures, particularly when combined with the Township's healthcare and OPEB costs, highlight the need for a strategy to control these personnel costs in the future. The following are recommendations to help the Township do so:

- The Township is statutorily limited with respect to the pension benefits for its uniformed police personnel. Other non-statutory limitations also may apply to changing pension benefits for current uniformed and non-uniformed employees. However, both Pension Plans should be reviewed to determine what benefits, if any, can be modified to control the Township's pension expenses for current employees, and to determine what benefits can be

changed or eliminated for all future employees and thereby reduce these expenses. In this regard:

- A new pension benefit structure should be evaluated for new members of the Police Plan. This structure will have to comply with all mandated statutory pension benefits, but should not contain the most costly optional pension benefits, such as a cost of living increases, service increments, disability benefits over 50% of the salary at the time of the disability, survivor's benefit in excess of 50% and should seek to increase the retirement age, eliminate or limit the DROP or change its terms to control indirect costs, and exclude overtime or W-2 compensation over and above base salary. The Township's base salary for police officers includes longevity but if it is ever separated, it should not be included or the amount of it that is included in an employee's pension calculation should be limited. Even without the Township providing optional pension benefits, the employees subject to statutory pension requirements (mainly uniformed employees) will still be entitled to a generous pension benefit upon retirement.
- Unlike the laws for the Police Plan, no law requires that the Township offer non-uniformed employees a defined benefit pension plan. Thus, the Non-Uniformed Plan is not required by law and the Township should closely examine the fiscal advantage to either freezing the Non-Uniformed Plan, reducing costly benefits, reducing the multiplier going forward for current employees (if possible) and new hires, starting a defined contribution plan or a combination of the foregoing.

The multiplier for the Non-Uniformed Plan is currently 2.5% of monthly average salary. While not unique, a multiplier of 2.5% is on the high end. The Township has a lower multiplier (1.5%) for years of service after the 20<sup>th</sup> year of service, but the recommendation is to also lower the multiplier going forward for all years under 20 years of service (assuming the Township continues to offer the defined benefit plan for new non-uniformed hires). This is particularly true

considering that “monthly average compensation” includes W-2 compensation. The Township must be careful to fully analyze each option. While implementing a defined contribution plan is often viewed as the best cost saving maneuver, that may not always be the case. Thus, a careful analysis by the Township’s actuary is necessary along with consultation with the Township’s legal counsel.

The Township is in the relatively uncommon situation in which its annual MMO for the Non-Uniformed Plan is higher than the MMO for the Police Plan. Typically, the situation is reversed because there are statutorily mandated expensive minimum benefits for uniformed employees and not for non-uniformed employees, however, the Township has adopted similar costly benefits for its non-uniformed employees.

- The pension plans applicable to all future employees should be subject to the terms and conditions of any future pension law that reduces the funding costs to the Township.
- The Township should also eliminate any inclusion of lump sum payments or overtime into any pension calculation, such as compensatory time earned outside the averaging period or any other form of payment for accrued but unused leave. The pension benefit calculation in the Police Plan is based on W-2 wages. It is thus imperative that the Township obtain language to clarify that any lump sum payment of any type is not part of the term “monthly average compensation” and is not included in compensation for the purpose of calculating a pension benefit. Including lump sum payments is contrary to the mandate of the DAG, especially if the time for which the payment is being made was not earned in the pension averaging period, i.e. the last 36 months of employment. Including such payments also will cause “spiking” by artificially escalating the pension benefit paid to an officer by the Police Plan, and which was not actuarially funded or planned.

- Employee pension contributions should be maintained at the highest level possible and the current language should be changed so that it mandates the maximum applicable pension contribution unless it is reduced to a certain level in any given year at the discretion of the Township Board of Commissioners. The Township should be mindful of the fact that Act 600 provides that pension contributions for police officers can statutorily be between 5 percent and 8 percent if the position is not covered by Social Security, unless negotiated lower. When a police officer position is included in an agreement under the Federal Social Security Act, the contribution is 5 percent unless the Plan maintains a Social Security offset, which the Township's does not. See 53 Pa. Stat. Ann. § 772 (West).
- The Township should consider amending its DROP so that it deals with the hidden costs of the DROP and better serves the needs of the Township and its taxpayers. The Township should deal with the indirect or hidden, non-pension costs of a DROP. The indirect costs of a DROP include the higher salary and benefits of a DROP Participant as well as the ceasing of state aid and pension contributions for the DROP Participant. It is our understanding that the Township's DROP applicable to police employees is a post-Act 44 DROP. Ironically, Act 44 which was passed by the Pennsylvania legislature in 2009, makes it difficult to design the DROP to better serve the interests of the taxpayers, unless the Township is willing to take a more aggressive legal approach and possibly confront the DAG<sup>2</sup> in a future audit. The following are recommendations to assist the Township with amending its DROP:
  - Imposing a sunset provision on the DROP after which the DROP will have to be renegotiated for all new DROP Participants;

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<sup>2</sup> While legal arguments exist for the following provisions, particularly when obtained through bargaining, some of the following provisions are not expressly provided for in Act 44. The Township should consult with its actuary regarding the financial benefit of the provisions as well as its legal counsel prior to adopting any of these provisions.

- Terminating or limiting a DROP Participants entitlement to certain leave time, the amount of certain leave time, and/or the accrual of leave time while in the DROP;
  - Reducing and eliminating certain forms of compensation while in the DROP, such as the officer's base salary or at least the longevity pay portion of base salary, shift differential, entitlement to compensatory time, education bonus, etc.
  - Requiring as a condition of entering the DROP that the DROP Participant pay to the Township the amount of lost state aid or a significant portion thereof;
  - Developing a limited time period to enter the DROP or a reduction of the DROP Participation Period by one year for each year the officer delays entering the DROP;
  - Mandating other conditions for entering the DROP to insure that the DROP is not only cost neutral but also furthers the goals of the Township and its police department; or
  - Designating a fixed return or graduated return on all DROP Escrow funds depending on the performance of the DROP.
- The Township should avoid adding or increasing optional Act 600 police pension benefits, as it did in the 2011-2012 time period. Although we do not recommend adopting any increased pension benefits, the Township should consider imposing timing and sunset provisions with respect to any non-mandatory pension benefit that is increased or adopted in the future. Such provisions will allow re-evaluation of the cost and affordability of such benefits for the protection of the taxpayers.
  - Article 6.00 of the current CBA between the Township and the PCA provides that if certain very costly pension benefits are made available by a ruling of the Pennsylvania Supreme Court, the Township will immediately conduct a study to determine the impact of adding such benefits to the Police Plan and the CBA will be reopened to bargain over adding such benefits. This is a provision that can only harm the funding status of the Police Plan and hurt the

fiscal position of the Township. It is undesirable for a variety of practical reasons related to properly managing the Police Plan and the Township, and it serves absolutely no purpose for and provides no benefit to the taxpayers. It is highly recommended that the Township eliminate this provision in the next round of bargaining.

C. Wages and Longevity.

- i. Police Department. The Township has made a strong effort to control the police officers' base wages and longevity. For the police bargaining unit, the Township combined the two elements of compensation into the one base wage. That appears to have been done in or about 2007. The Township also created a new, lower graduated wage scale for new hires, which appears to have been implemented on or about March 2, 2015. The foregoing steps are sound, but the combination of salary and longevity can be deceiving<sup>3</sup>. Typically, longevity is capped and does not increase every year, unless it is based on a percentage of salary which is not desirable. By including longevity into salary, the Township now has essentially created a built in increase to longevity each year, equal to the salary increase. As such, the Township must guard against arguments by the PCA to either get greater wage increases because they feel that they are not getting increases in longevity (which would be inaccurate because they are each year), or to create a separate longevity payment in the future without a comparable reduction in base salary, ignoring the fact that longevity is already combined with the base salary. This is why it is essential for the Township to maintain a separate file on police bargaining issues containing all notes and the institutional history of bargaining. The Township also has effectively eliminated any cap on longevity unless it is mindful in the future to look at overall cash compensation and adjust wage

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<sup>3</sup> One issue with the new graduated pay scale is that the wage increases or step increases from year to year are large. It appears that the steps are based on a \$2000 annual increase, but in the early years that increase computes to just over 4% and drops to just over 3% in the final step to year 8. The Township must also guard against raising the dollar value of each step regularly in future contracts. If it does so, the value of the new hire graduated pay scale will be lost quickly over time.

increases accordingly. The Township must be careful to not allow the salaries and longevity of the officers to exceed the necessary level for the work performed and the experience of employees all in the name of “public safety”. While the risks of any public safety position in any jurisdiction are well-known, there also a limit that the taxpayers of each municipality can afford to pay for the service.

- ii. Non-Uniformed Employees. The foregoing salary suggestions similarly apply to all Township job classifications, including all non-uniformed employees. In this regard, there are several additional points worth noting. First, some of the non-uniformed workers (on paper) appear to be very well paid. This study did not include a study of comparable positions in the Township, but the compensation paid to other laborers and public works employees in other “comparable” municipalities should be carefully examined. The Township should consider undertaking a study to evaluate the compensation provided to its non-uniformed employees compared to comparable municipalities. The information from this study will be beneficial when filling a vacant Township employment position. Second, while it is understandable for management employees to be paid more than the employees they supervise, it appears that there is not that much of a gap between, for example, the Public Works Superintendent and the laborers. The Superintendent appears to be adequately paid, but the pay for some of the laborers that the Superintendent is supervising is very close to the Superintendent’s salary. These higher salaries are also notably reflected in the Township’s pension costs.

With respect to the compensation and cost of non-uniformed employees, there are two final notes. First, when reviewing the overall salary structure of the Township, it is apparent that the Manager is paid less than all of the Police Sergeants, the detective, one Patrol Officer and the Acting-Police Chief, who, like the Police Chief, reports to the Manager. [Note: the current Manager is serving on an Interim basis by way of a month-to-month contract for services to the Township.] The

Manager as previously mentioned is the Chief Administrator of the Township and is responsible for managing all Township departments and is responsible directly to the Board for the efficient administration of the Township. The Township is fortunate to have a solid manager with experience in local government now, but to pay any Manager less than his or her subordinates is not generally a decision that is advised. It is not helpful from a hierarchical standpoint, but more importantly, it can hinder the Township from obtaining solid applicants for the position in the future. Second, the Codes and Inspection Department is often a department that is subcontracted for cost savings. The Township should investigate this possibility to determine if it can, over time or through attrition, save money on salary and benefits by subcontracting this department.

- D. Overtime. It appears that as of the fall of 2017, there were open positions in public works, the police department and in administration. While overtime costs may increase as a result of these vacancies, particularly in the Police Department, the Board must be cognizant of the open positions when reviewing overtime costs. Overtime costs may rise or even exceed the amount budgeted as a result of a vacant position, but the Township still is most likely saving money on the vacant position. It appears that the Police Department has attempted to utilize the Public Safety Exemption under the Fair Labor Standards Act (FLSA), but the Township is required under the CBA to pay overtime to any officer who works more than 40 hours in any five day period.<sup>4</sup> This appears to defeat the purpose of the utilization of the FLSA Public Safety Exemption, and this issue should be reviewed by the Township. Any change in this area will have to be negotiated under the CBA.
- E. Sick Leave, Personal Days and Holidays. The Township police officers receive generous time off. They receive 10 holidays, 4 personal days, 20 vacation days

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<sup>4</sup> The CBA does not define the days that are included in the five (5) day period. It should at least do so in a manner that will reduce costs, if possible, while also complying with the Public Safety Exemption under the FLSA. In addition, the contract does not define what time is counted as time worked for the purpose of meeting the overtime threshold. Time not worked, even if paid time off, should not be included in this calculation. The CBA does not require it, but if the Township has a practice of counting such time, it should negotiate that change in the next CBA.

after 10 years of service and 25 vacation days after 20 years of service, and up to 12 sick days per year. They are paid 2.5 times their regular rate for all holidays worked which is not abnormal as compared to other police departments. It appears that police officers are paid for a holiday regardless of whether or not they are scheduled to work. Paying someone for a holiday when they were not scheduled to work (but will receive their full pay for that pay period) amounts to a form of collateral compensation. The police officer is not losing out on any pay or time off and there is no equitable reason to provide the extra day off with pay. The Township should make sure that the CBA merely provides police officers with a list of potential holidays on which they will be paid a certain amount when they are scheduled to work, i.e. time and one-half, or they can take the holiday off with leave pay. If they are otherwise scheduled off on a holiday, such police officers have not lost any time off. Such a provision would not deprive such police officers of any holidays, time off or pay. It would, however, save the Township from the unnecessary expense of paying an employee for a day he or she was scheduled off simply because that day was designated as Labor Day, Memorial Day or some other holiday. Likewise, while premium pay for working a holiday is justified, paying 2.5 times the regular rate for all holidays is prodigious.

Police officers also can carry over unused leave time: up to 186 unused sick days (after which unused days get stored in a Catastrophic Use Bank (CUB)) and 10 unused vacation days per year up to a cap of 30 days. Officers are paid for up to 30% of the accrued but unused sick days (i.e. up to 55.8 days) and for the entire allotment of unused vacation days in the year of retirement. The payment for unused but accrued sick days is not only contrary to the purpose of sick days but is another form of collateral compensation that is often an unfunded liability for a municipality. The same is true with payment for unused vacation time. The vacation payout language in Article 6.04 should also be clarified so that it clearly applies to only the vacation allotted in the last year of service. We recommend that such language also be changed so that if any payment is going to be made for unused vacation it will be for only the amount of unused vacation that the officer

earned in his or her final year of employment and paid on a prorated basis. Thus, if an officer with five weeks of vacation retires in June and the officer has not used any vacation in that final year, the officer will be paid only for 50 percent of the vacation allotted in the final year of service, not any accrued but unused vacation from previous years or the full amount of vacation in the final year.

Further, it is important to note once again that since the pension benefit calculation in the Police Plan is based on W-2 wages, it is imperative that the Township obtain language to clarify that any lump sum payment of any unused sick or vacation time is not part of the term “monthly average compensation” and is not included in compensation for the purpose of calculating a pension benefit. Including lump sum payments is contrary to the mandate of the DAG, especially if the time for which the payment is being made was not earned in the pension averaging period, i.e. the last 36 months of employment.

Although the Township should evaluate the total costs of providing the amount of leave time it provides, it should also consider the following:

- i. Earning Sick/Personal Leave Time. The Township also should consider bargaining and adopting a sick leave policy and personal leave policy where days are earned every month or through some other formula. This policy could be negotiated to be phased in over a period of time. The ultimate goal should be to require employees to earn sick and other forms of leave and not to receive a lump sum amount at the start of each year.
- ii. Accumulated Accrued Leave Time. The Township should consider the need for the amount of permitted accrued leave. If officers are accruing leave time, it typically means there is too much available leave time. Such leave time could be used as a form of a Long Term Disability (LTD) benefit but it probably would be less expensive for the Township to buy an LTD policy. The accrued time could be allowed to enable the officer to be paid during the elimination (waiting) period for a Short Term Disability benefit as well. Any accrued leave time should be coordinated with these types of policies but should not be paid out as collateral compensation.

- F. Part-Time Officers: There are no minimum manning requirements in the CBA or elsewhere and it is in the best interest of the Township to maintain this policy. The Township should adequately staff its shifts with enough personnel to provide the level of service the taxpayers' desire and are willing to pay for. Any minimum compliment or manning requirements should be avoided. The Township should maintain flexibility to determine its staffing needs based upon the circumstances, finances and the need to reduce overtime costs. Currently, the use of part-time officers is severely restricted in Article 2.01 of the CBA. This provision requires all full-time officers be called before any part-time officers are called in to work or scheduled for "[a]ll available overtime". This provision should be changed to provide more flexibility for using regular part-time officers.
- G. Light Duty and Disability: The Township's CBA with the PCA provides that all Heart and Lung claims are resolved through the arbitration procedure. The only issue with this is a shortage of expertise among arbitrators on Heart and Lung issues and the lengthy time it takes for such a claim to be resolved. The Township should consider developing a Work Related Disability Policy which will encompass the resolution and handling of claims for all work related injuries where an officer is claiming benefits under either the Heart and Lung Act ("HLA") or the Workers Compensation Act ("WCA"). All claims for the latter will be handled through the procedures under the WCA, but the HLA contains very few procedures and such a policy and procedure is necessary to handle these claims. Such a policy will also have to be negotiated with the PCA. The policy should deal with everything from the reporting requirements, monitoring rights and obligations, dispute resolution, resolving eligibility and termination issues. Any decision to impose light duty is a managerial prerogative, but "impact" issues relating to that decision as defined under the law will have to be bargained with the PCA. Impact issues relating to the DROP can also be detailed in the policy.
- H. Grievance Procedure: The grievance procedures applicable to all employees should be changed so that all grievances have to be brought to the attention of the Township within a reasonably short period of time. Currently, there is only a time period for the Township to resolve the grievance, not for the grievance to be filed

or appealed. The language should also clarify that if the Township does not reply in a timely manner to a grievance, it shall be deemed denied and may be appealed to the next level within the applicable time period.

- I. Layoff: The CBA does not provide for the order of any required layoff. The decision to layoff is a managerial prerogative, but the procedure is subject to bargaining as an impact issue. Article 6.04, at best, is vague on this issue. The Township should negotiate such a procedure, preferably based on each officer's merit, disciplinary record and if all else is equal seniority as a tie breaker. Any recall should be based on the same criteria.
- J. Regionalization: The decision to regionalize is a managerial prerogative and the current provision in the police CBA restricts that managerial right. If there is a decision to regionalize, the parties can meet and discuss the decision to see if the PCA can offer a cost-saving alternative, and if the PCA is reasonable and serious, it will provide an alternative. Even if the Township decides to regionalize, it will have to bargain all impact issues, but this provision, as written, requires actual bargaining which is much more restrictive. This provision should be eliminated. Although often politically and culturally unrealistic, regionalization and shared services should be considered. There are potential advantages and disadvantages to regionalizing or combining police services that would have to be reviewed. Any collective bargaining agreement applicable to a regionalized police service must be carefully analyzed, to determine if it would reduce Township personnel expenses and is in the Township's long-term interests.
- K. Personnel Manual and Job Descriptions: At the time of our meeting with the Township, there was no updated personnel manual in place. A personnel manual was adopted by the Board in January 2016, but suggested revisions by at least one former manager and several Commissioners have not been formalized and adopted by amendment. This is an important issue for the Township. We did not review the current manual from a substantive perspective, but it appeared to have all of the necessary elements and provisions in a modern personnel policy manual. It appeared to be comprehensive and to contain most of the necessary

provisions. We recommend that the manual be updated, adopted and implemented, and that all employees -- including all management level employees and all Board members -- be trained on the contents and meaning of the manual.

Further, job descriptions for each position in the Township should be created, reviewed and updated, as necessary, at least every two years. It is important that all job descriptions are accurate for many reasons, including avoiding liability. This analysis can also be used to ensure that the Township is appropriately treating each position under applicable law in terms of classifying an employee as exempt and compensating an employee properly under the FLSA.

### Conclusion

When contemplating the foregoing recommendations, the Township must consider the impact these changes will have not only on the Township's future financial stability but also on the Township's ability to recruit employees, particularly management or supervisory level employees. In addition, the Township must consider the impact that the changes would have on employees and the decisions employees make individually or as a group. Thus, while a variety of recommendations have been made in this section of the Report, each one should be reviewed and analyzed individually from both a cost savings and management/employee relations perspective.

## CHAPTER 6 WASTEWATER COLLECTION AND CONVEYANCE SYSTEM

### Introduction

The Municipal Authority of Lower Swatara Township (the “Authority”) owns the wastewater collection and conveyance system serving the Township (the “Sewer Assets”). There are approximately 46 miles of gravity lines and force mains in the Township. This chapter will review the current structure, operation and rates of the Sewer Assets and will review the outstanding debt associated with the Sewer Assets. It will also review the process and potentialities of monetizing<sup>1</sup> the Sewer Assets. Finally, the chapter will include recommendations resulting from our review.

### Structure, Operations and Rates

The Authority is considered a “leaseback authority” under Pennsylvania law in that the Authority acquires, constructs, improves, equips and finances the Sewer Assets, which in turn are “leased back” to the Township (the “Lease”). The Lease from the Authority to the Township, in effect since 1986, requires that the Township increase rates so that there are sufficient funds to maintain sewer service for the Township’s residents and business. A review of Sewer Fund operating results and a rate study commissioned by the Township indicates that historically sewer rates have not been increased sufficiently to pay for operations, necessary maintenance, an adequate replacement program or required sewer asset improvements. For example, rates were not increased from 2012 to 2017. Sewer Fund audits show operating losses in 2014 (-\$163,872) and 2016 (-\$246,625). These losses are before taking into account the full scope of capital improvements identified by the Township’s engineers. The Township should consult with legal counsel to determine if the Lease can be modified so the Authority plays a more significant role in setting rates.

During this 2012 to 2017 period it is unclear whether the Township regularly reviewed a long term capital improvement plan for the Sewer Assets. In order to assess sewer capital budget needs, the Township and Authority retained Herbert, Rowland & Grubic Inc. (HRG) to prepare a five-year capital improvement plan, which was released in July 2017. The report estimates

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<sup>1</sup> As used herein, monetization is a general term for taking all or a portion of the net cash flow generated by an asset and turning it into either upfront, lump sum payments, periodic payments, or both. A monetization can take the form of an outright sale of the asset, a long-term lease or concession, a long-term operation or management agreement, or one of a variety of other structures. The sale or long-term lease could be to a public or private entity.

capital expenditures totaling \$2,911,500 during the five-year period covered by the study. In addition, HRG was retained to prepare a sewer rate study. The sewer rate study concluded that significant rate increases would be essential just to balance the operating budget. Additional rate increases would also be needed to pay for necessary capital expenditures to repair and replace aging infrastructure.

