



## TOWNSHIP OF DERRY

Board of Supervisors Budget Hearing Minutes  
Tuesday, November 12, 2024

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### CALL TO ORDER

Chairwoman Nutt called the November 12, 2024 Budget Hearing of the Township of Derry Board of Supervisors to order at 5:33 p.m. in the meeting room of the Township of Derry Municipal Complex, 600 Clearwater Road, Hershey, PA. She advised that all public meetings are recorded for providing accurate minutes. After the Pledge of Allegiance, a roll call was performed.

### ROLL CALL

#### SUPERVISORS PRESENT:

Natalie L. Nutt  
Carter E. Wyckoff  
Michael P. Corado  
Richard D. Zmuda  
Dominic V. Giovanniello

#### ALSO PRESENT:

Christopher S. Christman, Township Manager  
Zachary Jackson, Assistant Township Manager  
Peter Nelson, Township Solicitor  
Garth Warner, Chief of Police Department  
Chuck Emerick, Director of Community Development  
Tom Clark, Director of Public Works  
Alison Jacobine, Director of Hershey Public Library  
Amy Walker, Director of Parks & Recreation  
Becky Sweigart, Public Outreach Coordinator  
Lynn Dawson, Recording Secretary

#### ABSENT:

#### Public in Attendance:

Rich Gamble, Cindy Freeman, Marlene Jones

### VISITOR/PUBLIC COMMENTS

There were no public comments offered.

### NEW BUSINESS

#### Presentation and Consideration of the Proposed FY2025 Budget (C. Christman)

Mr. Christman introduced the FY2025 budget, encompassing 11 funds. He discussed potential future modifications to the Road Equipment Fund, by adding millage as needed. Administration would like approval to advertise the proposed budget and make it available for public inspection for twenty (20) calendar days. After the 20 days, the Board could approve the budget at the December 3, 2024 meeting. He went over the following highlights:

- No Tax Increase Budget – Real Estate Taxes remain at 2.5381 mills. This is the fifth consecutive year (and sixth year overall) without the need for a tax increase. The millage has remained unchanged since FY2020.
- The budget format maintains consistency with the DCED Chart of Accounts and is in conformance with the annual Township Audit.

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- General Fund Balance is projected to end FY2025 at \$4,244,244, which is down from the previous year, primarily due to the Chocolatetown Park project. Additional \$7,126,060 in General Fund Operating Reserve comes to a combined balance of \$11,370,304. Mr. Christman discussed debt service options for the future.

- Maintains all Township services at current levels.

He stated the 2025 budget has eight operating funds and three capital funds.

### General Fund:

Below are budgeted numbers for 2025:

- General Fund Revenues: \$24,351,182. Relating to real estate property taxes, the Dauphin County assessment letter arrived on Friday, November 8, 2024, due to this, the Township estimated numbers were slightly higher compared to the figures reported with the assessment letter. The final figures will change slightly between the budget meeting and the final adoption. Mr. Christman spoke to the Act 511 taxes, as they account for 59% of revenues, with real estate property tax accounting for 24% of the budget. He reviewed the Derry Township tax dollar collected, noting 68% of the tax dollar goes to Derry Township School District, Dauphin County represents 23%, and Derry Township represents 9%, with an in-depth discussion of the services provided within the Township for the 9%.
- Supervisor Zmuda requested a breakdown of the amusement tax collection in a future budget meeting, as well as who it is being collected from and the schedule of collection.
- General Fund Expenses: last year's budget was \$23.8M and this year's budget will increase to \$28.6M, which equates to a 19.84% increase. The increase is dominated by not receiving the \$2M RACP grant, in addition to a 19.5% increase in health care costs. He noted various changes to address the increases, including departmental budget reductions and potential healthcare modifications.

### Street Light Fund:

- Revenue is generated by front foot assessments of property owners and transfers from the General Fund to cover utility costs for the lights. This is in accordance with Article XX of the Pennsylvania Second Class Township Code.
- FY2025 is projecting a total of \$402,000 available for appropriation with a net zero ending fund balance in December, 2025.

### Community Center Fund:

- For FY2025, total revenues are anticipated at \$2,558,988 and total expenditures at \$2,558,988 leaving a fund balance of \$0.00.
- Total General Fund Transfer to assist operations is budgeted at \$847,487, which is approximately 5.2% higher than the prior year, as it is entering the third year.
- Chairwoman Nutt discussed the importance of highlighting the general funds (Township funds via Interfund Transfer) needed to subsidize the Community Center and maintain operations.

### Solid Waste Fund:

- It has become necessary to separate these funds from the General Fund to demonstrate Derry Township's commitment to responsible solid waste and recycling services. Moreover, the Township can sustain these services in a clear and concise manner within a separate fund and it may provide for additional opportunities with PA DEP Recycling Performance Grant

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initiatives.

