

Londonderry Township Board of Supervisors
Work Session Meeting Minutes
September 21, 2010
7:00pm

The Londonderry Township Board of Supervisors held their regularly scheduled work session meeting on Tuesday, September 21, 2010 at the Municipal Building, 783 S. Geyers Church Road, Middletown, PA 17057 beginning at 7:00pm.

Present:

Ronald Kopp, Chairman
Anna J. Dale, Vice Chairwoman
Daryl LeHew, Member
Stephen Letavic, Township Manager
Jim Foreman, Code/Zoning Officer
John Kesler, Public Works Director
Beth Graham, Office Manager
Andrew Kenworthy, Engineer
Peter Henninger, Solicitor

Absent:

Andy Doherty, Member
William Kametz, Member

Salute the Flag

Approval of Minutes – September 7, 2010

Mr. LeHew motioned to approve the minutes as presented, Mrs. Dale seconded. Motion approved.

Citizen's Input – Mel Hershey, 235 S. Geyers Church Road, Middletown

Managers Report – Steve Letavic

Budget Update - Mr. Letavic requested direction from the Board in regards to the 2011 budget and the capital equipment and infrastructure costs that are anticipated in the 5 year plan previously distributed to the board of supervisors. He asked if the board had given any consideration to the cash flow models and attendant tax increase scenarios outlined therein.

Additionally, Mr. Letavic informed the Board that he and the Treasurer, Deana Corrigan, have thoroughly analyzed the budget. He concluded that in order to balance the budget with no tax increase for the 2011 budget year the Board may have to reduce staffing and service levels, road projects would be deferred, capital equipment purchases would have to be deferred, equipment in disrepair may not be able to be fixed depending on the extent of damage and associated costs, and no action could be taken on the 537 Plan update. This scenario would get the Township through 2011 only and that a tax increase would be inescapable in the 2012 budget cycle.

Mr. Kopp inquired if he felt every angle had been exhausted? Mr. Letavic replied that he believes he has performed a detailed analysis of various options. He has looked at this budget as if it were that of a private sector company. He informed the Board that he has created lean and efficient departments, re-negotiated health benefits (saving approximately \$90,000.00) reduced staff (saving approximately \$75,000.00), re-financed the township debt (saving approximately \$ 390,000.00), sought grant funding (received over \$ 1M), and has not funded any capital construction projects in the general fund. Mr. Letavic also noted that he believes we are understaffed in every department but managing for the time being. He noted that School Heights Village development is at least 18 months from getting sewer and water approval and 2-3 years from construction so revenue from developments will not provide budgetary relief in the near future. Manager Letavic also expressed his concern as the Township's financial advisor that operating revenues cannot support operating expenses, that capital equipment and infrastructure projects are not being funded, the 537 plan and zoning updates have not been completed, that there is no accrual relative to depreciation expense, that the Township has no reserve funds, and that revenues have been declining for the past two years and we anticipate the trend in revenues to continue at least through 2011.

Mr. Kopp stated that he was not aware of any assets we could sell, including the golf course. Mr. Letavic pointed out that the fact that the golf course sits on a toxic waste site alone would make it a hard sell. He also noted that golf courses in the mid-atlantic region are failing financially and yet Sunset Golf Course is on track for its best year ever stating that if the Township were to start paying down debt on the golf course it would then become a great asset, providing positive cash flow to the general fund.

The three members present agreed that this is a very important issue that must be discussed thoroughly and a full Board is necessary in order to give direction on the budget. Mr. Letavic was instructed to poll board members to try and schedule a special public, advertised, meeting prior to the October 4, 2010 Board meeting when all members can be present to discuss the budget and provide direction to Mr. Letavic. Week Ends and evenings were deemed as appropriate options for meeting times.

Department Reports Codes & Zoning – James K. Foreman
School Heights Village – Time Extension

Mrs. Dale motioned to accept the time extension of February 23, 2011, Mr. LeHew seconded. Motion approved.

Living Hope – Time Extension

Mrs. Dale motioned to accept the time extension of January 14, 2011, Mr. LeHew seconded. Motion approved.

Citizens Input

Mel Hershey commended the members on being good community leaders and gave his support of a tax increase if the Board chooses to do so. He also

informed the Board of the extensive training requirements on volunteers at the Fire Company which limits their availability to fundraise, plus the Fire Company absorbs the cost for the training. Mr. Hershey noted concern for the Fire Companies ability to remain completely self-funded in the future due to the changing times.

Mr. Letavic reminded the Board of the Townships responsibility to provide emergency services and the cost savings to the Township by having an all-volunteer service.

New Business – None

Old Business – None

Executive Session

Mr. Kopp called for an Executive Session at 8:00pm to discuss litigation issues. Executive Session ended at 8:15pm and the regular meeting reconvened at 8:16pm.

Mr. LeHew motioned to advertise the Conditional Use Hearing for the AT&T Cell Tower for October 19, 2010 at 7:00pm, Mrs. Dale seconded. Motion approved.

Mr. LeHew motioned to adjourn at 8:17pm, Mrs. Dale seconded. Motion approved.