Based on the HRG report, the Township decided to raise sewer rates by \$5 monthly beginning in April 2018, then \$2.50 per month per user in each of 2019 through 2022 for a cumulative rate increase of 26.3 percent. While the rate increases enacted by ordinance in January 2018 are expected to suffice for the time being, a longer term, sustainable approach should be considered. Commencing in 2023, the Township should consider increasing rates gradually every year or two in order to avoid the shock of large increases. Typically, a five to six percent increase every two years would enable the Township to handle increased operation costs and capital requirements. Regular updates to the capital improvement plan should be prepared for the Authority and the Township beginning in 2019. For capital expenditures, the Township has the option of utilizing current revenues, cash reserves, borrowing, grant funding or a combination of these options. The Authority's and Township's financial advisor should prepare a capital financing plan that optimizes the funding sources listed above.

Finally, the Act 537 Plan for the Township has not been updated in a very long time. Consideration should be given to preparing an update. Funds for the update could be acquired through a grant.

### Overhead Allocation

The Sewer Rental Act places certain limitations on the use of sewer rents to pay for direct and indirect overhead of the Township as well as limits on use of sewer rents for reserves and other costs relating to sewer operations. On the other hand, the General Fund pays salaries, benefits and other costs to the benefit of the Sewer Fund. Such costs should be properly allocated to the Sewer Fund so that the General Fund does not subsidize operation of the Sewer Assets (unless the elected officials choose to do so). The Township should consider engaging the services of a consulting firm that can assist the Township with an overhead allocation study to make sure that the Township is not shifting too much of its operating costs (direct and indirect overhead) to the Sewer Fund, and conversely that the Sewer Fund is being charged for the appropriate amount of direct and indirect overhead that it utilizes.

### Inter-municipal Agreements

Treatment of sewage emanating from the Township is provided through inter-municipal agreements with Middletown Borough, Derry Township and Highspire Borough. Approximately 70 percent of the sewer flow emanating from the Township is treated at the Highspire Wastewater Treatment Plant with approximately 13 percent treated by Derry Township and the balance treated in Middletown Borough. In 2014, Middletown Borough entered into a concession and long-term lease arrangement with Suez (formerly United Water) with respect to, among other things, operation of the sewer treatment facility. Notably, Suez also provides drinking water to the Township.

1. *Borough of Highspire.* The 1986 inter-municipal agreement with Highspire results in the Township paying 64 percent of the operating costs of the treatment facility. As mentioned above, Highspire treats approximately 70 percent of the Township's sewage. Highspire charged the Township approximately \$857,000 in 2016 and over \$900,000 in 2017, which is approximately 32 percent of the Township's sewer budget. The Highspire Borough Authority maintains a shared wastewater treatment plant Operations and Maintenance Fund (the "Highspire Shared Fund") that is supposed to record only those expenses that are to be shared by the Township (as opposed to costs such as operation of the Highspire sewer collection and conveyance systems, or other costs associated with Highspire's municipal operations). The Township's Interim Manager sent at least two letters detailing concerns about potential overcharges by Highspire during the latter part of 2017. HRG is also assessing the propriety of charges to the Highspire Shared Fund. In addition, one of Township's 2009 bond financings was used in part to pay the Township's portion of upgrades to the Highspire sewer treatment plant. HRG has pointed out that the Township should ensure that the Borough reduces the Township's share of this project commensurately with any money Highspire received from the Commonwealth Financing Agency, or otherwise.

The Township should seek fairness under this inter-municipal agreement and make sure that expenses between Highspire and the Township are shared in accordance with the 1986 inter-municipal agreement. Any reduction in expenses paid to Highspire can have a positive impact on the Sewer Fund by freeing revenue for needed capital

improvements, thereby taking pressure off of future rate increases and/or increasing reserves available for improvements.

2. *Derry Township.* Under the 1994 inter-municipal agreement between the Township and Derry Township, the Township appears to be paying a capacity fee and a flat charge per customer. The agreement provides that the flat charge and rate per gallon shall be at the same rates charged by Derry Township to its own metered companies. The Township should have this agreement reviewed by its counsel and consider updating the agreement so that it is more in line with current practices. In addition, the Township may wish to verify that Derry is complying with all material aspects of the agreement, particularly with regard to charges to the Township. This agreement would be a lower priority than the Highspire Agreement in that only approximately 13 percent of the sewage emanating from the Township flows to Derry Township.
3. *Middletown Borough.* Also a relatively small piece of the puzzle, this inter-municipal agreement is dated April 27, 2009. Like the Highspire Agreement, the Township pays a portion of operating costs and should ensure that only charges properly allocated to the Township are billed as an expense to the Township. In addition, Township engineers should ensure that meters are properly calibrated and the share of operations being charged to the Township is a fair and accurate amount. Because the treatment facility has recently been taken over by Suez, an amended and updated agreement should be forthcoming in the near future. The Township should have its counsel review the agreement carefully and consider updating it so that it is more in line with current cost sharing practices.

### Sewer Debt

The Township issued a \$3,925,000 General Obligation Bonds, Series of 2009 (the “2009 Bonds”) in order to fund a capital contribution to the Highspire Borough Authority in connection with an upgrade to the Highspire treatment facility, fund improvements and upgrades to the Township sewer system and for certain other non-sewer capital needs of the Township.

The Township also issued a \$4,070,000 General Obligation Bonds, Series A of 2009 (the “2009A Bonds”) to fund a capital contribution to the Middletown Borough Authority in

connection with certain capital additions to the Middletown sewer treatment facility, fund improvements and upgrades to the Township's sanitary sewer system and for certain other non-sewer capital needs of the Township. This bond issue was also used to refund certain 2002 debt that refunded 1997 debt and appears to be largely comprised of sewer related financing.

In 2012, the Township refinanced a portion of both the 2009 Bonds and the 2009A Bonds through the issuance of its \$7,045,000 General Obligation Bonds, Series of 2012 (the "2012 Bonds"). Because a portion of the 2009 Bond proceeds and a portion of the 2009A Bond proceeds are to be used for non-sewer general purposes, for capitalized interest and associated costs of issuance, the Sewer Fund should not be servicing 100 percent of the debt service on the 2012 Bonds. Instead, there should be an allocation of the general purpose bonds to the General Fund. This would increase the debt service costs allocated to the General Fund and decrease the debt service costs to the Sewer Fund.

The 2012 Bonds are currently callable, and it is anticipated that the Township's financial advisors are monitoring the markets for a refunding that could save the Township an amount in excess of its current refunding savings thresholds (3 to 5 percent).<sup>2</sup> Such a refunding for savings could be used to defray a portion of the capital costs associated with the five-year capital improvement plan, if savings are taken up front, or, if savings are taken pro rata over time, the expense load of the Sewer Fund can be reduced commensurately. The Township should consult with legal counsel and appropriate Township staff to ascertain whether debt service on a portion of the 2012 Bonds should be reallocated to the General Fund.

### Monetization

A growing number of municipalities have entered into a sale, lease or concession transactions for wastewater and drinking water assets during the past few years. Examples include:

1. Middletown Borough (closed in 2014).
2. City of Scranton (closed in 2016).
3. New Garden Township and New Garden Sewer Authority (expected to close in 2018).
4. City of McKeesport (closed in 2017)

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<sup>2</sup> Recommend a Debt Policy with different thresholds for current and advanced refundings, among other things.

5. Limerick Township (expected to close in 2018)
6. Exeter Township

The general observation among participants in these transactions is that a relatively new Pennsylvania law — Act 12 of 2016<sup>3</sup> — has resulted in higher prices being paid to the selling municipalities<sup>4</sup>. In addition, Act 11 of 2012 allows regulated utilities to spread capital costs across a wider tariff area than the municipality could, thus mitigating rate increases where significant capital investment is required. The combination of these two Pennsylvania laws, coupled with current interest by investor-owned utilities, is responsible for fueling the current transactional activity. In addition, with the Suez takeover of Middletown's sewer assets pursuant to a lease and concession arrangement, and Suez providing drinking water to the Township, there are potential service efficiencies that create an opportunity for the Township to explore.

Private sector utility companies possess certain tools for managing large mandated costs and capital expenditures that public utilities do not possess, which is why some municipalities find a sale to be more desirable than a concession or lease. As previously mentioned, a private utility can spread its capital costs over a much larger rate base and over a much longer period of time than the municipal sector. In addition, because public bidding requirements can add costs to public construction projects, the private sector can often build larger scale projects for less. Further, private utilities have personnel who work in billing and collections, and customer service and even engineers and maintenance staffers who work on both the water and sewer assets thereby reducing the overall costs of operating a private utility.

A monetization of the Sewer Assets may be worth considering for the Township for one or more of the following reasons:

1. Use proceeds to pay off all outstanding sewer-related debt.

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<sup>3</sup> Act 12 provides a methodology for determining fair market value of the Authority's Sewer Assets based upon an engineering study and original costs of the assets depreciated.

<sup>4</sup> See Moody's Investors Service – *Pennsylvania municipalities and investor-owned utilities to benefit from legislation*, July 14, 2017. That being said, while larger than expected upfront payments to municipalities may be perceived as a good thing, utilities will tell us that this will put pressure on them to raise rates in the future to recoup their upfront payments.

2. Improve the cash flow to the Township's general fund (so long as such cash flow is used for one of the permitted purposes and is justified by an overhead allocation that is reasonable);
3. Use proceeds of monetization to pay down non-sewer debt;
4. Use proceeds of monetization to make a deposit into one or more of the Township's pension funds, reducing the unfunded accrued actuarial value, improving the structural balance of the general fund and reducing the Township's MMO in future years;
5. Improve operating efficiencies so that rate increases can be mitigated; and
6. Use upfront proceeds of a monetization to pay for or defray the costs of economic development or capital improvements to infrastructure.

In order to ascertain whether a sale or concession might be worthwhile, the Township will need to have a firm understanding of details about the Sewer Assets including a description of size and material of pipe and pumping stations, original cost and dates placed in service. It is possible that such records exist at the Township. In the alternative, the Township may wish to procure the services of one of the engineering firms capable of preparing an Original Cost Depreciated Study, which can be used to provide a ballpark value for the Sewer Assets.

The Township may wish to consider developing a request for information and ideas related to the Sewer Assets and then circulate it to regulated utilities and other interested parties to ascertain whether provision of collection and conveyance may be accomplished in a more economical fashion at this time.

Using information learned from above, the Township could further explore a monetization of the Sewer Assets by putting together a team comprised of one or more transactional lawyers, labor counsel and a financial advisor to develop a Request For Proposals that details options being sought (e.g. long-term lease, O & M Contract, Concession Agreement or outright sale), along with provisions relating to minimum upfront proceeds, disposition of labor and rate schedule (in the case of a lease or concession arrangement).

## CHAPTER 7 ADMINISTRATIVE REVIEW

### Overview

Lower Swatara Township has a full-time Township Manager, a part-time contracted finance director, a full-time accountant and a full-time director of administration. All administrative employees share office space in the Township building. All positions report directly to the Township Manager. The 2018 General Fund budget does not plan for any additions in administrative staff. This chapter will review the Township's current administrative positions and provide recommendations for the Township's consideration.

### The Township Manager

The Township Manager position was created by Ordinance 1974-8, as amended. The Township manager is appointed by a majority of the Board of Commissioners. The Township Manager is the chief administrator of the Township and is responsible to the Board for the proper and efficient administration of Township affairs. The Ordinance also provides that the manager shall supervise and be responsible for the activities of the municipal departments. The Ordinance further provides that the Board and its members shall deal with the administrative service of the Township through the Township Manager and that neither the Board nor its members shall give orders, publicly or privately, to any subordinates of the Township Manager except in an emergency situation.

Serving as a Township Manager in Pennsylvania is seldom a 40-hour-per-week job. Increasingly, the manager is required to take on additional responsibilities, especially when there are other administrative staff vacancies. Currently, the Township has an interim Township Manager. Major responsibilities of the Township Manager are outlined in the following table.

Major Responsibilities of the Township Manager in Lower Swatara Township

<b>Role of the Township Manager</b>	<b>Specific Responsibilities</b>
The Township Manager works in tandem with the finance director in day-to-day fiscal operations and other administrative duties	<ul style="list-style-type: none"> <li>· Monitors and oversees the budget process</li> <li>· Conducts periodic reviews of expenses, revenue projections, and department compliance with the Board’s budget</li> <li>· Has the ability to mutually enforce budget decisions with the Board, chief of police and public works director</li> </ul>
Begins the Township budget process in July/August of each year using ongoing information from monthly reviews of finances and operations	<ul style="list-style-type: none"> <li>· Coordinates with the Board (and its committees) and each Township department head in the budget preparation and provides periodic reviews</li> <li>· Helps all Township employees adjust to financial and budget realities</li> <li>· Keeps the Board informed of Township’s fiscal health</li> <li>· Minimizes the possibility of “nasty surprises” at the end of the year</li> <li>· Enforces budgeted expenditure levels on an ongoing basis</li> </ul>
The manager attends/participates in regional meetings and represents the Township (at the request of the Board) on various committees and activities where the Township serves as host	<ul style="list-style-type: none"> <li>· Groups established by Dauphin County, planning and development partnerships, committee meetings, and several other entities</li> </ul>
Responds to government mandates	<ul style="list-style-type: none"> <li>· Efforts to satisfy mandates, especially those instituted by the Commonwealth, generally fall upon the manager by default (an example is Right to Know responses)</li> </ul>
Grant writing	<ul style="list-style-type: none"> <li>· Writes many of the Township’s grants, however, the Township also uses its engineer for grant writing</li> </ul>

### Recommendations

- Hire a permanent Manager. The Commissioners should consider what skill set best meets the Township's needs.
- Clearly define who is responsible for taking over the Township Manager's duties when the Township Manager is absent. The Ordinance requires the Manager to designate a qualified member of the staff to perform the duties during the Manager's absence or disability. The person so designated shall not perform such duties for a period longer than three weeks without the approval of the Board. The Director of Administration now fulfills this role by default.
- Consider undergoing a strategic plan. A strategic plan will provide a road map of Township goals for the Manager and staff, and will entail preparing budgets that reflect those goals.
- Draft and adopt a new Personnel Policy Manual incorporating labor law revisions. Review annually and update accordingly.
- Create and adopt job descriptions and a salary schedule for all employees.
- Re-evaluate, prepare and introduce a Performance Evaluation System for all employees.
- Provide cross training opportunities and develop a successor plan for key positions or for individuals with specialized skills.
- Consider hiring a receptionist to cover the front desk, greet visitors, answer the phones, etc. This job is now being done by staff in addition to their normal duties, and it is a distraction to employees who currently have job tasks that require their attention.
- Transition from paper to electronic agendas. The Township can purchase laptop computers or tablets for the Commissioners. This alleviates the cost and time to print and deliver agenda packets.
- Consider an electronic document management system.

### The Director of Administration

The full-time position of the Director of Administration includes a long list of responsibilities, not all unusual for this position because of the unique needs of the Township. These responsibilities include:

- Support the Board of Commissioners
  - Agenda preparation
  - Prepares meeting minutes
  - Background research
  - Schedule and advertise meetings
  - Prepare reports, including the annual report
- Health insurance administrator (with assistance from the accountant and police secretary)
- Human resource management (benefit coordinator, insurance, pensions, disability and insurance claims)
- Serves as assistant to the Township Manager
- Office management
  - Assures timely mail distribution
  - Assures supply inventory and acquisition
  - Directs and coordinates tasks for administrative employees

### Finance Department

The Finance Department, maintains the financial books and records of the Township. The departmental tasks are carried out by a Finance Director and an Accountant. The major areas of responsibility are:

- Preparation, monitoring and control of the annual budget
- Preparation of financial reports
- Payment of all Township bills and liabilities (Accounts Payable)
- Creation of all invoices and purchase orders
- Receive, document and deposit of all Township revenues except real estate and per capita taxes (Accounts Receivable).

The current Finance Director has direct knowledge and experience with governmental budgeting and accounting processes. The Finance Director, the Accountant and the Township Manager are responsible for coordinating the budget process, providing projections, analyzing past expenditure and revenue experiences, proposing the most efficient operations, and providing budget development to support operations.

### Recommendations

- Review and budget for the purchase of a new accounting software package that includes a module to integrate the Finance Department with other departments (Municipal Authority and Planning/Zoning/Codes). The current software is not fully integrated. This results in difficulties that take up an unusual amount of time and slow efficiency. The proper software could alleviate frustration and maximize efficiency among departments.
- Adopt a fund balance policy. The finance director and Township manager should work with the Commissioners to develop a policy that addresses the Township's specific needs. Examples of fund balance policies can be found through GFOA or from other municipalities.
- The Township's Finance Director has many years of municipal accounting and finance experience. This is the ideal time for the Township to streamline its efficiency and improve communications between finance and other departments. Policies and procedures for purchasing, credit card usage, invoices, and purchase orders should be reviewed, revised or drafted where necessary and enforced.
- Training of core competencies for finance staff should be encouraged. Finance Department staff should attend GFOA or other trainings offered throughout the year. The trainings are reasonably priced and employees often benefit through the networking opportunities that training provides.

### Planning and Zoning Department

The Planning/Zoning/Codes Department consists of four full time employees. There is a full-time director who also serves as the building codes official, a zoning/storm water officer, a full-time building inspector, and a full-time secretary/permits clerk. The Department is responsible for planning, zoning, property maintenance codes, and the issuance of building permits and building inspections.

The Department administers the Pennsylvania Uniform Construction Code (UCC). All building code ordinances or portions of ordinances adopted before 1999 including the BOCA Basic Building Code, 1990 Edition, that meet or exceed the requirements of the UCC continue in full force and effect until such time as they fail to meet or exceed the minimum requirements of the UCC.

The code enforcement officer enforces Township ordinances. The code enforcement officer is responsible for monitoring property maintenance, solid waste removal and recycling, snow and ice removal from sidewalks, and nuisances such as accumulations of trash and debris, storage of junked or abandoned vehicles, dangerous structures, grass and weeds, and items that impact the health, safety and welfare of the residents and visitors of the Township.

### Recommendation

- Move oversight of the waste hauler to code enforcement.

### Professional Services

The Township purchases a broad range of professional services. These include auditing, engineering, and legal services.

### Municipal Authority of Lower Swatara Township

The Municipal Authority has five full time employees including an operations manager, secretary, and three operators. The Authority manages the collection and transmission of sewage flowing to three wastewater treatment plants that are owned and operated by other entities. The Township has lease agreements with each.

### Recommendations

- Consider appointing a Commissioner to fill a seat on the Authority Board. Appointing a Commissioner to the Board helps close the gap between the Commissioners and the Board. The dual role of Commissioner and Authority Board member is quite common and very successful because the individual can bring important information concerning the Authority back to fellow Commissioners and vice versa.
- Develop a capital improvement budget, identify when to replace aging infrastructure and equipment, and seek grant funds for the necessary work. Some of the collection system is aging terra cotta pipe and in need of replacement. The Commonwealth Financing Authority offers annual grant funding for wastewater improvements. PENNVEST can also help to fund upgrades to the system.

- Develop a plan for flushing the system, as well as routine videotaping and smoke testing to reduce inflow and infiltration of storm water in order to reduce flows and lower costs of treatment.
- Integrate sewer billing and sewage fee collections into the Township's financial software package and train staff on how to use the software efficiently.
- Hire a full-time receptionist to cover the front desk, answer phones, greet visitors, etc. At the present time, the Authority secretary is responsible for the front desk. This creates distractions from other work; which minimizes attention to detail and opens the door for errors.
- Explore billing and collections by a professional third-party contractor. This consideration will become even more important when/if the Township and Municipal Authority establish a stormwater management plan that meets costly regulatory obligations by way of a stormwater fee on property owners.
- In lieu of outsourcing, or perhaps in concert with it, consider changing billing cycles from monthly to quarterly, and stagger bills to create a lower/ more steady volume of bill preparation and receipt processing.

### Training, Competency, and Backup

A well-trained and competent workforce is the first tool needed for efficient Township staffing and subsequent operations. While efficiency is largely a function of providing adequate services with the least number of staff, it is also necessary to have well-trained staff functioning in the right positions. Put simply, the right team is needed to maximize the available resources of the Township when providing effective services for its residents. An optimal Township team works closely together, understands the roles of others, and can fill in for others as needed (this is especially important for the Township, where staffing is already minimal). The Township has a considerable number of seasoned staffers who are very competent and dedicated to provide quality services to the public they serve. The staff members, both newly hired and veterans, are consistently working towards becoming a strong cohesive team as evidenced by their willingness to share information with one another as well as work together to improve efficiency within their respective departments.

### Position Review and Individual Job Descriptions

Competence is determined by the ability to fulfill the requirements of one's job description. The current job descriptions should be reviewed and revised to match current position requirements. Each job description should be prepared by an outside consultant or by the Township Manager and the administrative director with the assistance of each department manager and employee. Typically, the first four or five functions of a position account for 80 percent of primary duties. The majority of the current job descriptions do not reflect the core duties of each position in the order typically seen.

The final version should be submitted to the Commissioners for approval. Existing job descriptions should be voided as new ones are approved. It is important that:

- Job descriptions refer only to a position and never an individual
- Only references to salary/benefits are part of the job description.

