

MINUTES

BOARD OF COMMISSIONERS

LOWER ALLEN TOWNSHIP

BUDGET MEETING

OCTOBER 16, 2023

The following were in ATTENDANCE:

BOARD OF COMMISSIONERS

TOWNSHIP PERSONNEL

Dean W. Villone, President

Thomas G. Vernau, Jr., Township Manager

H. Edward Black, Vice President – arrived at 7:28 PM

Erin G. Trone, Assistant Township Manager

Joshua Nagy

Richard Grove, Finance Director

Jennifer M. Caron

David Holl, Public Safety Director

Charles Brown

Rebecca Davis, Public Works Director

Leon G. Crone, Police Captain

Tony Deaven, EMS Captain

Frank Wirth, Fire Captain

Renee' Greenawalt, Recording Secretary

President Villone called the October 16, 2023 Budget Meeting of the Board of Commissioners to order at 6:00 PM. He announced that Proof of Publication for this meeting was available for review.

ANY BUSINESS PERTINENT TO THE TOWNSHIP:

President Villone noted that if anyone wished to speak at that time, there would be 10 minutes allotted per person to speak at the podium.

Mr. Joe Swartz, resident at 1706 Letchworth Rd., inquired as to the availability of a Comprehensive Annual Financial Report for the fiscal year 2022. Director Grove noted it was not yet available but would be soon.

Mr. Swartz also noted upcoming opportunities for the public to submit comment regarding the Interstate 83 South Bridge project. He added that the environmental assessment was available for review at the Frederickson Library.

BUDGET INTRODUCTION

Director Grove presented an overview of the financial status of the Township. He discussed the four phases of a municipal lifecycle and described Lower Allen as a township in transition from growth to the maturity phase where there is a leveling off in land development and population, and a leveling in the demand for services. In this phase, tax increases correlate with the need to keep pace with inflation. He noted that Lower Allen Township had practiced good financial practices for many decades with disciplined long term financial plans, allowing for effective and efficient provision of services and tax rates that are below what are normally expected for the level of service delivered. Currently, the Township is coming off a series of surpluses where revenues were higher than expenditures, in large part due to grant funds. He explained that the typical trend lines going forward are for expenditures and revenues that increase and a fund balance that decreases. Expenditures will increase faster due to employment costs where revenues do not keep pace with inflation. He explained that when the excess fund balance is depleted a tax increase would be warranted, but also proposed several ways to mediate the need for any large tax increase.

Director Grove proposed that starting in 2024, to draw down a portion of the excess fund balance to use only for capital outlays and when the fund balance is where it should be, to stop making any extra capital outlays. It will decrease the

need for borrowing, enhance the bond rating and improve financial strength. This would result in delaying a tax increase until 2026. He noted that debt service on an existing bond will end in 2025 and proposed an option to limit borrowing to no more than \$9,000,000 for any future bond, limiting the revenue used for debt service and lowering expenditure amounts. With this plan, it delays any tax increase until 2028 where a small tax increase will be needed.

In summary, he noted that while there is a need now for a capital outlay, the outlook on growth of service levels is limited and that taxpayers would benefit from the long-term planning as proposed.

President Villone asked if the proposals accounted for the higher revenues from earned income tax. Director Grove confirmed that they did and that the earned income figures exceed inflation but that the other revenues will not keep pace. He also noted that the proposals do not assume grant funding revenue, which saves money for taxpayers.

Commissioners also discussed the bond rating, which currently is AA+. Director Grove noted that one of the efforts towards AAA+ rating was established through the 2020 resolution to set aside \$3,000,000. The options presented will strengthen the bond rating.

Commissioner Nagy inquired about ways to bring the expenditure and revenue lines closer together, observing the assumed, projected deficits in the fund balance. Director Grove noted that all departments are running effectively and efficiently and only service cuts would bring them more in line. At some point a tax increase will be necessary.

Manager Vernau noted that the Township was in a good financial position with a healthy fund balance and the ability to engage in large capital projects. The cost of providing services now rises faster than revenues.

President Villone reminded members that strategic planning efforts would occur early in 2024 and would focus on establishing long term planning goals.

Department of Public Safety

Director Holl presented the budget for the Public Safety Department. Expenditures were held or lowered in 2023 where possible and budget caps did not exceed 7.5%, in accordance with the limitations established through Resolution 2020-R-07, which was adopted following the 2019 Ad Hoc Study. He noted that for each discipline, Police (411), EMS (412), and Public Safety (415), the budget meets or is lower than the base limitations maximum percentage allowed while still meeting service demands.

Director Holl highlighted new projects for 2024. First, for the Police Department, Watchguard body worn and car cameras, recording systems and cloud storage. EMS, the application of internal best practices in hiring of a replacement hybrid trained EMT and the implementation of professional development opportunities. For Public Safety, an increase in part-time PSO hours and the addition of specialized full-time training and volunteer coordinator. Finally, all disciplines and Public Works would be involved in the anticipated implementation of the Cumberland County Radio Project for the P-25 Motorola national system, capable of multi-county interoperability. The radios will have to be paid for by fall of 2024 even though the system will not be live until 2025.

Regarding the radio project, Director Grove noted that ARRPA revenue funds would be used to offset the expenditure and would not affect the fund balance.

410 – Police Department Budget

Captain Crone reviewed the budget highlights for the Police Department, noting the budget proposal included an overall increase of 1.6% and no requests for additional full-time personnel. An officer will need to be hired for the second half of the year due to an anticipated retirement.

Addressing the personnel costs included in the proposed budget, Captain Crone noted increased salaries for the positions of police Records Supervisor and Specialist salaries, a slight increase for part-time personnel, annual 3% increases, reduction in CSO hours to reflect real world deployment, and salary adjustments to overtime to reflect real world rates.