## CHAPTER 8 PUBLIC WORKS REVIEW

### Introduction

The Lower Swatara Township Department of Public Works (“DPW” or “Public Works”) is managed by a superintendent and staffed by seven laborers. The Public Works Superintendent also serves as the Municipal Authority of Lower Swatara Township (“the Authority”) Operational Manager, which itself has a staff of three system operators and one administrative assistant. While the Public Works staff is comprised of seven laborers, two staff members are informally assigned internally as the mechanic and the foreman. All laborers and operators keep timesheets broken out by cost center for payroll purposes including general maintenance, MS4 work, snow and ice, municipal buildings, municipal authority, street sweeping, and police or fire vehicle maintenance.

As noted in Chapter 5, the Township has historically not maintained job descriptions that outline the responsibilities and requirements of municipal positions, pay scales establishing multi-year pay steps and grades, or established means of effectively evaluating personnel performance. Efforts have been made to establish some of these within a larger, formal personnel policy. However, turnover of Township management in recent years has made the implementation of a formal personnel policy inconsistent.

### Garage and Fleet Management

DPW operates out of the municipal garage behind the Township Municipal Building. One of the DPW laborers functions primarily as the Township’s mechanic, providing maintenance and repair services to the Township’s vehicle and equipment fleet. The Township fleet includes approximately 30 vehicles and numerous pieces of equipment such as tractors, mowers, loaders/backhoes, and a street sweeper. The garage itself has an office area, a break room, a main mechanic garage bay off of the office, and four additional garage bays past the main mechanic bay. A second garage sits behind the main garage, providing an additional five garage bays for vehicle and equipment storage. Both garages were observed as being in good condition with no issues hindering the regular course of work.

DPW also maintains a complex on Oberlin Road where the Township’s salt shed resides. The salt shed was observed to be in poor condition, with additional support beams appended to

the original structure and a storage capacity too small to mix and hold the requisite amount of salt for the Township over the course of an average winter. This plot of land also includes a facility that was previously a fire house, providing five garage bays and office space to the department.

Street Maintenance

DPW is responsible for the maintenance of 42.18 miles of roadway within the Township, all of which fall within the Township’s Liquid Fuels inventory for Act 655 state funding allocations. An additional 17 miles of state highway runs through the Township; while DPW is not generally responsible for the maintenance of the state highways within its borders, the Township is in the third year of a five-year contract with PennDOT to treat and plow 9.14 miles of state highways during winter weather events. (See Table 8-1.)

Table 8-1  
 LOWER SWATARA TOWNSHIP  
PennDOT-Lower Swatara Township  
Municipal Winter Traffic Services Agreement  
 2016 to 2017

State Route And Local Name	Linear Miles	Rate per Lane per Mile	Number of Lanes	Amount
230 Harrisburg Pike	0.49	\$882.98	2	\$ 865.32
230 Harrisburg Pike	0.45	\$882.98	5	\$1,986.71
230 Harrisburg Pike	0.83	\$882.98	4	\$2,931.49
230 Harrisburg Pike	0.23	\$882.98	3	\$609.26
441 Oberlin Rd.	0.97	\$882.98	2	\$1,712.98
441 Oberlin Rd.	0.73	\$717.58	2	\$1,047.67
441 Oberlin Rd.	0.13	\$717.58	3	\$279.86
441 Oberlin Rd.	1.16	\$717.58	2	\$1,664.79
441 Oberlin Rd.	0.53	\$882.98	2	\$935.96
3002 Fulling Mill Rd.	3.06	\$717.58	2	\$4,391.59
3002 Fulling Mill Rd.	0.56	\$717.58	2	\$803.69
<b>Total</b>	<b>9.14</b>			<b>\$17,229.32</b>

The Township performs winter road maintenance in-house, dividing its road network into six sectional assignments for staff to treat with salt and to plow snow. Township officials have observed that the plowing of State Route 230, particularly the 1.28 miles with at least four lanes of traffic, takes a significant amount of Public Works resources due to the lack of a truck and/or wing plow large enough to plow this wide section of road in an efficient manner.

### Storm Water and Wastewater Collection and Conveyance

The Authority owns the wastewater collection and conveyance system within the municipality, which consists of approximately 52 miles of gravity sewer ranging in size from eight inches to 18 inches in diameter and five pumping stations with force mains ranging in diameter from four inches to six inches. The Authority is considered a leaseback authority, whereby the Authority operates, maintains, and finances the wastewater assets and leases it back to the Township, which charges a fee to residents and commercial entities for wastewater collection. Billing is performed in-house through the Muni-Link utility billing software package. The collection system services 2,457 accounts (2,390 residential and 157 commercial). The varying ages of these pump stations are matched by varying technology. While all five operate autonomously, real-time data and mobile monitoring is only available from two stations, with call boxes from three different manufacturers among the stations.

The wastewater is conveyed to three different treatment facilities operated by Highspire, Middletown (Suez) and Southwest (Derry Township). Approximately 70 percent of the Township's wastewater conveyance is treated at the Highspire Wastewater Treatment Plant with approximately 13 percent treated by Derry Township and the balance treated by Suez. Further detail on the inter-municipal agreements between the Municipal Authority and these entities, as well as the wastewater system in general, can be found in Chapter 6.

Public Works is responsible for the maintenance of storm water collection and conveyance within the municipality. Some of the day-to-day maintenance of this infrastructure includes street sweeping and cleaning inlets. The Township recently procured a new Elgin Whirlwind street sweeper through a multi-year lease. Public Works primarily runs the street sweeper in the spring until all Township roads have been swept and again in the autumn. Other than these seasonal uses, the Township does not conduct a regular street sweeping program, instead using the sweeper as needed. Furthermore, the Township currently provides the Middletown Area School District parking lot sweeping services at a charge, which totaled \$791.30 in 2017. A 1989 Ford vactor truck that is owned by the Municipal Authority is used by Public Works for inlet flushing.

The Township contracts with Herbert, Rowland & Grubic, Inc. ("HRG") for engineering services. Among these services is technical assistance with implementing a Municipal Separate

Storm Sewer System (“MS4”) Program in compliance with Pennsylvania Department of Environmental Protection regulations, including permit assistance, a pollutant load reduction study and other technical storm water requirements. A storm water feasibility study was conducted by HRG in 2017 to assess what a storm water authority might look like and what type of storm water fees might be needed to cover the operations of such an authority. However, the study’s findings were preliminary in that they used impervious surface data from 2002; a flyover in March 2018 by the firm T3 Global Strategies will provide updated data to refine the analysis.

In coordination with HRG, Public Works and Municipal Authority employees use the Collector for ArcGIS mobile application on Township-owned tablets to maintain and update geocoded information regarding conveyance system maintenance, storm water inlet maintenance, and other pieces of location-specific work. The partnership between the Township and HRG has helped the Township build an enhanced dataset of storm water and wastewater conveyance system lines that includes dates and types of maintenance rendered to the system.

### Capital Planning

The Township has not historically developed a formal capital improvement planning process. However, HRG developed a five-year capital improvement plan for the Township’s wastewater infrastructure in 2017 that represents a step in the right direction. The plan provides a thorough review of infrastructure, assumptions, improvement cost estimates, and prioritization matrixes to assist in project planning. The Township will need to develop a larger capital improvement plan encompassing streets, buildings, storm water, vehicles and other major equipment in order to prioritize future projects and target potential funding streams to develop these improvements.

### Other Services

Residential refuse and recycling services are currently provided by a private contractor, Lebanon Farms Disposal. However, DPW operates a bulk trash drop-off program once each month colloquially called “Dumpster Day” wherein Township residents can pay to dispose of appliances and other unwanted items. This program is run from 8:00 a.m. through noon on the first Saturday of the month. Charges are \$10 for a car trunk load, \$35 for a pick-up truck load, and a \$3 per tire fee. A permit to unload at the bulk trash program can be purchased at the

Township Administrative Building during normal business hours or directly from the staff running the bulk trash program. The city accepts cash and checks in both cases.

### Initiatives

1. Charge a portion of the Superintendent's salary and benefits to the Sewer Fund, commensurate with average time devoted to wastewater-related activities.
  - a. Although the Public Works and Municipal Authority positions have been merged, the salary and benefits of this position come exclusively out of the General Fund. Township officials estimate that approximately one-third of the Superintendent's time is devoted to Authority work. The Township currently splits payroll between these funds when laborers or systems operators split time between Public Works and the Authority. The Township should implement a similar mechanism for the Superintendent's time.
2. Improve and consolidate pump station technologies
  - a. As noted above, the technology within the wastewater pump station infrastructure varies by station and, with the exception of two stations, requires regular on-site visits for inspection. The HRG wastewater capital improvement plan identifies the outdated models and makes recommendations to potential product upgrades; the Municipal Authority should upgrade its pump station technology to improve remote monitoring as a part of overall pump station upgrades in the near term.
3. Renegotiate snow plowing contract with the state
  - a. As previously noted, Public Works staff struggle to plow State Route 230 in an efficient manner with current municipal equipment. To the extent possible, the Township should discuss changing the contract to alter the financial compensation to the Township and/or remove State Route 230 from the Township's responsibility.
4. Explore shared services agreement with Susquehanna Area Regional Airport Authority (SARAA) and the Middletown Area School District
  - a. The Township is partially surrounded by significant public entities with their own maintenance apparatus. The Township should work with the Airport Authority,

the School District, and Penn State Harrisburg campus representatives to explore shared services to garner efficiencies of scale to the extent possible.

5. Consider costs and benefits of a new salt shed compared to brining.
  - a. If the preceding shared services initiative does not provide an alternative means to storing and retrieving salt for winter road maintenance, the Township should weigh the relative capital costs, maintenance costs, and service outcomes of using rock salt and liquid brine to treat road surfaces. The city does not currently have the tanks required to hold brine, but the conditions of the salt shed will require capital improvements related to winter weather maintenance within the next decade.
6. Improve internal controls regarding payments for dumpster services.
  - a. When residents have not already purchased a drop-off permit from the Municipal Building, laborers are tasked with taking payment from residents outside of regular business hours under the current dumpster program provided by DPW. The Township should promulgate a written policy with regard to the handling of legal tender when such tender is collected away from the Municipal Building and/or outside of regular business hours. As an alternative, the Township should consider the requirement that any drop-off permit for the dumpster program be purchased at the Municipal Building prior to drop-off.
7. Develop a cross-training program for Public Works and, where applicable, Municipal Authority staff (See ADMIN 04)
  - a. It is in the interest of the Township to foster a cross-training program to minimize service disruptions during staff sick leave and paid time-off occurs. Township administration, along with the Public Works Superintendent, should see to it that cross-training occurs beyond the onboarding processes incumbent with hiring new staff. Periodic training from the Superintendent or senior DPW staff on the use of particular equipment or specialized processes should be scheduled and executed.
8. Continue development of five-year capital plans for all governmental activities and funds (see FIN 06)

- a. Capital planning is an important component of a municipality's ability to continue to provide services. A prudent multi-year capital plan will identify and prioritize the Township's capital needs and will establish projected costs and identify funding sources.

## CHAPTER 9 OBSERVATIONS AND RECOMMENDATIONS

### Introduction

Financially, Lower Swatara Township is a healthy community that experienced budget surpluses throughout the majority of the historical review period and an estimated 2017 surplus of \$1.4 million. The Township is anticipated to either break even or record surpluses over the next five years. The Pennsylvania Economy League review also found the 2018 General Fund budget to be very well documented and developed, with informative line item descriptions and clear, meaningful explanations of budget issues.

Most of the current areas of concern in the Township focus on personnel and management. There has been significant turnover of key Township management positions in recent years, particularly concerning the Township Manager and the Police Chief. As of the writing of this study, the Township had an interim Township Manager who was the third person to hold that title in approximately one year. The Township is currently interviewing for a permanent Township Manager. The Township had similar turnover issues in the Police Department, moving from a chief to a public safety director and now to an acting Police Chief. The acting Police Chief is currently in discussions to become the permanent head of the department. Lack of continuity in these and other key positions, such as finance, can have a negative impact on Township operations.

In addition to turnover issues, formerly non-union Public Works Department employees and certain other non-uniform administrative personnel recently voted to unionize through Teamsters Local 776 and are in contract negotiations with the Township. The decision of non-uniform personnel to unionize will obviously impact the Township going forward. An operations review of the Public Works Department is being performed as a supplement to this report. Police officers who are now represented by the Lower Swatara Police Civic Association are also seeking Teamsters representation.

Meanwhile, there has been an apparent uneasy employment relationship between the Township Board of Commissioners and some segments of the Township's labor force. As noted in Chapter 5, a solution to this issue should be a priority for the Township because a dysfunctional employment relationship inhibits labor productivity. Recommendations presented below provide a path for the Township to follow regarding this matter.

Other recommendations in this report focus on labor strategies, operational improvements, a technology upgrade, and suggestions for the Municipal Authority of Lower Swatara Township and the Police Department. The Township is encouraged to seek Phase II Early Intervention Program grant funding from the state Department of Community and Economic Development as appropriate for recommended initiatives. Recommended target dates for initiatives are immediate, short term (one to two years) and long term (two years or more). Budget impact refers to impact on the General Fund unless otherwise noted.

### RECOMMENDATIONS

#### FINANCIAL

<b>FIN 01:</b>	<b>Strive for continuity in personnel. See also Labor 01, Admin 01 and Police 01.</b>	
	Target Date:	Immediate
	Responsible Party:	Township Board of Commissioners
	Budget Impact:	N/A

- As previously noted, the Township has experienced considerable turnover in senior management positions in recent years.
- The Township should strive for continuity in its personnel, particularly regarding accounting and financial personnel who are familiar with the Township’s budget process and fiscal situation. It is also important to solicit input from department heads on budget needs, which presumes a certain familiarity with the respective department.

<b>FIN 02:</b>	<b>Develop policies for the Capital Reserve Fund.</b>	
	Target Date:	Short Term
	Responsible Party:	Township Manager/Finance Director/Commissioners
	Budget Impact:	Reduce unnecessary transfers from General Fund

- The Capital Reserve Fund is used for capital purchases. The Township has historically placed various amounts of General Fund revenue in the Capital Reserve Fund but there is no clear policy on how much these transfers should be or on what

basis (annually, monthly, etc.) they are made. For example, the Township transferred \$800,000 to the Capital Reserve Fund in 2016 from the General Fund. The Township’s 2016 deficit of \$681,971 would have been eliminated if the transfer had not been made.

- The Township should develop a written policy approved by the Board of Commissioners for the uses and funding of Capital Reserves, such as a requirement to draw down monies from the fund by Board resolution.

<b>FIN 03:</b>	<b>Review assumptions and maintain oversight of the Police and Non-Uniform Pension Plans.</b>	
	Target Date:	Immediate
	Responsible Party:	Township Manager/Commissioners
	Budget Impact:	Potentially higher MMO

- The Township has taken initial steps to strengthen the health of the pension plans by using updated actuarial assumptions for mortality tables. The Township should continue in this vein by lowering the assumed rate of return from 8 percent to at least 7.5 percent. While this likely will result in a higher Minimum Municipal Obligation (MMO) payment, it will more closely align the long term growth of pension assets with the current actuarial assumptions and market experience.
- The Pension Committee is an important oversight board for the Pension Plans. As such, the Pension Committee should strive to meet at least on a biannual basis.

<b>FIN 04:</b>	<b>Review the status of the OPEB Fund.</b>	
	Target Date:	Immediate
	Responsible Party:	Township Manager/Finance Director/Commissioners
	Budget Impact:	Reduce or eliminate OPEB payments from General Fund

- The Other Post-Employment Benefits (OPEB) Fund is a major governmental fund rather than a trust fund with a balance of approximately \$1.6 million.

- Despite the fact that it has an OPEB Fund, the Township has been paying its OPEB obligation from the General Fund. Meanwhile, the Township’s OPEB liability has reduced.
- The Township should work with its actuary to determine how it wishes to proceed with the OPEB Fund and the payment of OPEB obligations going forward.

<b>FIN 05:</b>	<b>Develop a policy for investments that is approved by the governing body.</b>	
	Target Date:	Short Term
	Responsible Party:	Township Manager/Finance Director/Commissioners
	Budget Impact:	Greater safety and understanding of investments by the governing body

- The intent of an investment policy is to define the parameters under which funds are to be managed. The Township should develop an investment policy that effectively and judiciously manages the Township’s general funds.

<b>FIN 06:</b>	<b>Continue development of five-year capital plans for all governmental activities and funds.</b>	
	Target Date:	Short Term
	Responsible Party:	Township Manager/Department Heads/Commissioners
	Budget Impact:	Relieves pressure on General Fund for capital expenditures

- Capital planning is an important component of a municipality’s ability to continue to provide services. A prudent multi-year capital plan will identify and prioritize the Township’s capital needs and will establish projected costs and identify funding sources. From this overall capital plan the Township should develop annual capital budgets with projected revenues and expenditures.

<b>FIN 07:</b>	<b>Present financial reports to the Board.</b>	
	Target Date:	Short Term
	Responsible Party:	Accountant
	Budget Impact:	Greater understanding and monitoring of General Fund

- Continue to present monthly financial reports to the Board of Commissioners that compare actual revenue and expenditures to budgeted revenue and expenditures for all relevant funds.
- Use the monthly financial reports to periodically present cash flow projections to the Board of Commissioners

**PERSONNEL/LABOR**

<b>LABOR 01:</b>	<b>Follow Township ordinance 1974-8 as amended. See also FIN 01, ADMIN 01, and POLICE 01.</b>	
	Target Date:	Immediate
	Responsible Party:	Township Manager/Commissioners
	Budget Impact:	N/A

- Ordinance 1974-8, as amended, created the Office of Township Manager.
- The Ordinance states that the Township Manager is the chief administrator of the Township and is responsible to the Board for the proper and efficient administration of Township affairs.
- The Ordinance also provides that the Township Manager shall supervise and be responsible for the activities of the municipal departments.
- The Ordinance further provides that the Board and its members shall deal with the administrative service of the Township through the Township Manager and that neither the Board nor its members shall give orders, publicly or privately, to any subordinates of the Township Manager except in an emergency situation.
- In the past several years the Township has had several managers. Frequent turnover in this important Township management position is not a typical management succession pattern nor is it recommended. It often leads to inconsistent management policy which in turn affects the morale of Township employees. It also creates a

disincentive for qualified and experienced municipal managers to seek the manager position, particularly those who may be highly qualified.

- This issue may be the result of prior Board members who may have attempted to assume responsibilities that are legislatively delegated to the Township Manager.
- The Board’s role is limited to setting overall policy and providing general administrative direction. The Board is required to make these decisions collectively based upon established majority voting procedures. Individual Board members may disagree with each other but the Board is required to act as one body for the benefit of the Township.
- The Township Manager and the Department heads, on the other hand, implement the general policy created by the Board. These individuals are responsible for making the day-to-day administrative decisions and for directing the Township’s employees in implementing their decisions.
- If an individual Board member feels there is an administrative issue that must be addressed, he or she should appropriately address that issue with the Township Manager with the whole Board present at an executive session or public meeting, whichever is most appropriate and permitted under the Pennsylvania Sunshine Act.
- When an individual Board member or group of Board members attempts to direct the Township Manager or Department heads on day-to-day administrative operations they are not only violating Township Ordinance 1974-8, they are treating the Township’s management team as mere front line supervisors instead of professional managers.
- The Township’s elected officials should address their administrative concerns directly to the Township Manager and avoid circumventing the strictures of Township ordinance 1974-8, as amended.

<b>LABOR 02:</b>	<b>Continue to review all facets of employee healthcare benefits</b>	
	Target Date:	Short Term
	Responsible Party:	Township Manager/Accountant
	Budget Impact:	Cost control

- Periodically seek healthcare benefit proposals to ensure that the Township is receiving the lowest responsible price.
- Clarify the eligibility for police post-retirement healthcare benefits.
- Continue to monitor the current employee healthcare cost sharing policy. Develop a plan for employees to share future healthcare cost increases with the Township.
- Avoid referring to a specific healthcare plan in policies and documents. Instead, offer to provide the current level of healthcare benefits.
- Avoid the Cadillac Tax provisions in the Affordable Care Act by evaluating the healthcare benefits provided to current employees and police retirees.
- Conduct periodic audits of all employee healthcare benefits, including compensation, and evaluate how they compare to surrounding municipalities.
- Conduct periodic healthcare eligibility audits to ensure that only eligible Township employees receive Township benefits.
- Use the availability of the Deferred Retirement Option Plan (DROP) to seek further reduction or elimination of Other Post-Retirement Benefits (OPEB) or seek provisions to curb the costs of DROP.
- Clarify with the Police Civic Association what is included in “full medical coverage” for police retirees in Article 3.06 of the Collective Bargaining Agreement (CBA).
- Analyze the cost/benefit of creating an OPEB trust.

<b>LABOR 03:</b>	<b>Review and seek potential benefit changes to the Township’s employee pension plans.</b>	
	Target Date:	Short Term
	Responsible Party:	Township Manager/Labor Attorney
	Budget Impact:	Cost Control

- Determine what benefits, if any, can be modified to reduce the Township’s expenses for current employees, and what benefits, if any, can be changed or eliminated for all future employees.
- Evaluate a new pension benefit structure for new Police Pension Plan members.
- Examine the financial advantages of freezing the current Non-Uniformed Pension Plan, decreasing costly pension benefits, reducing the pension multiplier going

forward for current employees (if possible) and new hires, and/or starting a defined contribution pension plan.

- Eliminate the inclusion of any lump sum payments or overtime in pension calculations.
- Maintain employee pension contributions at the highest contribution level possible. Change current CBA language so that it mandates the maximum applicable pension contribution.
- Avoid adding or increasing optional Act 600 police pension benefits.
- Seek to eliminate Article 6.00 of the current CBA between the Township and the Police Civic Association (PCA) applicable to pension benefits made available through Pennsylvania Supreme Court rulings.

<b>LABOR 04:</b>	<b>Take steps to eliminate or place limitations on the Deferred Retirement Option Plan (DROP).</b>	
	Target Date:	Short Term
	Responsible Party:	Township Manager/Labor Attorney
	Budget Impact:	Cost Control

- Impose a sunset provision after which DROP will have to be renegotiated for all new participants.
- Terminate or limit a DROP participant’s entitlement to certain leave time, the amount of certain leave time, and/or the accrual of leave time while in DROP.
- Reduce and/or eliminate certain forms of compensation while an officer is in DROP, such as the officer’s base salary or longevity pay.
- Require DROP participants to pay the Township the amount of lost state aid (or a significant portion of lost state aid) as a condition of entering DROP.
- Develop a limited time period to enter DROP or reduce the DROP participation period by one year for each year the officer delays entering DROP.
- Mandate other conditions for entering DROP to ensure that DROP is not only cost neutral but also furthers the goals of the Township and its police department.
- Designate a fixed return or graduated return on all DROP escrow funds, depending on performance.

<b>LABOR 05:</b>	<b>Maintain control over police base wages and longevity</b>	
	Target Date:	Short Term
	Responsible Party:	Township Manager/Labor Attorney
	Budget Impact:	Cost Control

- Guard against arguments by the PCA to either obtain greater wage increases because they feel that they are not getting increases in longevity, which is technically inaccurate, or to create a separate longevity payment in the future without a comparable reduction in base salary, which ignores the fact that longevity is already combined with the base salary.

<b>LABOR 06:</b>	<b>Assess non-uniform pay.</b>	
	Target Date:	Immediate
	Responsible Party:	Township Manager/Finance Director/Accountant
	Budget Impact:	Cost Control

- Consider a study to compare Township non-uniform employee compensation with that of similar municipalities.
- Review the pay gap between supervisory non-uniform personnel and subordinates to ensure wages are set at the correct level.

<b>LABOR 07:</b>	<b>Investigate subcontracting some or all of the responsibilities of the Codes and Inspections Department.</b>	
	Target Date:	Short Term
	Responsible Party:	Township Manager
	Budget Impact:	Cost Control

- Codes and Inspection Department is often subcontracted by other municipalities for cost savings.

<b>LABOR 08:</b>	<b>Review overtime practices.</b>	
	Target Date:	Short Term
	Responsible Party:	Township Manager
	Budget Impact:	Cost Control

- Assess the benefits of open positions versus paying overtime.
- Evaluate utilization of the Public Safety Exemption under the Fair Labor Standards Act and the police CBA requirement to pay overtime to an officer who works more than 40 hours in any five day period.

<b>LABOR 09:</b>	<b>Evaluate pay for sick days, personal time and holidays</b>	
	Target Date:	Short Term
	Responsible Party:	Township Manager/Labor Attorney
	Budget Impact:	Cost Control

- Review the CBA provision that pays police officers holiday pay when they are scheduled off for the holiday.
- The vacation payout language in Article 6.04 should be clarified so that it clearly applies only to vacation in the last year of service.
- Seek language to clarify that a lump sum payment for unused sick or vacation time by police officers is not part of the term “monthly average compensation” and is not included in calculations for pension compensation.
- Consider bargaining and adopting sick leave and personal leave policies where days are earned every month or through some other formula.
- Consider modifying the use of accrued leave.

<b>LABOR 10:</b>	<b>Maintain flexibility to determine staffing needs based upon the circumstances, finances and the need to reduce overtime costs.</b>	
	Target Date:	Short Term
	Responsible Party:	Township Manager
	Budget Impact:	Cost Control

- There are no minimum manning requirements in the CBA. It is in the best interest of the Township to maintain this policy and avoid any minimum complement or minimum manning requirements.
- Seek changes to the CBA to provide more flexibility for using regular part-time officers.

<b>LABOR 11:</b>	<b>Consider negotiating a Work Related Disability Policy</b>	
	Target Date:	Short Term
	Responsible Party:	Township Manager/Labor Attorney
	Budget Impact:	Cost Control

- A Work Related Disability Policy would encompass both the Heart and Lung Act and the Workers Compensation Act. The policy should deal with reporting requirements, monitoring rights and obligations, dispute resolution, resolving eligibility, termination issues, etc.
- Light duty is a managerial prerogative, but impact issues relating to that decision as defined under the law will have to be bargained with the PCA. Impact issues relating to DROP can also be detailed in the policy.

<b>LABOR 12:</b>	<b>Consider modifying grievance procedures.</b>	
	Target Date:	Short Term
	Responsible Party:	Township Manager/Commissioners
	Budget Impact:	N/A

- All grievances should be brought to the attention of the Township within a reasonably short period of time.
- Grievances not responded to in a timely manner by the Township should be deemed denied.

<b>LABOR 13:</b>	<b>Negotiate a layoff procedure with the PCA</b>	
	Target Date:	Short Term
	Responsible Party:	Township Manager/Labor Attorney
	Budget Impact:	N/A

- The procedure should be based on each officer’s merit, disciplinary record and, all things being equal, seniority.
- Any recall should be based on the same criteria.

<b>LABOR 14:</b>	<b>Negotiate the elimination of any CBA restrictions to the Township joining any regional police unit structure.</b>	
	Target Date:	Short Term
	Responsible Party:	Township Manager/Commissioners
	Budget Impact:	Cost Control

- The decision to regionalize is a managerial prerogative and the current provision in the police CBA restricts that managerial right.
- Any collective bargaining agreement concerning a regional police service must be carefully analyzed to determine if it reduces Township personnel expenses and is in the Township’s long-term interests.

<b>LABOR 15:</b>	<b>Adopt an updated personnel manual. See also ADMIN 04.</b>	
	Target Date:	Immediate
	Responsible Party:	Township Manager/Commissioners
	Budget Impact:	N/A

- A personnel manual was adopted by the Board in January 2016, but suggested revisions by at least one former manager and several Commissioners have not been formalized and adopted by amendment.
- Once adopted and implemented, provide training on the manual to all employees, including all management level employees, and all Board members.

**SEWER**

<b>SEWER 01:</b>	<b>Update the Township’s Act 537 Plan.</b>	
	Target Date:	Immediate
	Responsible Party:	Township Manager/Commissioners/Authority
	Sewer Budget Impact:	N/A

- Lower Swatara Township’s current Act 537 Plan, adopted in 1983, is long overdue for an update. The plan would address the wastewater disposal needs of the township

and it’s Municipal Authority, while mapping and analyzing the existing sewage facilities within the Township.

- Those facilities include public sewer, private sewer, and On-Lot Disposal Systems (OLDS). The plan would provide recommendations for sewage conveyance, as well as for disposal alternatives for study areas that show the need for new or improved collection, conveyance and/or treatment facilities, or where public health concerns have been identified.
- While the Township has taken preliminary planning steps with the Pennsylvania Department of Environmental Protection in development of a Task Activity Report (TAR), that process has faltered after two attempts to secure necessary grant support from the Commonwealth Financing Authority (in 2016 and 2017) failed to win approval.
- The Township should take immediate steps to update its 537 Plan, and seek grant opportunities to offset costs of plan development.

<b>SEWER 02:</b>	<b>Review sewer rates taking into account daily operations and capital needs.</b>	
	Target Date:	Immediate
	Responsible Party:	Township Manager/Commissioners/Authority
	Sewer Budget Impact:	Provide adequate revenue

- A review of Sewer Fund operating results and a rate study commissioned by the Township indicates that historically sewer rates have not been increased sufficiently to pay for operations, necessary maintenance, an adequate replacement program or required sewer asset improvements.
- Consult with legal counsel to determine if the authority lease agreement can be modified so the Authority plays a more significant role in setting rates.
- Starting in 2023, the Township should consider increasing rates gradually every year or two in order to avoid the shock of large increases. A five to six percent increase every two years would enable the Township to handle increased operation costs and capital requirements.

- Regular updates to the sewer capital improvement plan including funding sources should be prepared for the Authority and Township starting in 2019.

<b>SEWER 03:</b>	<b>Conduct an overhead allocation study.</b>	
	Target Date:	Immediate
	Responsible Party:	Township Manager/Commissioners
	Budget Impact:	Potential revenue

- The Sewer Rental Act places limits on the use of sewer rents to pay for Township overhead and reserves and other costs relating to sewer operations.
- The General Fund pays salaries, benefits and other costs that benefit the Sewer Fund. Such costs should be properly allocated to the Sewer Fund so that the General Fund does not subsidize operation of the Sewer Assets (unless the elected officials choose to do so).

<b>SEWER 04:</b>	<b>Review inter-municipal sewer agreements.</b>	
	Target Date:	Immediate
	Responsible Party:	Township Manager/Commissioners
	Budget Impact:	N/A

- Confirm that the shared expenses between Highspire Borough and the Township are in accordance with the 1986 inter-municipal agreement.
- Review the 1994 inter-municipal agreement with Derry Township and consider updating with current practices.
- Review the 2009 inter-municipal agreement with Middletown Borough and consider updating with current practices.

<b>SEWER 05:</b>	<b>Consider refunding debt.</b>	
	Target Date:	Short Term
	Responsible Party:	Township Manager/Commissioners
	Budget Impact:	Cost Control

- Consult with legal counsel to determine whether debt service on a portion of the 2012 Bonds should be reallocated to the General Fund.

<b>SEWER 06:</b>	<b>Evaluate potential monetization of Sewer Assets.</b>	
	Target Date:	Immediate
	Responsible Party:	Township Manager/Commissioners
	Budget Impact:	Potential revenue

- A monetization of the Sewer Assets may be worth considering for one or more of the following reasons:
  - Use proceeds to pay off all outstanding sewer-related debt;
  - Improve the cash flow to the Township’s general fund (so long as such cash flow is used for one of the permitted purposes and is justified by an overhead allocation that is reasonable);
  - Use proceeds of monetization to pay down non-sewer debt;
  - Use proceeds of monetization to make a deposit into one or more of the Township’s pension funds, reducing the unfunded accrued actuarial value, improving the structural balance of the general fund and reducing the Township’s MMO in future years;
  - Protect the Township from some of the operational risk of regulatory mandates and/or the cost of future capital improvements including building a new sewer treatment plant;
  - Improve operating efficiencies so that rate increases can be mitigated; and/or
  - Use upfront proceeds of a monetization to pay for or defray the costs of economic development or capital improvements to infrastructure.

**ADMINISTRATION**

<b>ADMIN 01:</b>	<b>Hire a permanent Township Manager. See also FIN 01, LABOR 01, and POLICE 01.</b>	
	Target Date:	Immediate
	Responsible Party:	Commissioners
	Budget Impact:	N/A

- The Commissioners should consider what skill set best meets the Township’s needs. As of the writing of this report, the search process to hire a permanent Township Manager was underway.

<b>ADMIN 02:</b>	<b>Clarify who is responsible for taking over the Township Manager’s duties when the Manager is absent.</b>	
	Target Date:	Immediate
	Responsible Party:	Commissioners
	Budget Impact:	N/A

- The Ordinance requires the Manager to designate a qualified member of the staff to perform the duties during the Manager's absence or disability. The designated person shall not perform such duties for longer than three weeks without Board approval.

<b>ADMIN 03:</b>	<b>Consider undergoing a strategic plan</b>	
	Target Date:	Immediate
	Responsible Party:	Township Manager/Commissioners
	Budget Impact:	N/A

- A strategic plan will provide a road map of Township goals for the Manager and staff.

<b>ADMIN 04:</b>	<b>Strengthen human resources. See also LABOR 15.</b>	
	Target Date:	Immediate
	Responsible Party:	Township Manager
	Budget Impact:	N/A

- Draft and adopt a Personnel Policy Manual that incorporates any labor law revisions. Review annually and update accordingly.
- Create and adopt job descriptions and a salary schedule for all employees.
- Provide cross training opportunities for employees and develop a successor plan for key positions or for individuals with specialized skills.
- Consider hiring a receptionist to cover the Township front desk, greet visitors, answer the phones, etc. This job is now being done by Township staff in addition to their normal duties, and it is a distraction to employees who currently have job tasks that require their attention.
- Hire a full-time receptionist to cover the Municipal Authority front desk, answer phones, greet visitors, etc. At the present time, the Authority secretary is responsible

for the front desk. This creates distractions from other work; which minimizes attention to detail and opens the door for errors.

- Re-evaluate, prepare and introduce a Performance Evaluation System for all employees.
- Finance Department staff should attend GFOA or other trainings offered throughout the year. The trainings are reasonably priced and employees often benefit through the networking opportunities that training provides.

<b>ADMIN 05:</b>	<b>Waste hauler oversight</b>	
	Target Date:	Immediate
	Responsible Party:	Township Manager
	Budget Impact:	N/A

- Move oversight of the waste hauler to code enforcement.

<b>ADMIN 06:</b>	<b>Seek information technology upgrades.</b>	
	Target Date:	Immediate
	Responsible Party:	Township Manager
	Budget Impact:	N/A

- Engage a consultant for information technology services and to make recommendations on computer upgrades, software purchases, integration, document management, etc. as appropriate.
- Consider an electronic document management system.
- Review and budget for the purchase of a new accounting software package that includes a module to integrate the Finance Department with other departments (Municipal Authority and Planning/Zoning/Codes). The current software is not fully integrated. This results in difficulties that take up an unusual amount of time and slow efficiency. The proper software could alleviate frustration and maximize efficiency among departments.
- Transition from paper to electronic agendas. The Township can purchase laptop computers or tablets for the Commissioners. This alleviates the cost and time to print and deliver agenda packets.
- Integrate sewer billing and sewage fee collections into the Township’s financial software package and train staff on how to use the software efficiently.

<b>ADMIN 07:</b>	<b>Adopt a fund balance policy.</b>	
	Target Date:	Short Term
	Responsible Party:	Township Manager/Commissioners
	Budget Impact:	Cushion against unexpected General Fund expenditures

- The Township should establish a formal policy on an amount of unrestricted fund balance that should be maintained for the General Fund. The policy should be set by the Board of Commissioners and include a process for how the Township would increase or decrease the level of unrestricted fund balance. The recommended amount of unrestricted fund balance is a minimum of no less than two months of regular General Fund operating revenues or regular General Fund operating expenditures.

<b>ADMIN 08:</b>	<b>Consider appointing a Commissioner to fill a seat on the Municipal Authority Board of Directors.</b>	
	Target Date:	Immediate
	Responsible Party:	Commissioners
	Budget Impact:	N/A

- Appointing a Commissioner to the Board helps close the gap between the Commissioners and the Board. The dual role of Commissioner and Authority Board member is quite common and very successful because the individual can bring important information concerning the Authority back to fellow Commissioners and vice versa.

<b>ADMIN 09:</b>	<b>Develop a capital improvement plan in consultation with the Municipal Authority.</b>	
	Target Date:	Short Term
	Responsible Party:	Township Manager/Commissioners/Public Works Director
	Budget Impact:	N/A

- Consult with Municipal Authority to identify when to replace aging infrastructure, to develop a capital improvement budget and to seek grant funds for the necessary work.

- Some of the collection system is aging terra cotta pipe and in need of replacement. The Commonwealth Financing Authority offers annual grant funding for wastewater improvements. PENNVEST can also help to fund upgrades to the system.

<b>ADMIN 10:</b>	<b>Perform system maintenance.</b>	
	Target Date:	Short Term
	Responsible Party:	Public Works Director
	Budget Impact:	N/A

- Consult with Municipal Authority to develop a plan for flushing the system, as well as routine videotaping and smoke testing to reduce illegal inflow and infiltration of storm water in order to reduce flows and lower costs of treatment.

<b>ADMIN 11:</b>	<b>Consider changes to sewer billing.</b>	
	Target Date:	Short Term
	Responsible Party:	Township Manager/Public Works Director
	Budget Impact:	N/A

- Explore billing and collections by a professional third-party contractor. This consideration will become even more important when/if the Township and Municipal Authority establish a storm water management plan that meets costly regulatory obligations by way of a storm water fee on property owners.
- In lieu of outsourcing, or perhaps in concert with it, consider changing billing cycles from monthly to quarterly, and stagger bills to create a lower/ steadier volume of bill preparation and receipt processing.

**PUBLIC WORKS**

<b>PW 01:</b>	<b>Charge a portion of the Superintendent’s salary and benefits to the Sewer Fund, commensurate with average time devoted to wastewater-related activities. See SEWER 03.</b>	
	Target Date:	Immediate (in conjunction with cost allocation study)
	Responsible Party:	Township Manager/Commissioners
	Budget Impact:	Expenditure reduction

- Although the Public Works and Municipal Authority positions have been merged, the salary and benefits of this position come exclusively out of the General Fund. Township officials estimate that approximately one-third of the Superintendent’s time is devoted to Authority work. The Township currently splits payroll between these funds when laborers or systems operators split time between Public Works and the Authority. The Township should implement a similar mechanism for the Superintendent’s time.

<b>PW 02:</b>	<b>Improve and consolidate pump station technologies</b>	
	Target Date:	
	Responsible Party:	
	Budget Impact:	

- The technology within the wastewater pump station infrastructure varies by station and, with the exception of two stations, requires regular on-site visits for inspection.
- The HRG wastewater capital improvement plan identifies the outdated models and makes recommendations to potential product upgrades; the Municipal Authority should upgrade its pump station technology to improve remote monitoring as a part of overall pump station upgrades in the near term.

<b>PW 03:</b>	<b>Renegotiate snow plowing contract with the state</b>	
	Target Date:	Short Term
	Responsible Party:	Township Manager
	Budget Impact:	Reduced revenue

- Public Works staff struggle to plow State Route 230 in an efficient manner with current municipal equipment. To the extent possible, the Township should discuss changing the contract to alter the financial compensation to the Township and/or remove State Route 230 from the Township’s responsibility.

<b>PW 04:</b>	<b>Explore shared services agreement with Susquehanna Area Regional Airport Authority (SARAA) and the Middletown Area School District</b>	
	Target Date:	Short Term

	Responsible Party:	Township Manager
	Budget Impact:	Potential revenue source and/or expenditure reduction

- The Township is partially surrounded by significant public entities with their own maintenance apparatus. The Township should work with the Airport Authority, the School District, and Penn State Harrisburg campus representatives to explore shared services to garner efficiencies of scale to the extent possible.

<b>PW 05:</b>	<b>Consider costs and benefits of a new salt shed compared to brining.</b>	
	Target Date:	Long Term
	Responsible Party:	Township Manager/DPW Superintendent
	Budget Impact:	N/A

- If the preceding shared services initiative does not provide an alternative means to storing and retrieving salt for winter road maintenance, the Township should weigh the relative capital costs, maintenance costs, and service outcomes of using rock salt and liquid brine to treat road surfaces.
- The Township does not currently have the tanks required to hold brine, but the conditions of the salt shed will require capital improvements related to winter weather maintenance within the next decade.

<b>PW 06:</b>	<b>Improve internal controls regarding payments for dumpster services.</b>	
	Target Date:	Short Term
	Responsible Party:	Township Manager
	Budget Impact:	N/A

- When residents have not already purchased a drop-off permit from the Municipal Building, laborers are tasked with taking payment from residents outside of regular business hours under the current dumpster program provided by DPW.
- The Township should establish a written policy with regard to the handling of legal tender when such tender is collected away from the Municipal Building and/or outside of regular business hours. As an alternative, the Township should consider the requirement that any drop-off permit for the dumpster program be purchased at the Municipal Building prior to drop-off.

<b>PW 07:</b>	<b>Develop a cross-training program for Public Works and, where applicable, Municipal Authority staff (See ADMIN 04)</b>	
	Target Date:	Short Term
	Responsible Party:	Public Works Superintendent
	Budget Impact:	N/A

- It is in the interest of the Township to foster a cross-training program to minimize service disruptions during staff sick leave and paid time-off occurs. Township administration, along with the Public Works Superintendent, should see to it that cross-training occurs beyond the onboarding processes incumbent with hiring new staff. Periodic training from the Superintendent or senior DPW staff on the use of particular equipment or specialized processes should be scheduled and executed.

<b>PW 08:</b>	<b>Continue development of five-year capital plans for all governmental activities and funds (see FIN 06)</b>	
	Target Date:	Short Term
	Responsible Party:	Superintendent
	Budget Impact:	Better planning

- Capital planning is an important component of a municipality’s ability to continue to provide services. A prudent multi-year capital plan will identify and prioritize the Township’s capital needs and will establish projected costs and identify funding sources.

**POLICE**

The following is a summary of recommendations found in the Police Report located in the Appendix. Please see the Police Report for complete details concerning these recommendations.

<b>POLICE 01:</b>	<b>Current organization and staffing. See also FIN 01, LABOR 01, and ADMIN 01.</b>	
	Target Date:	Immediate
	Responsible Party:	Police Chief/Commissioners
	Budget Impact:	Cost Control

- Fill the Public Safety Director position or create and fill the position of Police Chief. As of the writing of this report, the Township was in the process of making the interim Police Chief permanent.
- Calculate the IACP Manpower Formula as described in the Police Report.
- Evaluate the Police Department’s current “Span of Control” as described in the Police Report. No reduction in the number of Sergeants is recommended.
- Review and consider the clearance rates of Part I and Part II crimes in comparison to the County clearance rates when completing “Span of Control” recommendation for the Detectives.
- Revisit the clearance of crime methodology and practice for Uniform Crime Reporting. The Township is reporting a lower number of clearances compared with County clearance rates
- Study and analyze the factors involved that may be causing the lower than average clearance rates in the Criminal Investigation Unit. Institute the changes necessary to improve clearance rates including training if/where necessary.
- Maintain the Department in accordance with the principles of organization outlined in the Police Report.
- Maintain Accreditation through the Pennsylvania Chiefs of Police Association.