Under uniforms, he noted the purchase of dress uniforms to ensure all staff have them, the purchase of upgraded tasers at a cost of \$8,800 since the current models are obsolete and cannot be replaced. The operating supplies line item includes an expenditure of \$3,200 for leasing Watchguard gear, body worn cameras and move to cloud storage which will improve access and storage of video data. This will reduce service agreement and additional storage costs. Other expenditures include new temporary evidence lockers for \$3,200 to replace worn out equipment, and a Faraday Box (\$2,800) for phone analysis. Next, Captain Crone noted the consolidation of software licenses and service agreements and an increase in Motorola license agreements. Other expenditures include \$1,000 for SRO continuing education, \$7,800 for CALEA conference attendance, and \$2,000 for Nobody's Cats. The capital expenditure for the radio replacement project is \$288,882. Replacement of two marked cars at \$159,882 and of 1 unmarked car at \$65,000.

President Villone inquired about the hourly pay increase for part-time CSOs and noted the rate might be a barrier to hiring.

412 – EMS Department Budget

Captain Deaven reviewed the budget highlights for the EMS Department, noting the budget proposal included an overall increase of 7.5%, which is the maximum allowable cap. 17 budget lines were decreased or had no change. 7 lines had changes that do not include salaries. Pressures on the 2024 budget health care overtime, part time and inflation.

The need to add new personnel has been reduced through in-house professional development, which has saved a significant amount of money. He noted that two new full-time EMT positions were projected for 2024. One was eliminated by better configuration of staff and deployment models. The other position is not included in the budget due to the 7.5% budgetary constraint.

Captain Deaven highlighted increases in the proposed budget to include uniform maintenance, medications, communications, postage, advertising and printing, repair and maintenance of equipment and training. The line item for the radio project is projected at \$164,154. Capital expenditures for the year include a Mechanical CPR machine for \$20,000, a powered stair chair for \$15,000, and a Simman Trainer for \$15,000.

Captain Deaven noted that the overall pressures on the EMS budget are due to the increases associated with staffing costs. Trying to stay within the 7.5% and maintain the service level is challenging.

President Villone referenced the Ad Hoc Report recommendations and confirmed that current EMT staffing levels are one full time position short of the recommendations. Captain Deaven noted that the shortage presents significant challenges for scheduling and said that the part-time staffing schedule is under constant pressure.

Mr. Vernau advised that costs have drastically increased, which adds more pressure to the service levels. The resolution period expires in 2025 and decisions could be made then to increase the funding level.

Commissioner Nagy noted that the costs paid out for overtime and part time have exceeded the budget every year and suggested it would be helpful to have a comparison of the true cost of a full-time position with salary and benefits versus what is paid out in the overtime and part-time to fill the empty position to determine the net effect.

Director Grove noted he would provide the information about the total cost of the position but also that the net effect of having the full-time position filled would not impact revenue and will not drastically reduce the overtime and part-time.

415 – Public Safety

Director Holl addressed significant changes to the operating budget. The increase in Public Safety Officer regular salaries from \$330,940 to \$423,290 is for a full year salary for the volunteer training coordinator and partial salary for the Township Fire Chief for a portion of the year.

The part-time PSO salary line item has an increase of \$27,280 and includes funds to provide additional coverage at Lisburn Community Fire Company, and additional driver-operator shifts as the department works towards NFPA compliance. He also reviewed the average volunteer response levels for each fire company.

Many line items in the proposed budget were held steady or reduced. Increases were for communications, radio maintenance, dues and subscriptions and public relations.

Capital expenditures include a Preemption Device Signal Upgrade of \$12,000, a facility study for Lower Allen Station 2 at \$30,600 and a facility study for Lisburn for \$49,000 to further examine options for relocation or re-design.

President Villone noted the Lisburn GIS study and asked about if the facility study would include the option to remain in the same location. Director Holl said that the option was not scoped for an analysis of remaining in the current location.

Commissioner Nagy noted the need to have information to make reasonable comparisons between relocation or renovation of the Lisburn Community Fire Company.

Lower Allen Fire Company #1

Captain Wirth presented the budget proposal, highlighting significant changes. The first change is the purchase of uniforms for new members for \$2,000. A new item is the Volunteer Response Program at \$30,000 to focus on incentivizing members to work shifts on station to optimize response time. Commissioner Nagy asked about the reduction in the line item for the volunteer recruitment consultant. Director Holl replied the decision was made by the fire company as there was not much cost benefit realized.

Increases to the budget were for the service bureau membership module, communications, maintenance and repair of the building and vehicles and public relations fire prevention materials. Reductions were made for advertising and printing as well as maintenance and repair of office equipment. Capital expenditures include the county radio project for \$337,630 and \$45,000 for the Hexagon CADD to CADD interface.

Lisburn Fire Company

Captain Wirth noted changes to include the purchase of Class A uniforms for the Honor Guard, \$20,000 for the Volunteer Incentive Program and \$2,500 for the Recruitment and Retention Program. Minor equipment has an increase of \$8,570 for new kitchen appliances, crew furniture and some training space. There may be an opportunity to get a grant to offset this cost. Finally, the budget includes a \$149,090 capital expenditure for the radio replacement program.

In summary, President Villone thanked Director Holl and the Captains for their presentations, and encouraged Board members to contact the Township Manager with any questions.

Mr. Vernau reported that the non-public safety budgets would be presented on October 30, 2023 and that the budget could be voted on during the first meeting in December with a possibility of canceling the meeting scheduled for December 26. He also noted that the non-general funds would be presented at the regular meeting on October 23.

ADJOURN

The meeting was adjourned at 8:33 PM.