<b>POLICE 02:</b>	<b>Evaluate Department effectiveness in field operations.</b>	
	Target Date:	Short Term
	Responsible Party:	Police Chief

	<b>Budget Impact:</b>	N/A
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- Research, evaluate and consider the causal factors impacting the accident enforcement index (AEI). Specifically, consider what has caused the significant downturn after the exceptional enforcement record during 2012 and 2013.
- Initiate strategies to improve the AEI.
- Collect, compile and analyze conviction data on criminal prosecutions.
- Include statistical information on crimes being investigated (followed up by Detectives) on monthly and annual reports.

<b>POLICE 03:</b>	<b>Management, technical and support services</b>	
	Target Date:	Short Term
	Responsible Party:	Police Chief
	Budget Impact:	N/A

- Develop a structure of organizational objectives.
  - The structure must include objectives for the Department and for each unit. The objectives must specify the ultimate outcomes that the Department and the sub-divisional organizational units wish to achieve. The objectives must be measurable.
- Develop one or more measures of achievement for each objective in the structure.
  - Effectiveness measures are most important. Productivity, efficiency and workload measures are also important since they have many additional valuable managerial uses.
  - Responsibility for developing and implementing the system of objectives and measures should be assigned to the Department’s command staff (Chief and Lieutenant as a unit). Key senior officers should also participate in the developmental process.
- Require that the organizational objectives and measures be used for planning, decision making and performance evaluation at all organizational levels
- Department command staff should be trained to use the objectives and measures for the foregoing management process.

- Select and assign rank-and-file members to committees to work on matters of mutual concern by labor and management
- Although Performance Evaluations have not been used in years, the subject should be revisited to determine the advantages of developing and introducing a performance evaluation system.
- Become familiar with and practice the Principles of Quality Leadership as outlined in the Police Report.
- Formally establish a line and staff inspections program. Line inspections could be the responsibility of all unit Sergeants. Responsibility for staff inspections could be assigned to the Chief/DPS, who reports directly to the Manager
- Prepare a written directive to govern line and staff inspections. The directive should cover objectives, procedures, and criteria to identify those inspections, which require a written report, follow-up procedures to ensure corrective action is taken and provision for inspection of every organizational component at least every other year.
- Arrange for the Chief/DPS to attend a workshop on the inspections function.
- Publish a summary of the number, type and disposition of complaints against officers in the Department's Annual Report.
- Affix responsibility for the planning function in the job description of the Chief of Police/Director of Public Safety.
- Develop written directives on the planning and research function.
- Prepare an agenda or inventory of planning and research needs. Special care must be taken to ensure that long-range needs are given due consideration.
- Prioritize items on the agenda. This should be a joint effort of the Chief/Director of Public Safety, Sergeants, and support staff.
- Formally adopt the inventory and the priorities on the work plan for the planning function.

<b>POLICE 04:</b>	<b>Personnel and training</b>	
	Target Date:	Short Term
	Responsible Party:	Police Chief
	Budget Impact:	N/A

- Re-evaluate, prepare and introduce a Performance Evaluation System for all Police Department members and positions, both sworn and civilian.
- Design a career development program even though the promotional opportunities are quite limited for this size department.
- Prepare a probationary performance evaluation system for all command and supervisory positions and reduce the process to a written directive.
- The promotional system should allow the Chief of Police/Director of Public Safety input after the rule of three or similar system has been established.
- Adopt and practice succession planning. Take notice that on two occasions a current Sergeant has filled the position of Officer in Charge when replacing the Chief/Public Safety Director.
- Research, develop and utilize a probationary sworn officer, supervisor and command evaluation system.
- Research, develop and utilize the sworn officer, supervisor and command Performance Evaluation System.
- Research, develop and utilize a non-sworn member Performance Evaluation System.
- Utilize the full range of training areas as described above.
- Sergeants that have not attended POSIT and POLEX training at Penn State should be scheduled to attend as soon as possible.

<b>POLICE 05:</b>	<b>Facilities, vehicles and equipment</b>	
	Target Date:	Short Term
	Responsible Party:	Police Chief
	Budget Impact:	N/A

- Conduct annual inspections to create and maintain an up-to-date equipment and vehicle inventory.

- Gather and analyze cost/mileage/repair, insurance, equipment, and etc. statistics for the entire fleet

<b>POLICE 06:</b>	<b>Governing body/Police Department relations</b>	
	Target Date:	Short Term
	Responsible Party:	Police Chief/Commissioners
	Budget Impact:	N/A

- Create a Communications Committee with including representatives from the Township Commissioners, the Manager, Chief/DPS/OIC and Police Officer representative to improve relationships.
- Work jointly to develop a plan to meet the future financial and operational challenges facing the Township and Police Department

**RECOMMENDED EIP PHASE II FUNDING INITIATIVES**

The Township should discuss the possibility of EIP Phase II funding with the state Department of Community and Economic Development for the following initiatives:

- **LABOR 15:** Adopt an updated personnel manual.
- **SEWER 03:** Conduct an overhead allocation study.
- **ADMIN 03:** Consider undergoing a strategic plan.
- **ADMIN 04:** Strengthen human resources.
- **ADMIN 06:** Seek information technology upgrades.

## **APPENDIX**

A STUDY OF THE MANAGEMENT AND OPERATIONS OF  
THE LOWER SWATARA TOWNSHIP POLICE DEPARTMENT

Conducted and Prepared by

W. Ronald Smeal  
Police Management Consultant  
2349 Harvest Ridge Drive, State College, Pennsylvania 16803

## FOREWORD

This report presents the findings and recommendations of the Consultant's cursory study of the management and operations of the Lower Swatara Township Police Department, Dauphin County, Pennsylvania. Management studies, by their very nature, often appear somewhat negative and highly critical of current operating procedures. Since the objective is to look for ways to improve the delivery of police service, shortcomings must be addressed more fully than the positive aspects of police operations and procedures. Therefore, review of this report should be conducted with this understanding in mind.

The Consultant found the Township officials, Manager and Township Staff, Officer-in-Charge and members of the Police Department to be candid, polite and professional. For this, each deserves special recognition. With continued attention, careful study, and implementation of the major recommendations of this report, the Police Department should experience improved function and efficiency.

The police portion of this study was conducted by W. Ronald Smeal, Police Management Consultant and retired Chief of Police of the Northern York County Regional Police Department in Dover, Pennsylvania.

The Consultant thanks the Township of Lower Swatara for the opportunity to assist in exploring improvement opportunities of its police services. The cooperation extended to the Consultant is appreciated.

W. Ronald Smeal  
Police Management Consultant

## INTRODUCTION

The purpose of this study was to conduct a management review of the Lower Swatara Township Police Department in conjunction with the Pennsylvania Economy League (PEL). PEL was retained to conduct an overall in-depth Management Review of all Township Departments. The review was to develop strategies to improve overall management effectiveness and efficiencies and to provide recommendations with ways to improve the Township's long-term financial outlook. The review and recommendations were to explore the possibilities for the provision of inter-municipal services, regional cooperation, and inter-municipal cost sharing.

On Saturday, August 19, 2017, W. R. Smeal, Police Management Consultant, met with the Lower Swatara Township Police Sergeant, Scott Young – Officer-in-Charge. The meeting involved a discussion about police operations and gathering data and information necessary to conduct the study. The Consultant would then complete the police portion of the Management Study Report.

Lower Swatara Township in Dauphin County has a population of 8,268 as recorded in the 2010 census. Several years ago (2014 or 2015) there were seventeen (17) Police officers in the Department. The former Chief of Police retired in June 2016 and the most recent Public Safety Director left in June of this year. Sergeant Young has staffed the leadership acting as the "Officer-in-Charge" during lapses of the Chief and of the Public Safety Director. The Police Department is currently staffed with thirteen (13) full-time sworn police officers and one (1) civilian clerk as follow:

- 3 Sergeants
- 10 Police Officers

There is one (1) full-time civilian employee as follows:

- 1 Clerk

A cursory evaluation of the policies, practices, problems, issues and operations was conducted as they relate to the principles that follow:

Management: goals and objectives setting and evaluation; policy development; written directives; communications and coordinating mechanisms; and supervision.

Management Controls: line inspections; staff inspections; and internal affairs.

Organization: grouping of functions; chain of command; span of control; duplication and fragmentation of responsibilities.

Personnel Management: promotion and performance evaluation.

Education and Training: educational requirements for the appointment and promotion of members; educational incentives; and recruit, field, specialized, advanced, refresher, and remedial training.

Patrol Operations; patrol methods and procedures; supervision; communications; vehicles; equipment; preliminary investigations; report preparation and review; shift structure and organization; and special enforcement operations.

Staff Allocation and Distribution: number, temporal and geographical distribution of patrol personnel; and appropriateness of staffing levels in other units of the Department.

Criminal and Special Investigations: case screening; case management; workload distribution; crime scene policies and procedures; shift structures; investigations policies and practices.

Crime Analysis: types and frequencies of analyses; data collection procedures; analytical techniques; dissemination patterns; and feedback and evaluation.

Records: report review; records controls; storage, maintenance, retrieval and retention; information security; privacy and access guidelines; and compliance with Uniform Crime Reporting (UCR) and auditing requirements.

Data Processing: scope and nature of applications and reports; use and utility of reports; command and staff input to selection and design of applications and reports; information security; computer-literacy levels; and equipment adequacy and redundancy.

Property Management and Evidence Control: issuing, accounting, and controlling agency-issued property; accountability for care and replacement; fleet management; marking, labeling, packaging, receipting, storing, accounting for and withdrawing found, recovered and evidentiary property; analysis of evidence.

Planning and Research: long-range planning; proactive and reactive planning; status of planning in departmental hierarchy and quality of planning products.

Legal Services: use of legal services; legal bulletins and information dissemination.

The study also examined factors that condition the environment in which the Department now operates and is likely to operate in the near future. This includes the incidence of crime, workload trends and the population growth.

## **I: CURRENT ORGANIZATION AND STAFFING**

Lower Swatara Township Police Department provides 24-hour service 7 days a week. The Department works eight (8) hour permanent shifts based on seniority. The Sergeants have divided the Administrative tasks among themselves in addition to supervising patrol and answering calls when/if necessary. There is a Criminal Investigation Unit that will be discussed later in this report. The Department meets professionally accepted standards of educational achievement, recruitment and selection procedures, written and oral examinations, psychological, medical and drug screening, background investigation, basic and field training requirements, along with in-service training.

The Administrative Assistant/Clerk provides some Human Recourses work for the Township and one Sergeant is the Township EMA Director. The Department provides several specialty services that follow:

- 2 Detectives.
- 1 School Resource Officer.
- 2 Trained Officers for the County Tactical Team.
- 2 Firearms Instructors.
- 1 Officer with the County Accident Investigation Team.
- 1 Officer with the County Forensics Team.
- 1 CPR/First Aid Instructor.
- 1 Deputy EMA Director.
- 1 TAC Officer.
- 1 Training coordinator.
- 3 Evidence Technicians.
- 1 Internal Affairs Investigator.
- 5 Field Training Officers.

Seven (7) municipalities border the Township. The adjacent municipalities are Steelton Borough, Highspire Borough, Middletown Borough, Swatara Township, Derry Township, and Londenderry Township. In addition, two other police agencies (Harrisburg International Airport and Penn State) have jurisdiction within the Township.

The Police Department has a formal organizational chart and is divided into areas of responsibility. The basic areas of responsibility are patrol and response to calls for service and criminal investigations responsible for follow up on incidents that are criminal in nature.

Patrol officers perform some of the specialty duties on an “as needed” basis. In addition to numerous other duties, the civilian employee – Administrative Assistant functions as the Records Section Coordinator, Dispatcher, Clerical Support, and Receptionist. All employees report directly to their Sergeant. The Police Department organizational chart is below.

Lower Swatara Township Police Department

Organization Chart



## **PROJECTED MANPOWER NEEDS AND SERVICE LEVELS**

The International Association of Chiefs of Police developed the formula used by the Consultant to determine police personnel needs. The formula has been used and applied extensively throughout the Commonwealth by the Consultant and found to be reliable. However, like most situations where an overall standard is used to determine a factor, it is subject to error and should not be considered infallible.

The IACP formula is applied on the assumption that forty-five (45) minutes is the average time necessary to handle the average police incident. Furthermore, one-third of an officer's duty time should be utilized for responding to and handling incidents. A police officer is actually available for duty approximately 1,760 hours a year when all vacation, training, holidays, sick leave, bereavement leave, court time, etc. is considered. This calculation determines only the manpower needs for patrol officers "on the street" handling calls and does not include administrators, supervisors and/or specialists. In order for the formula to be accurate, it is extremely important that the information about the number of incidents reported be accurate.

While conducting studies over the past thirty-three (33) years, the Consultant has found that the reporting of data on incidents has been less than accurate. Due to the lack of a standardized reporting network in the Commonwealth of Pennsylvania, the lack of standardized training of police personnel and the administrative prerogative of individual municipal departments, there appears to be inconsistency in reporting. Therefore, it has been found that the realistic incident data lies somewhere between that reported by Departments and that expected, if utilizing the average of .55 incidents per thousand population. This report was prepared by considering the incidents/calls reported and the population average. Experts report that of all calls answered, 20% will be criminal in nature and 80% will be service in nature. Consideration of these methods to determine incident workload allows for increased reliability of incident workload. The IACP formula is summarized as follows:

### **Determining Patrol Force Manpower Needs**

**Step 1** Determine the number of complaints or incidents received and responded to by the police department. Complaints and incidents include all forms of police activity where an officer responded and/or took an official action. Incidents do not include situations where advice was given over the telephone, delivering messages, handling internal police department matters, etc.

If the actual number of incidents is unknown, sound estimates may be made based upon the assumption that, on the average in any community,

550 complaints or incidents will occur for every 1,000 residents, or .55 per resident.

**Step 2** Multiply the total complaints or incidents by 0.75 (45 minutes). It is generally conceded that 45 minutes is the average time required to handle a complaint or incident.

**Step 3**

Multiply by three (3) to add a buffer factor and time for preventive patrol. General experience has shown that about one-third of an officer’s time should be spent handling requests for services. Other requirements for servicing police vehicles, personal relief, eating, and supervision must also be taken into consideration.

**Step 4**

Divide the product by 2,920, which is the total number of hours necessary to staff a basic one-officer patrol unit for one year (365 days x 8 hours = 2,920 hours). The result of applying the IACP formula established the number of patrol elements necessary to police the community. This is not the number of officers, but the number of patrol elements.

To determine the number of officers required to staff each patrol element, the assignment/availability factor must be determined. Determining how many hours each year the average police officer is not available for duty on the street and subtracting that time from the patrol element hours of 2,920 accomplishes this. Summarized below is that calculation.

**8-HOUR SHIFT**

<u>Factor</u>	<u>Annual Man Hours</u>
Regular Days off (2 days per week)	832
Vacation (15 days per year)	120
Holidays (10 days per year)	80
Court Days (5 per year)	40
Training (5 days per year)	40
Sick and injury (5 days per year)	40
Miscellaneous leave (1 day per year)	<u>8</u>
Total	1,160

(2,920 hours minus 1,160 Non-Available hours equals 1,760 Available Hours)

**12-HOUR SHIFT**

<u>Factor</u>	<u>Annual Man Hours</u>
Scheduled Days off (191.2 days per week)	2,294.4
Vacation (14.25 days per year)	171
Holidays (1 days per year)	12
Court Days (2.08 per year)	24.99
Training (8.15 days per year)	97.82
Sick and Bereavement (3.75 days per year)	45
Personal Days (4.8 per year)	57.65
Special Assignment (2.02 per year)	<u>24.27</u>
Total	2,727.13

(4,380) Hours (365 days x 12 hr shift = 4,380) minus 2,727.13 Non-Available hours equals 1,652.87 Available Hours)

**Step 5**

Once the total available hours of the average patrol officer is established, the assignment/availability factor is determined by dividing the available hours into the patrol element requirement of 2,920 hours. This results in a factor of 1.66 for an 8-hour shift and 2.65 for a 12-hour shift. In other words, it takes 1.66 or 2.65 police officers to staff each patrol element required to police the community. This includes only patrol personnel and does not include administrators, supervisors, or specialists.

Chart 2 follows and demonstrates the application of the International Association of Chiefs of Police Association manpower formula (8 hour shift) that is “incident based”. The column marked +A/S/I includes the number of fixed positions in Lower Swatara Township that follow:

- (3) Sergeants,
- (2) Detectives

These positions are authorized to staff administration, supervision and investigation positions. The number five (5) is represented in the column marked A/S/I. The Chart also represents a total manpower need of nine point one-six (9.16) using population averages and seven point three-three (7.33) when using expert’s suggestion of Crime and Service percentages of incidents. However, these figures do not take officer safety into consideration.

**CHART 2  
MANPOWER NEEDS  
LOWER SWATARA TOWNSHIP  
Based upon IACP Population Averages and  
Estimates of Crime/Service Incidents by Experts**

<b>INCIDENTS</b>	<b>X.75</b>	<b>X3</b>	<b>DIVIDE BY 2920</b>	<b>X 1.66</b>	<b>+A/S/I</b>	<b>TOTAL</b>
<b>Population</b>						
8,268 = 4,547.4	3,410.55	10,131.65	2.503989	4.16	5	9.16
<b>L. Swatara based upon 20% Crime- 80% Service Incidents 1,825</b>	<b>1,368.75</b>	<b>4,106.25</b>	<b>1.40625</b>	<b>2.33</b>	<b>5</b>	<b>7.33</b>

### **Findings:**

1. The aforementioned calculations are based upon IACP population averages of .55 incidents per thousand population and Experts suggestions for calculating 2016 reportable incidents as described in #2 below. Time did not provide for verification of incidents within the 40,217 “Calls” reported by the Lower Swatara Township Police Department. Incidents are less than “Calls”, however LSPD does not report “Incidents”. The Consultant has found that Pennsylvania Police Departments generally report fewer incidents per year than the IACP population average of .55 per thousand.
2. During 2016, LSPD reported 365 crimes to the Pennsylvania Uniform Crime Reporting System. As reported earlier, experts report that of all calls answered, 20% will be criminal in nature and 80% will be service in nature. If so, the Department would have handled **1,825 Incidents** (365 crimes and 1,460 service). Therefore, LSPD is more than likely handling less than the IACP average of .55 per thousand population and greater incidents than Experts suggest when non-criminal/service incidents should be 80%.
3. Sam Walker, Professor Emeritus of Criminal Justice Institute at the University of Nebraska at Omaha, reported in his article, Current Issues and Research Needs, that “Span of Control is an organizational-level factor detailing how many officers a supervisor can be expected to effectively control. While there is no definite figure, experts tend to agree on a ratio of roughly eight (8) officers per supervisor. It is highly unlikely that a single supervisor could effectively supervise more than eight (8) patrol officers. A larger ratio would more than likely result in too many officers to effectively supervise, while too small a ratio would not be an optimal use of supervisory resources”.

Note: Mitchell P. Weinzetl, Chief of Police, Buffalo Minnesota Police Department discussed the concept of succession planning in the Police Chief Magazine, November, 2012, page 46. Succession planning is a process through which many organizations, both public and private, prepare for the eventual departure of key leaders. Through this process, organizations engage in a variety of strategies to identify individuals who might eventually assume a primary leadership role, generally taking steps along the way to prepare these individuals for transition. This can be important from a strategic perspective because “during a leadership change, a succession plan maintains the continuity of the agency’s mission and reduces uncertainty.” Organizational leadership involves identification of potential talent within the organization. Training should be provided to those individuals identified. Individuals who show promise should be “monitored”. Staff should be empowered to make key decisions within an agency.

### **Recommendations:**

1. Replace the Public Safety Director Position.
2. Replace the “Factor” Information in Step 4 of the IACP Manpower Formula with data from LSPD records on average days off, vacation, holidays etc to calculate the recommended manpower formula.
3. Convert “Call” statistics to “Incidents”, and then complete the Manpower Formula as calculated in Chart 2.

4. Evaluate the current "Span of Control". The three (3) Patrol Sergeants Span of control is four (4) Police Officers. However, due to the size of the Department, administrative duties involved and the need to provide 24-7 supervision, no reduction in the Sergeant positions is recommended.
5. Review and consider the clearance rates of Part I and Part II crimes in comparison to the County clearance rates when completing "Span of Control" recommendation for the Detectives in number 1 above. The LSPD clearance rate is below the County average and will surely be negatively impacted if reductions in manpower in that unit were to occur. Clearance rates will be discussed later in this report.

#### **A. PATROL**

The uniformed patrol section's basic mission is to "prevent crime, protect life and property, preserve, enforce, detect, apprehend and arrest violators of law". In addition, there is a variety of additional tasks and functions enumerated in the Police Officer Job Descriptions. The Police Department schedules police patrol service with platoons working eight (8) hour shifts. Three Sergeants supervise most, but not all shifts, as they are scheduled 40 hours each. Therefore, there are times when a supervisor is not working. Officers are assigned zones to handle calls for service. Sergeants also handle calls if or when necessary.

Patrol officers respond to incidents and complete reports of initial investigations. Incidents are entered into the Computer System. The Patrol Sergeant reviews the accuracy and content of the reports. One Sergeant is assigned the task of selecting which of the incidents will be forwarded to the Criminal Investigations Unit for follow up investigation by the detectives.

#### **B. INVESTIGATIONS/DETECTIVE BUREAU**

The investigation of crime is a basic responsibility of law enforcement officers. However, it should not be viewed as the sole responsibility of the criminal investigator. To be successful, the investigative effort requires the cooperation of all personnel, but in particular, the uniformed Patrol Officer and the Investigator. The effectiveness of a patrol unit's proactive strategies, the speed with which it responds to crimes in progress and the quality of its preliminary investigations all have a major impact on whether or not an offender is ultimately apprehended.

When a call on a criminal matter results in an arrest by a Patrol Officer, the Detective's role is usually limited to assisting. The Detective assists with filing complaints, recovering property, when appropriate, and determining whether arrestees are responsible for other unsolved crimes. When a call on a criminal matter does not result in an arrest by a Patrol Officer, identity of offenders is not known, and apprehension of an offender is not imminent, criminal investigators begin follow-up investigations. The responsibility of a Patrol Officer in these instances is to conduct a thorough preliminary investigation, gather as much information about the nature of the crime and physical evidence as is available and practical. Departments must promote the effectiveness of the preliminary investigation process. This is accomplished by providing field report forms that are structured to ensure that essential information and evidence are sought and by having expert crime scene criminal investigators, evidence specialists, or both.

The Detective analyzes all reports and information supplied by the Patrol Officer, integrating them with the knowledge and experience gained by investigating other similar crimes. The Detective employs the latest criminality techniques, as well as interview and interrogation skills, to solve a case. The Detective must be capable, dedicated and well-trained. He must develop a close working relationship with the uniformed patrol personnel. This partnership should lead to a continuing exchange of case information and intelligence. If kept informed about current investigations, the Patrol Officer can focus efforts on the most productive areas.

The Investigative Supervisor (Sergeant) must coordinate and manage the entire follow-up process to ensure that a Department's limited manpower is used in the most productive manner. To maximize investigations productivity, which is measured by case clearances, criminal investigations units should use solvability factors to determine which cases have a reasonable potential for clearance and will, therefore, be followed up. Cases that do not have a potential for clearance should not be followed up. When cases are not followed up, complainants should be so notified and told why the case is not being investigated further. Supervisors must distribute workload equitably, establish guidelines for the amount of time that can be committed to individual investigations, authorize investment of "exceptional" time on investigations and ensure that the case clearances and closures comply with UCR standards. Supervisors must evaluate the performance of the entire unit and the performance of the individual investigators.

Investigators must be selected carefully. Selection techniques, both written and oral, should emphasize analytical abilities and interpersonal skills. Tests used for the selection process must be based on job analysis. Once selected, Investigators must be well trained in various skills including interviewing and interrogation; information development and retrieval; planning, organizing and conducting searches; forensics; arrest; case preparation and testimony. Upon appointment, new criminal investigators should undergo 80 or more hours of intensive, specialized training. Like other field personnel, Investigators need periodic in-service training to remain up-to-date on evolving legal issues and court decisions and to become proficient in the use of new procedures and technology. Because of the significance of the preliminary investigation to the ultimate success of the follow-up investigations, field Patrol Officers must also be trained in the same subject areas, though not as in depth as full-time criminal Investigators.

Departments should have Investigators available or on call 24 hours per day, or should establish other flexible arrangements to accommodate investigative requirements at crime scenes. The varying schedules of citizen witnesses and other demands of the investigations process necessitate availability. The authority, responsibilities, policies and procedures of criminal investigation units should be covered by written directive. It is particularly important to establish clear written directives for areas of great sensitivity. This includes the use of informants; use of Departmental funds, drugs, evidence, and other resources for investigative purposes; confidentiality of information, and especially information that pertains to youth and sexual abuse victims.

### **Current Conditions in the Lower Swatara Township Police Department:**

The Lower Swatara Township Criminal Investigation Unit functions on a full-time basis. There are two (2) Detectives assigned to the Unit. Except for emergency call out, they work Monday through Friday, with one working 7 am to 3 pm and the other 8 am to 4 pm. As the reports come in from the Patrol Bureau, a Sergeant reviews all reports to determine whether or not the incident requires follow-up investigation by the Detective Unit. He determines to which Detective he is going to assign the follow-up investigation. The Detectives provide the OIC Sergeant with weekly written reports and the OIC Sergeant provides the Township Manager with a copy.

The OIC Sergeant informally supervises follow-up cases. It is relevant to consider here, and will be addressed later in this report, that the average “clearance rate” of Part I Crimes for Lower Swatara Township is 17.40% from 2012 through 2016. During the same time period, the entire Dauphin County’s clearance rate is 31.25%. It should be noted that LSPD’s statistics are part of the county figures. As can be realized, Lower Swatara Township’s Part I clearance rate is significantly (13.85 or 44.32%) less than the county as a whole.

It is also relevant to consider, and will be depicted later in this report, that the average clearance rate of Part II Crimes for Lower Swatara Township is 52.77% from 2012 through 2016. During the same time period, the entire County’s clearance rate is 59.86%. Again, it should be noted that LSPD’s statistics are part of the County figures. Lower Swatara Township’s Part II clearance rate is (7.09 or 11.84%) less than the County as a whole.

### **Evaluation:**

The current basic organizational scheme appears to produce questionable results. Policies and procedures appear adequate, however, the Department’s Clearance Rates fall below Dauphin County averages.

### **Recommendations:**

To strengthen patrol, investigations, and improve crime clearance rates, the Department should consider the following actions:

1. Revisit the methodology and practice of Uniform Crime Reporting of “Clearance” of crimes. The Township is reporting a less number of clearances compared with the County clearances.
2. Study and analyze the factors involved that may be causing the lower than average clearance rates in the Criminal Investigation Unit. Institute the changes necessary to improve clearance rates including training if/where necessary.

### **C. POLICY**

Policy refers to a course or courses of action adopted and pursued to achieve agency objectives in acceptable ways, to establish the directions in which an agency will proceed, to establish required modes of institutional behavior and to encourage uniform operational action. Policy specifies principles to be observed rather than procedures or rules to be followed to actualize principles. Formulating policy is the responsibility of the Chief of Police. It is one of the most important responsibilities a Chief has to perform.

A Police Department should have a standing policy in every area of significance as to its role and operations. Consensus on even the approximate number of areas, which are significant and the nature of the areas does not exist. A contemporary, high-quality manual that the IACP uses as a model contains 151 individual policy statements. Policy must be definitive, clear and comprehensive. It must be written so that it can be uniformly communicated and understood. Having policy in writing is a major defense in liability situations, assuming that policy is also appropriate and constitutional. Although the policy positions of a Department are ultimately those chosen by the Chief of Police, members of a Department should be relied upon to help identify areas in which new policy is needed, areas in which current policy must be modified and to help formulate policy. Staff involvement enriches the policy identification and formulation process and gives staff an investment in the product. Policy development and modification should be ongoing. A Department's entire body of policy should be comprehensively reviewed, at least biannually. The review should focus on the need to change existing policy and to establish new policy. Special attention should be directed toward eliminating conflicts and redundancy in policy.

### **Current Conditions in the Lower Swatara Township Police Department**

The policies of the Lower Swatara Township Police Department are contained and distributed in a Department Manual and Computer - Power DMS. The Manual also contains job descriptions that include the essential functions of the job.

Policy and Policy implementation have been examined and assessed by the Pennsylvania Chiefs of Police Association. It is noteworthy to mention that LSPD is one (1) of only one hundred fifteen (115) police agencies that have been accredited by the Pennsylvania Chiefs of Police Association according to Mr. Richard Hammon, Accreditation Manager. Only 7.75% of the Commonwealth's 1200 municipal police agencies have been accredited.

### **Evaluation:**

The current system is adequate and in compliance with established professional standards. It appears that policy development and updating have received considerable attention.

**Recommendation:**

To strengthen the body of policy, the Department should consider the following action:

1. Continue to routinely inspect policy, rules and regulations manuals for completeness and accuracy as it relates to re-accreditation by the Pennsylvania Chiefs of Police Association.

**D. RECORDS**

A Police Records System must be complete and accurate in its information gathering capability; swift in its ability to deliver needed information and operated at a minimal cost. With such a system, a Police Department may keep a watchful eye on the criminal activities in the community and monitor its own success in suppressing these criminal activities. Without high-quality information, no Police Department can hope to provide the kind of service that the taxpayers deserve.

The basic tool of the modern Police Officer is the police report. It is in this report that the Officer forms the groundwork for an active and successful prosecution of the criminal offender. It also records information that the Officer has taken action on a complaint and has documented his/her reasons for acting or not acting on the complaint. The report also assists the Police Department by providing accurate proof of police activities.

In a larger perspective, the individual police report becomes part of a larger tool used by the Department's Record System. This system is the informational base of any Police Department.

It is here that the individual Officers deposit their findings in a common pool that all other officers may draw from when necessary. In order for this System and the Police Department to be effective, the System must have the ability to accurately record information and hold it, and conversely, to quickly give out information when necessary.

**Current Conditions in the Lower Swatara Township Police Department**

The Records Section receives day-to-day attention and functions under standard operating procedures. The records are maintained in the Central Records area under adequate security. This section provides all support services for the entire Police Department operations. The Records Section provides Officers with information not routed through Dauphin County Emergency Operations Center. In addition the Unit provides records maintenance, data entry, completing and maintaining statistics and preparation of the monthly report, clerical and secretarial support to all units, receptionist duties and a myriad of duties too numerous to list. The Records Section is staffed with one (1) full-time civilian employee.

**Evaluation:**

The Department has developed a Records Section that appears to be in compliance with established professional standards.

**Recommendations:**

None

**E. DISPATCHING**

Dispatching service is constantly through the Dauphin County Emergency Operations Center. The DCEOC call sheet is used to compare the Police Department's completed incidents to ensure that reports are being prepared on dispatched calls. The Lower Swatara Township Police Clerk handles and schedules walk-in complaints, citizens requesting fingerprint services, and general information.

**Current Organization and Staffing Evaluation:**

The current organization of the Department appears to reflect consideration of the majority of principles of organization. The most important are:

- Responsibility must be clearly fixed to ensure that every function of a police agency should provide is performed.
- Responsibility for every function that a police agency performs must be clearly assigned to one person.
- Functions which are similar or related in purpose, process, method, or clientele should be grouped together in one or more units.
- Responsibilities, duties and authority of units should be clearly defined and delineated so that accountability can be fixed and duplication of effort and non-performance of duties due to failure to assign can be prevented.
- Responsibilities, duties and authority of units should be known to all members of a Department through written directives.
- Only one person should control each unit and each individual, thus achieving the principle of unity of command and avoiding the friction that results from duplication of direction and supervision.
- Names of organizational units should reflect purpose.
- Specialized units should exist only if they significantly increase overall departmental capability.
- Control channels should exist to enable information to flow up and down, and to enable management to delegate authority, place responsibility, supervise work and coordinate efforts. These channels should be well understood by all members of a Department to ensure that they know to whom they are responsible and who is responsible to them.

- Span of control must be broad enough for economical management and supervision, but not so broad that managers and supervisors cannot manage or supervise effectively.
- Each assignment or duty must be paralleled by commensurate authority to fulfill the responsibility.
- Persons to whom authority is delegated should be held accountable for the use of the authority or the failure to use it.

Most problems that confront police departments cannot be resolved or prevented simply by observing principles of organization. Observing principles of organization cannot overcome innate weaknesses in the motivation or capabilities of personnel, eliminate inertia, or generate the initiative required for effective direction and control. Observing the principles will produce an organizational structure, however, that will influence the efficiency of a police department positively when capable personnel, motivation and other essential factors are present.

Management is a science and outstanding management training for police organizations is readily available. A manager plans, organizes and controls the efforts of an organization. He or she focuses on function, facts and priorities.

Lee P. Brown, past President of the IACP stated: “A leader is a visionary, charting a course for the organization then guiding it toward the chosen destination. A leader influences others to achieve stated purposes and reach the goals that are consistent with established values. Courageous individuals, leaders are those who dream and have the ability not only to share their dream with others, but, to translate the dream into reality.”

**Recommendations:**

1. Maintain the Department in accordance with the above principles of organization.

## II: TOOLS FOR EVALUATING DEPARTMENT EFFECTIVENESS IN FIELD OPERATIONS

The effectiveness of a police department is determined by many factors. The police department and the citizens of the community look upon crime and the relative feeling of safety that exists within the jurisdiction as a primary role of the police. There is some question concerning how much impact the police really have on crime. However, we must look at the crime rate, the ability of the police to respond in a timely fashion, the amount of violent crimes (Part I offenses), and the less serious crimes (Part II offenses) occurring in the community as effectiveness measures.

Another important factor is the ability of police to solve crime once it is brought to their attention. This deals with a police department's arrest rate and clearance rate. Yet another factor can be examined by looking at the conviction rate – those cases in which an arrest was made and whether or not a court conviction was achieved.

Patrol is the backbone of any law enforcement agency. The philosophy held by officers on patrol has very serious ramifications toward accomplishment of the police mission. Studies indicate that police departments employing an “aggressive” patrol strategy experience higher arrest rates and lower crime rates for robberies than jurisdictions with a “passive” patrol strategy. Making frequent “street stops” or issuing an above-average number of traffic citations accomplishes this. Generally, if a criminal knows that police are actively stopping suspicious persons and making field checks, or if the criminal sees more police on patrol, he may not commit crime because he perceives that his chances of being caught are greater. This perception will often lower the crime rate in a given jurisdiction.

Accident Enforcement Index is another measure of effectiveness that can be drawn through an examination of data. Experts (Northwestern Traffic Command Institute) report that for every injury accident, twenty (20) citations should be issued for optimum enforcement. Optimum enforcement is desirable in an effort to reduce injury accidents.

The LSTPD Monthly Report indicates the number of traffic citations and accident information. Table 1 depicts the information as follows:

**TABLE 1  
LOWER SWATARA TOWNSHIP POLICE DEPARTMENT  
ACCIDENT ENFORCEMENT INDEX**

<b>Year</b>	<b>Citations Issued</b>	<b>Injury Accidents</b>	<b>Enforcement Index</b>
2012	590	51	11.57
2013	1,311	43	30.49
2014	1,252	54	23.19
2015	548	60	09.13
2016	472	55	08.58

Source: Lower Swatara Township Police Department Records Section

**Findings:**

1. The table indicates that LSTPD’s traffic enforcement index falls below optimum during the five – 5 years above.
2. Over the five (5) year period, citations decreased 118 or 20%, down from 590 in 2012 to 472 in 2016.
3. The total five (5) year enforcement record (4173 divide by 263 = 15.87) suggests a patrol mission that subscribes to less than an “aggressive” patrol strategy. However, during 2013 and 2014, the Enforcement Index exceeded optimum enforcement and subscribed to an “aggressive” patrol strategy.
4. Injury Accidents have a five (5) year average of 52.6 per year.

**Recommendations:**

1. Research, evaluate and consider the causal factors impacting the accident enforcement index. Specifically, what has caused the significant downturn after the exceptional enforcement record during 2012 and 2013.
2. Initiate strategies to improve the AEI.

**Reported Part I Index Crimes**

Table 2, Reported Part I Index crimes 2012 – 2016, follows and summarizes the number of serious crimes reported to the LSPD during this five (5) year period ending on December 31, 2016. Index crimes are commonly used to portray the level and nature of crime in a jurisdiction. Part I crimes include the offenses of Homicide, Rape, Robbery, Aggravated Assault, Burglary, Larceny, Motor Vehicle Theft, and Arson.

**TABLE 2  
LOWER SWATARA TOWNSHIP POLICE DEPARTMENT  
REPORTED PART I INDEX CRIMES  
2012-2016**

<b>Year</b>	<b>Murder</b>	<b>Rape</b>	<b>Robbery</b>	<b>Assault</b>	<b>Burglary</b>	<b>Larceny Theft</b>	<b>Motor Vehicle Theft</b>	<b>Arson</b>	<b>Total</b>
2012	1	0	0	9	31	116	1	0	158
2013	1	1	2	4	14	120	5	1	148
2014	0	0	4	8	11	117	0	0	140
2015	0	0	0	4	14	71	0	0	89
2016	1	1	0	0	16	100	0	0	118
<b>TOTAL</b>	<b>3</b>	<b>2</b>	<b>6</b>	<b>25</b>	<b>86</b>	<b>524</b>	<b>6</b>	<b>1</b>	<b>653</b>

Source: Uniform Crime Report, Compiled By the Pennsylvania State Police, Bureau of Research and Development.

\*A table showing, Dauphin County statistics was not provided due to the sheer volume of information

### **Findings:**

1. Lower Swatara's Index crimes decreased by 10 from 2012 to 2013, decreased 8 in 2014, then decreased 51 in 2015, then increased 29 in 2016. Overall, index crimes **decreased** 40 or 25.32% compared to five (5) years earlier.
2. During that same time period, index crimes across the entire county increased 68 from 6522 in 2012 to 6,590 in 2013; increased 1,156 to 7,746 in 2014, then increased 249 to 7,995 in 2015. Index crimes increased 968 to 8,963 in 2016. Overall, index crimes **increased** 2,441 or 37.43% compared to five (5) years earlier.
3. In LSPD jurisdiction, the greatest number of Part I crimes (158), were reported in 2012. Dauphin County experienced the greatest number of Part I crimes (8,963) in 2016.
4. Larceny-Theft (524) was the crime category most frequently reported in LSPD and (23,993) Dauphin County. Burglaries and Assault followed as the number two (2) and three (3) crime categories in the Township and across the entire County.
5. LSPD's five (5) year average clearance rate was 17.40%. The County average was 31.25%.

### **Crime Rate**

A review was conducted of the reported crime in Lower Swatara Township Police Jurisdiction over the past five (5) years from 2012 through 2016 as reported in the Uniform Crime Report, compiled by the Pennsylvania State Police, Bureau of Research and Development.

The same review, for the same time period, was conducted for the entire Dauphin County for comparison purposes. This allows Lower Swatara Township to better understand the Crime Trends in their jurisdiction in comparison to all the reporting municipalities across the County. It should be noted that the LSTPD statistics are included in the County statistics.

Crime Rate information follows and provides a formula to indicate a municipalities' crime rate in numerical terms. The rate is determined by dividing 100,000 by a municipalities population, times the Part I reported Crimes as follows:

**TABLE 3  
CRIME RATE COMPARISONS  
2012-2016**

<b>MUNICIPALITY</b>	<b>POPULATION CALCULATION</b>	<b>PART 1 CRIMES</b>	<b>CRIME RATE</b>	<b>YEAR</b>	<b>CLEARANCE RATE</b>
LSPD	100,000 8,268 = 12.09	X 158	1,910.22	2012	13.29%
		X 148	1,789.32	2013	17.57%
		X 140	1,692.60	2014	15.00%
		X 89	1,076.01	2015	19.10%
		X 118	1,426.62	2016	22.03%
Dauphin County	100,000 268,100 = .373	X 6,552	2,413.14	2012	33.16%
		X 6,590	2,458.07	2013	33.66%
		X 7,746	2,889.26	2014	31.01%
		X 7,995	2,982.14	2015	30.59%
		X 8,963	3,343.20	2016	27.85%

Source: Pennsylvania Uniform Crime Reporting System

**Findings:**

1. The data suggests that LSPD, over a five (5) year period from 2012 to 2016, has experienced a **decrease of 483.60 or 25.32%** in the crime rate, down from 1,910.22 in 2012 to 1,426.62 in 2016.
2. Dauphin County over the same time period has also experienced an **increase of 930.06 or 38.54%** in the crime rate, up from 2,413.14 in 2012 to 3,343.20 in 2016.
3. Lower Swatara Township’s average Crime Rate is less than the County average.

**Evaluation:**

From the data examined, Lower Swatara Township Police Department appears to be clearing a lesser percentage (17.40%) of crime compared to the County percentage (31.25%) of crime. However, the County Crime Rate average (2,817.16) is greater than the Township Crime Rate average (1,578.95). Part 1 crime is decreasing at a greater rate across the County than crime reported in the Township.

**Conviction Rate**

Another measure of effectiveness can be gleaned from a department’s “conviction rate”. A conviction is the successful prosecution of an offender arrested, charged and prosecuted and convicted for committing a crime.

**Evaluation:**

Lower Swatara Township Police Department does not specifically track conviction rate information regarding the disposition of offenders charged with committing crimes within their jurisdiction. The LSPD “Monthly Activity Report” does include much information on the number of crimes occurring but not being investigated in the Township. Therefore, for the purposes of this report, it was not possible to determine “conviction rate” data.

**Recommendations:**

1. Collect, compile and analyze conviction data on criminal prosecutions.
2. Include statistical information on crimes being investigated (followed up by Detectives) on the monthly and annual reports.

**Reported Part II Index Crime**

Table 4, Reported Part II Index Crimes summarizes the less serious crimes than the Part I index crimes reported by the Lower Swatara Township Police Department during the five (5) year, time period from 2012 through 2016.

**TABLE 4  
LOWER SWATARA TOWNSHIP POLICE DEPARTMENT  
REPORTED PART II INDEX CRIMES  
2012-2016**

<b>Crime</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>TOTAL</b>
Other Assault	62	56	48	32	33	231
Forgery	0	2	1	0	3	6
Fraud	34	38	53	40	40	205
Embezzlement	0	5	4	3	4	16
Stolen Property	1	0	3	1	0	5
Vandalism	44	40	34	28	34	180
Weapons	2	4	2	5	1	14
Prostitution	4	0	0	0	0	4
Sex Offenses	16	12	9	9	9	55
Narcotics	18	10	14	5	3	50
Gambling	0	0	0	0	0	0
Family Offenses	0	0	1	1	3	5
DUI	45	42	126	61	38	312
Liquor Laws	26	22	7	8	19	82
Drunkenness	14	5	5	11	6	41
Disorderly Conduct	57	37	58	36	28	216
Vagrancy	0	0	0	0	0	0
All Others	28	11	20	20	26	105
<b>TOTAL</b>	<b>351</b>	<b>284</b>	<b>385</b>	<b>260</b>	<b>247</b>	<b>1,527</b>

Source: Uniform Crime Report, Compiled By the Pennsylvania State Police, Bureau of Research and Development.

**Findings:**

1. Part II crimes decreased 104 or 29.63% in LSPD, down from 351 in 2012 to 247 in 2016.
2. During the same time period, Dauphin County Part II crimes decreased 1,209 or 6.98%, down from 17,235 in 2012 to 16,116 in 2016.
3. During the five (5) year time period, Driving Under the Influence 312, Other Assault 231, Disorderly Conduct 216 and Fraud 205, were the top four (4) Part II crimes reported in the Lower Swatara Township Police Department.
4. During the same time period, the top four (4) Part II crimes reported across the entire County were Other Assault 13,222, All Others 10,756, Vandalism 9,730 and Driving Under the Influence 7,453. Again take note that the County statistics include Part II crimes reported by the LSPD.
5. LSPD five (5) year (2012 – 2016) Part II clearance rate was 52.77% that was greater than the Dauphin County average of 59.86%.

It is also noteworthy to consider that Lower Swatara Township is experiencing a **greater** (29.63%) **decrease** in reported crime than the County's (6.98%) reported decrease. The Uniform Crime Reports indicate that Other Assault and Driving Under the Influence were among the two most frequently reported crimes during this five (5) year period.

**Total Crime Statistics Notes:**

1. There were 2,160 total crimes (653 Part I and 1,527 Part II) reported to the Lower Swatara Township Police Department during the study period (2012 through 2016).
2. Serious crimes totaled 653 or 29.95% of the total (653 of 2,180).
3. Less serious crimes totaled 1,527 or 70.05% of the total (1,527 of 2,180).
4. Larceny Theft was the most frequently reported crime and accounted for 80.25% (524 divided by 653= 80.25%) of the Part I serious crime in the Township.
5. In comparison, for that same period of time across Dauphin County, Larceny Theft accounted for 63.45% (23,993 divided by 37,816 = 63.45%).

### **III: MANAGEMENT, TECHNICAL AND SUPPORT SERVICES**

Management is the process of organizing and using personnel and material resources to accomplish objectives. The management process comprises a comprehensive and diverse array of functions. Among the most essential are setting organizational objectives; organizing programs to achieve objectives; assembling staff and other resources required to conduct programs; establishing policies and procedures to govern programs; directing programs through written directives, internal communications and supervision; and controlling programs to ensure compliance with policies and procedures.

The Chief/Public Safety Director of Lower Swatara Township Police Department bears ultimate responsibility for achieving objectives and for the effectiveness of the management process. Because the Chief cannot be omnipresent nor conduct the management process by himself, responsibility must be delegated to division and section commanders and supervisors. To manage the Department effectively, the Chief/DPS and his delegates must have the support of a number of executive or administrative services, principally research and planning, legal counsel, public information and fiscal management.

#### **ORGANIZATIONAL OBJECTIVES**

Objectives are ultimate ends that police agencies strive to achieve. Although objectives are not immutable, they do not change substantially over time. Crime prevention, apprehension of offenders, clearance of crimes, and recovery of property, locating missing persons, and protecting constitutional guarantees, have long characterized the Police function. In both theory and practice, objectives are often referred to as goals. They are also referred to as outcomes. Although there are technical distinctions, these terms are used synonymously in this report.

Objectives, by definition, are prerequisite to managing by objectives. Their existence allows all management functions to be directed toward their achievement. Objectives should exist for a Department as a whole and for each division, section and unit within it. Logical relationships must exist between and among levels of objectives. Division objectives, for example, should connect, integrate and in some instances be identical with objectives of a Department. Objectives must be stated with sufficient precision to yield to valid measurement. Agencies must measure the degree to which objectives are achieved, which is effectiveness, and the cost incurred to achieve objectives, which is productivity.

Most agencies prepare objectives, mainly to satisfy municipal-level budgeting requirements. Agencies normally assign the development task to a budget or planning unit and require only perfunctory involvement of operating personnel. Few agencies exploit the management, evaluation and performance measurement potential of objectives. This defeats the entire purpose of efforts that are made.

#### **Current Conditions in the Lower Swatara Township Police Department**

There is nothing written in this area.

**Evaluation:**

None.

**Recommendations:**

To strengthen its system of organizational objectives, the Department should consider the following actions:

1. Develop a structure of organizational objectives.

The structure must include objectives for the Department and for each unit. The objectives must specify the ultimate outcomes that the Department and the sub-divisional organizational units wish to achieve. The objectives must be measurable.

2. Develop one or more measures of achievement for each objective in the structure.

Effectiveness measures are most important. Productivity, efficiency and workload measures are also important since they have many additional valuable managerial uses.

Responsibility for developing and implementing the system of objectives and measures should be assigned to the Department's command staff (Chief and Lieutenant as a unit). Key Senior Officers should participate heavily in the developmental process also.

3. Require that the objectives and measures be used for planning, decision making and performance evaluation at all organizational levels.
4. Department command staff should be trained to use the objectives and measures for the foregoing management process.

**A. INTERNAL COMMUNICATIONS**

A variety of techniques should be used, in addition to written directives, to communicate intended objectives, policies and procedures to Department personnel. Those found to be effective, when properly designed and administered, are staff meetings, distribution of staff meeting summaries and/or similar in-house communications media; roll-call discussions; work site and field visits by the Chief of Police and other departmental executives; major events, such as awards presentations, which rank-and-file employees are expected to attend; and frequent interaction, both formal and informal, between police executives and benevolent, Fraternal Order of Police or union association representatives. While these communication mechanisms are designed to help Department Commanders and Supervisors communicate and direct downward, a number of them provide a simultaneous opportunity for rank-and-file officers and employees to communicate upwards – to ask questions, make comments and generally express feelings and concerns. A Department should take every opportunity to use these situations and mechanisms to improve upward communications.

As a medium for directing departmental operations, the importance and potential of staff meetings cannot be overemphasized. Staff meetings provide face-to-face opportunities for managers to communicate intent and explain rationales. In addition, the meetings transmit facts, and provide opportunities for staff to comment on operations and their effectiveness. They also

provide opportunity to discuss and resolve specific problems and policy proposals and to express ideas that can contribute to the progress of an agency. Contributing tends to promote satisfaction and a sense of accomplishment among staff. Through participation, subordinates tend to identify with organizational objectives and endorse management plans.

In most departments, only senior officers attend or have staff meetings. This should not nor need not be the case. Staff meetings should be held at all levels of a police agency. Staff meetings should follow regular schedules and prepared agendas. Written minutes should be kept. Minutes of previous meetings should be reviewed as a matter of regular business. This ensures automatic review of previously discussed matters and provides the basics for determining whether controlling actions have been taken between meetings.

Stable departments require fewer meetings than those undergoing reorganization, rapid growth or other forms of transition. Frequent meetings are desirable when new systems or programs are being planned or introduced. Departments should modify standard schedules of meetings as conditions warrant, either increasing or decreasing the number. It is preferable to err on the high side when determining frequency of meetings, since redundant communication is preferable to under-communication. At the same time, care must be taken to avoid scheduling meetings so frequently that participants lose valuable time unnecessarily.

### **Current Conditions in Lower Swatara Township Police Department**

The Chief has regularly scheduled mandatory staff meetings monthly on the first Thursday. There appears to be no standing committees other than Collective Bargaining. This tends to be oriented more toward adversarial relationships than it does toward harmonious relationships. There are plans to start a National Night Out Committee.

### **Evaluation:**

The Department does not utilize most of the internal communications mechanisms available.

### **Recommendation:**

1. Select and assign rank-and-file members to committees to work on matters of mutual concern by labor and management.

## **B. SUPERVISION**

First-line supervisors are critical links in the direction process. Being closest to those who actually administer most police services and who are directly responsible for their performance, it is the first-line supervisors who must ensure on a day-to-day basis that objectives are being met and that policies and procedures are being carried out as intended. To do so, supervisors must be thoroughly conversant with Departmental objectives, policies and procedures that pertain to their areas of supervision and with the jobs to be performed by those supervised. They must monitor and evaluate the performance of personnel and must correct and teach when personnel do not perform as required. The most influential supervisor in a police agency is the patrol supervisor, usually a field sergeant. The patrol supervisor normally has more personnel to manage than other supervisors. He or she controls effectively, or ineffectively, the actions of those police employees who are most often and most directly involved in the delivery of police services.

To produce supervisors who can direct effectively, a Police Department must take a series of deliberate actions. It must administer promotional examinations and employ selection procedures that validly and accurately measure supervisory skills and potential. The procedures include the following: provide extensive training to those appointed to supervisory positions; make clear that supervisors are part of the management structure and will be held accountable for exercising the authority granted to them; use formal, structured, evaluation methods to measure and assess supervisory performance; give supervisors the tools they need to systematically diagnose and evaluate the performance and needs of their subordinates; correct inadequate performance (this should be accomplished, also, through a formal, structured system of performance evaluation); and supervisors must be provided time to evaluate subordinates and correct deficiencies through training. When supervisors must spend most or all of a shift on emergencies, other duties, effective direction, evaluation and training cannot occur. For supervisors to train effectively, officers must have sufficient free time to be trained.

### **Findings:**

There are three (3) supervisory positions in the Department. There are three (3) Patrol Sergeants.

Supervision within the entire Department is one of the weak aspects of the Department's management process. This is due, for the most part, because of the Department's size.

The Public Safety Director subscribes to journals and publications such as but not limited to, the Pennsylvania Chief's Bulletin, Police Beat, International Chiefs of Police Bulletin, etc. These publications are made available to all Department members.

### **Recommendations:**

1. Although Performance Evaluations have not been used in years, the subject should be revisited to determine the advantages of developing and introducing a Performance Evaluation System.
2. Become familiar with and practice the "Principles of Quality Leadership":
  - Believe in, foster and support TEAMWORK.

- Be committed to the **PROBLEM-SOLVING** process; use it and let **DATA**, not emotions, drive decisions.
- Seek employees' **INPUT** before making key decisions.
- Believe that the best way to improve the quality of work or service is to **ASK** and **LISTEN** to employees who are doing the work.
- Strive to develop mutual **RESPECT** and **TRUST** among employees.
- Have a **CUSTOMER** orientation with focus toward employees and citizens.
- Manage on the **BEHAVIOR** of 95 percent of employees and not on the 5 percent who cause problems. Deal with the 5 percent.
- Improve **SYSTEMS** and examine **PROCESSES** before placing blame on people.
- Avoid "top-down" **POWER ORIENTED** decision making when possible.
- Encourage **CREATIVITY** through **RISK TAKING**, and be **TOLERANT** of honest **MISTAKES**.
- Be a **FACILITATOR** and **COACH**. Develop an **OPEN** atmosphere that encourages providing and accepting **FEEDBACK**.
- With **TEAMWORK**, develop with employees the agreed upon **GOALS** and a **PLAN** to achieve them.

### **C. MANAGEMENT CONTROLS**

Results are not achieved only by issuing orders, or by directing an objective to be achieved, a plan implemented, or a task undertaken. To achieve a desired end, management must do more than direct. It must control. Control is the process of ensuring that policies, procedures and operations correspond to the intent and directives of management. Control is part of a larger four-step process. Determining what results or objectives are to be achieved and selecting policies, procedures, and operations to achieve them is the first step. Issuing directions designed to produce the desired results is the second step. Monitoring the operations to identify undesirable deviations is the third step. If operations are proceeding as planned and monitoring does not disclose deviations, there is no need for action. If the monitoring discloses deviations or side effects, then action must be taken. Correcting the deviation, or undertaking some other course of action designed to promote success, is the fourth step. These last two steps are the elements of control. Line inspections, staff inspections and internal affairs reviews are three (3) forms of management controls that should be administered in every Police Department.

The inspections process is designed to observe evaluate and record flaws in the application of sanctioned policies and procedures and in the use of human and material resources to accomplish the Departmental mission. Line and staff are two types of inspections in the police service. Supervisors in the regular course of activities should perform line inspections. Though line inspections are commonly associated with patrol, line inspections should be conducted by Supervisors at all levels in all units. The appearance of subordinates; the condition of equipment; the completeness of the orders manual and Officer demeanor with the public, typify the focus of line inspections. Written line inspectors in the instances of major or continuing problems should produce reports and when training or some other remedy is in order, it must be approved at the executive levels.

Staff inspections are essentially “independent audits.” Members of a special unit, in the name of the Chief of Police, should perform them. Staff inspections should focus on the degree to which established policies and procedures have been implemented properly, the degree to which orders are being carried out and upon the proper or improper use of personnel and material resources. Organizational units should be inspected bi-annually, at a minimum. Written reports of findings and recommendations should be prepared for the Chief of Police subsequent to every inspection. He should share reports with executive staff and the commanders of units that are to be inspected, except in cases of extreme sensitivity and where confidentiality is required. Unit supervisors should be required to evaluate and comment on reports, especially when findings are negative and/or recommendations seem questionable. Timetables should be established for corrective actions in all situations where such actions are preferred.

There is a common feeling among police administrators that close proximity to subordinates reduces or eliminates the need for continuing the inspection process. This belief is especially prevalent in small agencies, but is without basis. Police administrators should hold all supervisors responsible for line inspections. The Chief of Police should also assign responsibility for staff inspections to a command individual who has a comprehensive understanding of the Department as well as the Department’s policies and procedures. Members of a Department should view inspections as a normal and desirable administrative activity. They should be completely informed about reasons for inspections, the nature of inspection procedures to be used, and the consequences, which will follow when deficiencies are noted and reported. Covert inspections should be conducted only when a probability exists that very serious conditions detrimental to the best interests of a Department are present. Even then, covert inspections should be conducted only under the immediate direction of the Chief of Police. Although covert inspections usually unearth a greater number of defects than open inspections, they also engender serious morale problems when used routinely. Covert inspections should be resorted to only when it is absolutely necessary to protect the Department from grave public embarrassment. For the most part, open inspections, known and anticipated by the employees, will produce desired remedial results.

### **Current Conditions in the Lower Swatara Township Police Department**

The Department does not have a formal, comprehensive, agency wide inspections program. The patrol sections Sergeants do limited inspections (inspecting vehicles for damage and operating condition). The inspections program utilized for the most part is an informal one of dealing with issues as they may become apparent from time to time.

### **Findings:**

Formal Line and Staff inspections are nonexistent. Accordingly, the Department fails to comply with professional standards in this area. Absence of line and staff inspections is mainly attributable to the common and mistaken perception that small agencies do not require the formal, structured inspections program necessary in larger departments. Every agency, regardless of size, must have organized, systematically administered management controls.

### **Recommendations:**

To strengthen the inspections process, the Department should consider the following actions:

1. Formally establish a line and staff inspections program. Line Inspections could be the responsibility of all unit Sergeants. Responsibility for Staff Inspections could be assigned to the Chief/DPS who reports directly to the Manager.
2. Prepare a written directive to govern line and staff inspections. The directive should cover objectives, procedures, and criteria to identify those inspections, which require a written report, follow-up procedures to ensure corrective action is taken and provision for inspection of every organizational component at least every other year.
3. Arrange for the Chief/DPS to attend a workshop on the inspections function.

#### **D. INTERNAL AFFAIRS**

A Police Department cannot be successful for very long without public belief in its integrity. Integrity is demonstrated and protected through a strong, fair and responsive Internal Affairs process. This gives notice to both the community and members of the Department that an agency is willing to “police its own.” It is Management’s way of demonstrating that Officers and civilian employees will be held accountable for complying with sanctioned forms of behavior and punished for violating them.

A Police Department should have a central Internal Affairs Unit or Officer. The Unit or Officer reports directly to the Chief of Police, when practical. Principal functions of the Unit or Officer should be to receive, record, process, investigate and control complaints against employees. Adequate resources must be devoted to the Internal Affairs function. Internal Affairs must have a positive emphasis. Management should view Internal Affairs as a proactive tool to achieve positive results. Police Officers, normally skeptical about Internal Affairs procedures, usually respond in a highly professional manner to an affirmative process as long as the rules are clear, fair and applied consistently. Too often, the function is managed in a way that reduces morale and motivation and strains community relations. In many agencies it is mysterious and burdensome, appearing deliberately designed to discourage complaints. Citizens have also traditionally been suspicious of the Internal Affairs process. When an informal public believes that its Police Department will investigate all allegations of misconduct against its members honestly and fairly, it will be less likely to become prematurely indignant or seek redress elsewhere.

A Police Department should have a simple and efficient system for receiving and processing complaints. Once a complaint has been received, from either inside or outside the agency, it must be investigated thoroughly and impartially and in a timely manner. Anonymous complaints should be handled in the same manner as any other. Frivolous allegations should be screened out during the preliminary investigation. Minor complaints should be referred to an employee’s supervisor. The Internal Affairs Unit should handle serious allegations. Internal Affairs should maintain staff control over all investigations, even when complaints have been referred. The Department must take positive steps to be sure that the public understands how the Internal Affairs process works. Citizens should be notified when complaints are being investigated and advised of the outcome. The investigative phase is the most critical part of the Internal Affairs process. Both the public and the employee must be satisfied that the investigation is thorough and fair. An Officer should be advised promptly when a complaint of misconduct is received,

except in those cases where it would jeopardize the investigation. A Department must have a procedure for temporarily relieving employees from duty when charges dictate such action. This form of supervision is to be distinguished from one imposed as punishment following a final determination of misconduct. Neither Officers nor civilian employees have a constitutional right to counsel during an internal investigation, although Departmental policy or labor contracts often establish the privilege. Officers can be ordered to answer questions and submit to a polygraph test. When criminal prosecution is contemplated, Miranda guidelines apply. A search warrant or voluntary agreement is required to search an Officer's home or personal vehicle. Search of a locker or Department office requires neither.

When an internal investigation sustains an allegation of misconduct, formal charges should be filed. Filing officially notifies Officers that they are being charged with violations of Departmental rules, explains the nature of the charges and advises what procedural steps can be taken to answer them. Police misconduct may constitute violation of both criminal law and Departmental policy. In most jurisdictions, criminal and administrative procedures are entirely separate and distinct. An acquittal on criminal charges does not prevent a Department from taking disciplinary action against an Officer based on the same conduct. The laws of most states, as well as federal due process standards, require that an Officer be allowed a hearing on disciplinary charges at some point before discipline becomes final. A court reviewing an appeal of a Department's disciplinary action will only examine a written record. Generally, a court will not consider new evidence. As a result, although adherence to strict rules of evidence is not required in an administrative hearing, a verbatim record should be kept with the hearing board clearly stating the evidence on which its decision is based. As with any important administrative decision, a Chief is well advised to consult with various levels of his staff before imposing penalties.

Internal Affairs policies and procedures and the functioning of the Internal Affairs Unit or Officer should be formalized in a written directive.

### **Current Conditions in the Lower Swatara Township Police Department**

Responsibility for Internal Affairs remains vested with the office of the Chief of Police/Director of Public Safety. One of two trained Sergeants conducts the investigation and reports findings to the Chief/DPS. The Department has policy covering the Internal Affairs process, along with training on conducting such investigations. The Chief/DPS informally advises the Township Manager regarding Internal Affairs Complaints. The Department is a Civil Service Organization.

### **Finding**

The Department has written policy on the Internal Affairs Process and appears to be in compliance with professional personnel management practices.

### **Recommendation:**

To strengthen the Internal Affairs function, the Department should consider the following action:

1. Publish a summary of the number, type and disposition of complaints against officers in the Departments' Annual Report.

## **E. PLANNING**

Planning is the process of developing and selecting the best possible course of action to meet a police need or achieve a police objective. It is a basis for rational, effective police decision-making, management and operations. Without planning, the objectives of police agencies will not be achieved effectively. Lack of formal planning, particularly long-range planning, is one of the most critical deficiencies in police management today. Many Police Chiefs attempt to manage their Departments without adequate planning.

A Police Department should have a full-time planning unit. Small agencies should have at least a part-time planning officer. Planning units and officers should have Department-wide staff supervision over all planning activities. They should:

- Evaluate and recommend improvements to existing programs, systems, procedures and methods.
- Prepare crime projections and complete allocation studies.
- Conduct long-range planning and research to design new systems and develop new policies, procedures and methods.
- Work with Township management to plan and coordinate long-range fiscal needs.
- Conduct demographic studies and research to match future police service in developing community requirements.
- Develop plans for responding to natural or technological disasters and civil disorders.
- They should also subject each existing procedure and operation to a test of efficiency. This is accomplished by applying the following questions:
  1. What is accomplished by the procedure or operation?
  2. Would the Department's overall operation be materially impaired if the process or procedure were eliminated entirely?
  3. Can some other person or unit accomplish the process or procedure more efficiently or effectively?
  4. Has another agency found a better way of performing this process or operation?
  5. If the procedure or operation is continued unmodified, is the result worth the cost?

Systematic analysis of existing procedures is a valuable technique for maintaining Departmental efficiency and effectiveness. The investment of time in the procedure usually produces substantial savings in police manpower and money and results in better service to the public.

Variation in the foregoing list of responsibilities, additions or deletions, will be dictated by local conditions.

A planning unit should be staffed by persons who collectively combine all of the knowledge and skills required to effectively conduct the contemporary police planning function: Police science; principles of organization and management; principles and techniques of planning; research methods; information collection, handling, and processing; long-range planning; budgeting; performance measurement; governmental operations and law enforcement technology. A staff must maintain up-to-date knowledge of emerging Criminal Justice research and development of current and emerging issues and problems. A planning officer must have many of these skills and the resources to acquire the remainder when necessary.

A unit may be composed of either civilian or sworn personnel. A blend usually works well. The director of a planning unit may be either sworn or civilian. He or she must, however, be a skilled manager and be knowledgeable in at least several of the disciplines mentioned above. A planning unit should report directly to the Police Chief.

Planning and research units should produce completed staff work. Completed staff work involves study of a problem, examination and presentation of alternative solutions and presentation of the best solution in such form that the Chief of Police only need review and approve or disapprove the proposed plan of action. The principal idea of the concept is to avoid presenting an incomplete plan, which would unnecessarily consume the valuable time of the Chief and the command staff.

The responsibilities of a Planning Unit should be formalized in a written directive.

### **Current Conditions in the Lower Swatara Township Police Department**

There is little formal planning being conducted. Informally, planning occurs on an ad hoc basis. There is no written policy.

### **Finding:**

None.

### **Recommendations**

To strengthen the planning function, the Department should consider the following actions:

1. Affix responsibility for the planning function in the job description of the Chief of Police/Director of Public Safety.
2. Develop written directives on the planning and research function.
3. Prepare an agenda or inventory of planning and research needs. Special care must be taken to ensure that long-range needs are given due consideration.
4. Prioritize items on the agenda. This should be a joint effort of the Chief/Director of Public Safety, Sergeants, and support staff.
5. Formally adopt the inventory and the priorities on the work plan for the planning function.

#### **IV: PERSONNEL AND TRAINING**

The quality of the service provided by a Police Department depends directly upon the quality of the personnel employed. The current quality and level of service provided by the Lower Swatara Township Police Department rests largely with the competence and capabilities of the personnel presently employed. Future achievements and effectiveness will depend on the competence and capabilities of the men and women now being hired, those remaining in the Department and those hired in the future.

The Personnel Administrator for a police agency has complex and demanding functional responsibilities. Personnel Administrators must be sensitive to validity issues in selection and promotion, affirmative action requirements, collective bargaining procedures and potential challenges to the Township's selection, promotion or retirement systems. These concerns cause many Personnel Administrators to approach their work defensively and in so doing, lose sight of the overall goal of molding a quality workforce well suited to careers in police service.

To guarantee that the workforce is of the highest professional quality, an agency must have a comprehensive personnel program. It must maximize the effectiveness of its recruiting, selection, promotional and performance evaluation practices. Of utmost importance, it must be competitive in the labor market. Once quality personnel are employed, their abilities must be developed to their maximum potential through career-long education and training.

### **Current Conditions in Lower Swatara Township Police Department**

The primary responsibility for personnel matters for the Department, including recruiting, selection, and personnel records rests with the Chief of Police/Director of Public Safety. When requested, the Chief/DPS assists the Manager and Township Commissioners with hiring, promotions, salary and related issues.

Disciplinary procedures are ultimately the responsibility of the Chief of Police. The Internal Affairs Function was discussed earlier in this report.

The Department does not have a formal career development program. It does have a performance evaluation system but has not used it in years. The Chief of Police/DPS performs employee personnel actions; however, and the records are maintained in the Chief/DPS office.

### **Findings:**

The Department has developed a personnel program and is in compliance with established professional standards with the exception of Performance Evaluations.

### **Recommendations:**

To strengthen the organization of the personnel function, the Department should consider the following actions:

1. Re-evaluate, prepare and introduce a "Performance Evaluation System" for all Police Department members and positions, both sworn and civilian alike.
2. Design a career development program even though the promotional opportunities are quite limited for this size Department.

### **A. PROMOTION**

Leadership qualities, intelligence, mastery of law enforcement procedures and supervisory or management skills are requisites for promotion to positions of higher responsibility. It is especially important that these characteristics be present in those promoted to the rank of Sergeant since they form the group from which future command officers and administrators will be selected.

All aspects of the promotion process must be based on a detailed analysis of positions into which personnel will be promoted. To observe this principle, written job analyses must exist. Written notices that describes qualifications testing procedures to be employed and other essential data needed by potential applicants should be posted prominently, well in advance of the closing date for applications. Three (3) years in grade as a Police Officer should be required for promotion to Sergeant and at least one (1) year in grade should be required for promotion to ranks above Sergeant. Recommended times in grade are considered a good compromise between limiting promotional opportunities to personnel with sufficient experience for advancement and creating a broad competitive base.

Testing should include a written examination, an oral examination and a medical examination for those who pass the written and oral examination. Performance evaluation should also be used to determine eligibility. Study materials should either be identified for applicants or be provided to them. The promotional process, in its entirety and in each of its elements, must meet requirements of validity and utility and minimize adverse impact. If assessment centers are used to examine candidates for promotion, a team of assessors should be used, a battery of assessment techniques should be employed, and the appraisals of assessors should be pooled to form recommendations on and to rank candidates. Candidates should be ranked on eligibility lists in order of total scores of the various elements of the testing process.

The “rule of three” should be followed. A Chief of Police should be able to recommend (to the Board of Commissioners, Council members, or Commissioners) individuals for promotion from among the first three (3) qualified or presented to an examining board. This gives a Chief some latitude in the actual promotion of successful candidates. It is unfair to hold the Chief responsible for the performance of the Agency, while at the same time withholding from the Chief some discretionary power in the appointment of supervisory and command personnel from among qualified applicants. The “rule of three” recognizes imperfections inherent in any examination process and provides the Chief an opportunity to exercise professional judgment in selecting staff. At the same time, however, the rule limits the Chief’s discretion to acceptable bounds. To exploit the value of “rule of three”, the Chief of Police should have or be able to obtain knowledge about the capabilities of 39 individuals, the demands of the position to be filled, and the personal attributes necessary for successful performance on the job.

The performance of new Supervisors, normally new Sergeants, should be evaluated every three (3) months during a one-year probationary period. Findings should be discussed with them. Their Supervisors should counsel probationers and corrective measures taken to assist those who fall short of expectations. The Chief of Police should give the probationer permanent status only after successful completion of the probationary period and after certification. Those probationers who cannot adjust to the responsibilities of higher rank should be returned to their previous grade, without prejudice.

Mitchell P. Weinzetl, Chief of Police, Buffalo, Minnesota Police Department discussed the concept of succession planning in the Police Chief Magazine, November 2012, page 46. Succession planning is a process through which many organizations – public and private – prepare for the eventual departure of key leaders. Through this process, organizations engage in a variety of strategies to identify individuals who might eventually assume a primary leadership role, generally taking steps along the way to prepare these individuals for transition. This can be important from a strategic perspective because “during a leadership change, a succession plan maintains the continuity of the agency’s mission and reduces uncertainty.”

Organizational leadership involves identification of potential talent within the organization. Training should be provided to those individuals identified. Individuals who show promise should be “mentored.” Staff should be empowered to make key decisions within an agency.

### **Current Conditions in the Lower Swatara Township Police Department**

The Department has a written policy and procedure on the Civil Service promotional process. The Department Sergeants have attended first line supervisory training. Penn State POSIT and the FBI-LEDA are excellent training opportunities that have been utilized. Some Officers have Associate and Bachelor Degrees.

#### **Evaluation:**

None.

#### **Recommendations:**

1. Prepare a probationary performance evaluation system for all Command and Supervisory positions and reduce the process to a written directive.
2. The promotional system should allow the Chief of Police/Director of Public Safety input after the “rule of three” or similar system has been established.
3. Adopt and practice succession planning as discussed above. Take notice that on two occasions a current Sergeant has filled the position of “Officer in Charge” when replacing the Chief/Public Safety Director.

### **B. PERFORMANCE EVALUATION**

Performance evaluation is the measurement and analysis of on-the-job performance of police employees. It focuses on the manner and effectiveness by which prescribed duties are carried out. Performance evaluation serves valuable purposes to administrators, supervisors and employees. Performance evaluations provide information to enable officers to maintain acceptable performance and improve unacceptable performance; reveal training needs, individual and collective; provide the basis for decisions including assignment, promotion, discipline and termination; and provide a medium for supervisor-subordinate discussion and counseling. Performance evaluations promote job satisfaction for officers who are performing well and provide incentive to improve for those who are not performing well.

Every police agency should have a formal performance evaluation system. Each officer in the agency should be evaluated, at least annually, preferably semi-annually. Probationary employees should be evaluated at least bi-monthly, preferably monthly. The entire evaluation process must meet standards of validity. The evaluation period must be specified on evaluation instruments or otherwise recorded. Evaluations are to be done by the immediate supervisor or supervisors of the employee being rated and reviewed by the supervisor or the rater/raters. The work of all raters should be evaluated for quality and consistency.

Employees must have the opportunity to review evaluations and should be required to sign evaluations to validate that they have been read. A signature should neither state nor imply agreement or disagreement with an evaluation. Raters and employees should discuss the contents of evaluations, even positive evaluations. Unsatisfactory ratings must be explained both orally and in writing. Employees should have the right to contest ratings and seek formal review. A copy of each evaluation should be provided to the employee. The operation of the Performance Evaluation System should be evaluated annually.

## **Current Conditions in the Lower Swatara Township Police Department**

The Department does not utilize a Performance Evaluation System.

### **Finding:**

The Department's non-use of the Performance Evaluation System does not comply with recommended standards in this area of professional personnel management.

### **Recommendations:**

With respect to performance evaluation, the Department should consider developing specific, identifiable criteria to better quantify and identify acceptable and unacceptable performance and then take the following actions:

1. Research, develop and utilize a probationary sworn officer, supervisor and command evaluation system.
2. Research, develop and utilize the sworn officer, supervisor and command Performance Evaluation System.
3. Research, develop and utilize a non-sworn member Performance Evaluation System.

## **C. EDUCATION AND TRAINING**

It is the unanimous opinion of professional police administrators, civic officials and informed laymen that improvements in the police service will parallel advancements in the level and quality of the education and training of the police officer. Education tends to "round" a police officer, to provide broader understanding of the social problems with which he or she comes in contact, and to judge alternative resolutions to a problem or situation more insightfully. It enables officers to cope more effectively with citizens and makes them more receptive to social and organizational change, and new ideas and concepts. Training improves the ability of police officers to make correct decisions and take appropriate action at the right time. It prepares officers to act decisively and correctly, makes them more productive, and instills a personal sense of competence and worth. The trained police officer can function better if well educated. An educated person cannot function effectively as a police officer until well trained. Obviously, both education and training are needed for contemporary police work. While a Department should approach education and training positively and emphasize their contributions to police service, it is no longer possible to ignore the value of strong programs of education and particularly, training as essential defenses in "failure to train" liability situations.

For decades it has been recommended that a police agency should establish college education, preferably a degree as a minimum entrance requirement for employment. The national educational level of police officers has increased to 13.5 years as noted in a recently published report. Working officers without degrees should be required to earn them. An agency should strive to have a uniformed force composed entirely of officers with degrees. To encourage basic and continuing education, an agency should have an incentive pay program that awards pay increments for credits earned toward and beyond the minimum college requirement. A small percent increment is commonly recommended for each 30 credits needed for a degree.

Earning full credit would result in a larger percent incentive pay. Agencies must also support educational efforts by reimbursing tuition payments, granting educational leaves and providing shift preferences whenever possible so that officers can attend classes.

A police agency should provide six (6) types of training: basic, field, specialized, advanced, refresher and remedial.

- Basic Recruit Training: Recruit training prepares new officers to function as policemen and policewomen. Its purpose is to develop fundamental operational skills, to impact a Department's philosophy, and to familiarize recruits with Departmental policies and procedures. Recruit training is the most intensive training an officer receives and in many ways the most important. It helps form attitudes, philosophies and habits that influence officers throughout their careers. Every sworn member of a Department must go through recruit training. Recruit training is classroom based, though it should also include field exercises. The Municipal Police Officers' Education and Training Act requires that officers receive a minimum of 520 hours of basic instruction. Instruction must include the vehicles code, the crimes code, rules of criminal procedure, legal issues, investigative techniques, interviews, interrogation, surveillance, firearms, first-aid, collection and preservation of evidence and a variety of other topics important to the recruit.
- Field training: Field training is an extension or continuation of recruit training. Assigning a recruit to work in the field with an experienced patrol officer or number of patrol officers is the central feature of field training. It is on-the-job training in the truest sense. Field training must be designed to enable recruits to apply and practice in the field what is taught in the classroom.
- Field training officers must be selected very carefully since the success of field training depends, ultimately, upon the ability of field training officers to instruct and guide. The following factors should govern selection:
  - a. Desire to serve: Only enthusiastic volunteers should be considered. Half-hearted instruction is inadequate.
  - b. Ability: The training officer should be able to properly demonstrate approved techniques for conducting both routine and non-routine duties. The training officer must have mastered all tasks of the uniformed patrol officer.
  - c. Attitude: A field training officer must have a positive attitude toward top management, command and supervisory officers and the policies of the organization. The attitude conveyed to the recruit must consistently be one of a professional police officer dedicated to public service. The recruit will look to the training officer for interpretation of policy, will begin to internalize attitudes toward the public, and will learn intangibles of police service which can never be completely transmitted in the classroom. Therefore, the examples shown to the recruit must be exceptional.

Neither age nor seniority should be given any great weight in the selection of a field-training officer, since ability and attitude are not related to age.

Field training officers should be instructed on how to conduct field training. They should have field-training guides and lesson plans. The guides should state training objectives and describe preferred training methods. Lesson plans should familiarize field-training officers with what recruits are to have learned during recruit training. The field training itself should cover a majority of the situations the trainee will encounter when he or she performs independently.

It is essential to formally evaluate the performance of recruits. Weekly evaluations are counseling sessions to discuss evaluations and permit recruits to ask questions. Sessions should be private and confidential. At the end of the training period, field-training officers should recommend retention, termination, or retention with additional training and/or monitoring. All recommendations must be justified and documented. A recruit whose termination is recommended should be entitled to basic due process protections. Field training should last at least three (3) months.

- Specialized Training: Specialized training prepares those who serve on special assignments or conduct special activities, either managerial or technical, to function more effectively. It is designed to develop skills, abilities and attitudes in areas not dealt with during recruit and field training. Executive development, supervision, crime analysis, data processing, juvenile investigations and records management exemplify this class of training. Training to provide new skills and information to those in patrol, investigations, or other basic Departmental assignments also qualifies as specialized training.

Whenever possible, every sworn and non-sworn individual who functions in a specialized job should be trained for that job prior to assignment,. This is especially essential for new patrol and other supervisors who command large groups of personnel. To ensure that all who require specialized training receive it. A police agency must maintain an inventory of jobs requiring specialized training, the amount and kind of training required, and determine whether incumbents of the jobs have the requisite training.

- Advanced Training: Advanced training is a form of specialized training. The term is reserved, however, for training designed to impart the skills, knowledge and attitudes required for the highest executive and leadership positions in an agency. Advanced training is mainly available from outside providers. The FBI National Academy, Southern Police Institute, Northwestern University Traffic Institute, and the International Association of Chiefs of Police are the best-known providers of advanced training. A Department should ensure that all personnel serving in leadership and executive capacities, or being groomed for leadership, receive advanced training.
- Refresher Training: Refresher training is designed to reinforce, update and review, aspects of the basic training curriculum. Duration can vary from a few minutes during roll call to a week or more in a classroom or academy setting. A Department should use the roll call constantly to provide refresher training. Patrol officers should have a 40-hour

refresher session every year. Curriculum should be geared to areas of critical significance and to problem areas. Arrest procedures, officer safety, report writing and community relations are examples of refresher training. The MPOETC annual mandatory training meets this training area for the most part; however, Police Chiefs have continued to lobby for improvement in the selection of topic areas.

- **Remedial Training:** Remedial training is designed to correct specific deficiencies of individual officers. Supervisors normally discover deficiencies during the course of work, by instructors during training sessions, through preparation of evaluations, or during testing. A Department should insist on remedial training for all officers who exhibit continuing deficiency in important aspects of job performance.

To maximize the quality of training, a Department must ensure that all courses are taught by certified or otherwise qualified instructors. Instructors must be supervised and evaluated by a Department's training director and trainees. Trainees should be tested and evaluated frequently to ensure the course material is being absorbed effectively and at expected rates. Course design is critical. Every course must have performance objectives. Performance objectives specify what course participants are expected to learn and provide a basis for evaluating participant achievement, as well as the content of a course itself. There must be a lesson plan for each course, consisting of performance objectives, an outline of course content, required sequence of presentation, recommended instructional techniques, references, instructor, and student work materials, and evaluation materials. Most courses should provide material geared to job tasks. This requires that job analysis precede course design. These criteria should be used to select courses provided by outside providers, as well as to guide development of courses.

Large Police Departments should have a full-time training unit. The unit should identify training needs of every member of the Department; ensure that training needs of every member of the Department are met expeditiously; plan, develop, present, and/or arrange for presentation of training courses; select instructors; schedule training courses and attendance of personnel; ensure that personnel attend courses; evaluate courses and instructors; and maintain training files. Small Departments should have a training coordinator.

Responsibilities; authority; functions and duties of training units; training goals; policies and procedures; and the training obligations of Department personnel should be covered in a written directive. The directive should also declare a Department's commitment to the highest level of education and training attainable.

### **Current conditions in the Lower Swatara Township Police Department**

The Department requires a high school diploma for the position of Police Officer. The national average is 13.5 years across the police profession. Some officers have an Associate Degree and some have a Bachelors Degree. Some Sergeants have attended the Pennsylvania State University training program.

**Evaluation:**

The Department's training program appears to be in conformance with professionally accepted standards. The Department has members trained as instructors in the areas of, but not limited to, Regional Tactical Team, Major Incident Response Team, Self Defense Tactics Trainers, Range Instructors, EVOC Instructor and County Drug Task Force Officers.

**Recommendation:**

To strengthen the training function, the Department should consider the following actions:

1. Utilize the full range of training areas as described above.
2. Sergeants that have not attended POSIT and POLEX training at Penn State should be scheduled to attend as soon as possible.

**V: FACILITIES, VEHICLES AND EQUIPMENT**

**A. FACILITIES**

**Current Conditions in the Lower Swatara Township Police Department**

The Police Department headquarters is located on the ground floor, of the municipal building. The Township municipal officers are on the first - ground. There is a front public lobby/waiting room area, with hallways to the left and straight ahead after entering the police facility. Rooms to the left are as follow:

- a. Reception, Clerical Room
- b. 3 Supply Rooms
- c. Report Room
- d. Rest Room
- e. Quad Room with work stations
- f. Woman's Room
- g. Break/Lunch Room
- h. Men's Locker Room
- i. Mechanical Room

The following rooms are located along the hallway straight ahead leading from the Reception, Clerical Room:

- a. Interview Room
- b. Sergeants' Room
- c. Chief/Director of Public Safety Room
- d. Criminal Investigative Unit with a Sprinkler Riser Room
- e. Storage Room
- f. Evidence Processing Room
- g. Utility Room
- h. Two (2) Interview Rooms
- i. Tactical/Weapons Cleaning Room
- j. Evidence Room.

**Finding:**

The aforementioned information speaks for itself. The facility is clean and adequate for the purpose.

**Recommendation:**

None.

**B. VEHICLES**

The Township Police Department operates with a fleet of eight (8) vehicles. The fleet is serviced and maintained by the Township Municipal Garage. Two vehicles are replaced annually. Vehicles that were replaced are transferred to the Township or hand-me downs to the Criminal Investigations Unit – Detectives. The following information was current as of August 19, 2017.

**TABLE 5  
VEHICLES INFORMATION  
LOWER SWATARA TOWNSHIP POLICE DEPARTMENT**

<b>Equipment #</b>	<b>Year/make</b>	<b>Description</b>	<b>Mileage</b>	<b>MO/Average</b>	<b>Condition</b>
1801	2007 Ford	Expedition	59,752	unknown	Good
1802	2014 Ford	Explorer	47,049	1,725	Good
1803	2011 Dodge	Charger	68,720	1,079	Fair
1804	2014 Ford	Explorer	42,101	787	Excellent
1806	2004 Chev	Tahoe	108,326	unknown	Fair
1807	2014 Dodge	Charger	44,777	187	Good
1808	2016 Ford	Tarus	1,483	9,775	Excellent
1810	2014 Ford	Tarus	51,252	1,904	Excellent

**Evaluation**

The current vehicle fleet is impressive. There is one (1) vehicle (#1801) utilized by Detectives.

**Recommendations:**

1. Gather and analyze cost/mileage/repair, insurance, equipment, and etc. statistics for the entire fleet.

**C. EQUIPMENT**

There is so much equipment involved in police work that a complete review was not conducted. The Department Quartermaster is tasked with conducting and maintaining an inventory of property and equipment.

**Evaluation:**

None.

**Recommendation:**

1. Conduct annual inspections to create and maintain an up-to-date inventory.

## **VIII: GOVERNING BODY – POLICE DEPARTMENT RELATIONSHIP**

There is the no specific person/position on the Township Board of Commissioners assigned with authority and responsibility to govern the Township Police Department. The Chief works with and reports to the Township Manager as he fulfills his responsibilities. The Chief attempts to keep the Manager well informed on matters of mutual concern and/or interest.

### **Current conditions in the Lower Swatara Township Police Department**

There have been five (5) Township Managers, one (1) Chief of Police, two (2) Directors of Public Safety and a Sergeant/OIC as top management of the Police Department over the past five (5) years, according to interviews. Interviews indicate an apparent uneasy relationship between the governing body and Police Department personnel. This situation was described as causing perceived or real concerns about the micromanaging of police personnel by the Commissioners.

### **Evaluation:**

None.

### **Recommendation:**

To strengthen the governing body – Police Department relationship, the Township should consider the following actions:

1. Create a Communications Committee with participation/representation of the Township Commissioners (avoiding a quorum), the Manager, Chief/DPS/OIC, and a Police Officer representative to improve relationships.
2. Work jointly to develop a plan to meet the future financial and operational challenges facing the Township and Police Department.