- For FY2025, total available revenues are anticipated at \$447,228 and total expenditures at \$254,362 leaving an approximate fund balance of \$192,866.

### Library Fund:

- This fund accounts for revenues and expenditures related to the Hershey Public Library, which is an independent library. The library has three distinct funding streams – Derry Township, the Friends of the Hershey Public Library and the Endowment.
- Total available funds for 2025 are \$1,246,943. Total expenses are budgeted at \$1,246,943 leaving a fund balance of \$0.00. In FY2025, it is anticipated that state grants for the library will be \$86,600.
- Chairwoman Nutt discussed the \$322,000 expenditure noted within the budget, with Ms. Jacobine confirming the funds will come in next year from the grant, thereby covering the expense.

### Debt Service Fund:

- The Debt Service Fund accounts for tax revenues and expenditures used to meet the Township of Derry’s long term debt obligations.
- The total debt service payment, including both principal and interest, for FY2025 is \$3,437,152.
- The Administration will continue to monitor refunding opportunities in FY2025 to assist with long-term debt strategies.

### Capital Reserve Fund:

- The Capital Reserve Fund anticipates \$1,645,401 of expenditures in the 2025 budget.
- Chairwoman Nutt and Mr. Christman discussed the option of moving the proposed expenditures for the Community Center from the Capital Reserve Fund to the Community Center Reserve Fund (budget #31). It was determined this accounting transfer will occur.
- Capital Fund Expenses for 2025 include the following:

Information Technology	\$20,000
General Government Buildings	\$0
Police Services	\$585,112
Fire Protection	\$216,763
Community Development	\$12,500
Public Works	\$63,000
Participant Recreation	\$101,776
Parks	\$26,000
Library	\$337,700
Emergency Vehicles - Loan Payment	\$282,550
TOTAL	\$1,645,401

### Community Center Reserve Fund:

- The Community Center Reserve Fund accounts for all capital needs of the Derry Township Community Center. As noted above in the operating fund, it will be important to segregate all

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revenues, expenses, and capital needs of the facility to ensure quality services are provided.

- The FY2025 budget includes an inter-fund transfer from the General Fund of \$150,000. The year-end fund balance is projected at \$479,378.

### Road Equipment Fund:

- The Road Equipment Fund was established in the FY2020 budget and its primary purpose is to finance capital equipment purchases for the Public Works Department.
- Under Section 3205(a)(10) of the PA Second Class Code, the Township of the Second Class may utilize dedicated millage up to a maximum of 2.00 mills for the purpose of purchasing Road Equipment. This budget does not allocate specific millage of real estate tax revenue; however, it does require a transfer from the General Fund to provide for the purchase and/or lease of public works equipment.
- Total anticipated revenue for FY2025 is \$545,114, and total expenses are budgeted at \$545,114 leaving a fund balance of \$0.00.

### Liquid Fuels Fund:

- The Liquid Fuels Fund is subsidized completely by the Commonwealth of Pennsylvania's Department of Transportation - Bureau of Municipal Services – Liquid Fuels Funding. Fuel taxes are based on the total miles of locally owned roads and streets in Derry Township plus the most recent United States Federal Census figures on record.
- Total anticipated revenue for the Highway Aid Fund in FY2025 is projected at \$790,000 with a total of \$1,139,205 available for appropriation. Expenditures within this fund are limited to equipment purchase; snow and ice removal, signs, and road striping, road repair, and road resurfacing. Total anticipated expenditures are \$1,066,000.
- He noted liquid fuels funding are declining due to electric car usage.

### General Operating Reserve Fund:

- This fund was created in the FY2020 budget for the sole purpose of beginning the process of creating a true operating reserve for the Township. It will provide a source of funds for unforeseen emergencies that arise in our community.
- The FY2025 budget anticipates a transfer from the General Fund in the amount of \$1,650,000 with a projected year-end fund balance of \$7,126,060.
- The goal for this fund is a \$10 million operating reserve by the end of 2028.

### Closing Comments:

- As has been the direction of the current Board of Supervisors, the proposed FY2025 Budget, even with the changes discussed during this meeting, is being presented as a no tax increase operating plan and represents a conservative approach to maintaining community services the Township provides.
- Derry Township continues to deliver high-quality, cost-effective community services, and the FY2025 proposed budget provides the road map to support those operations.
- It would be the recommendation of the Administration to authorize the advertisement of the proposed FY2025 Budget.

Chairwoman Nutt discussed traffic safety and ticket revenue with Chief Warner noting the focus has and will be on driver compliance over any potential revenue for the township.

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Supervisor Giovanniello made a motion that the Board of Supervisors authorize and direct the Township Manager to advertise and make available for public inspection the proposed FY2025 budget in accordance with Section 3205 of the Pennsylvania Second Class Township Code. Supervisor Zmuda seconded the motion. **Motion carried 5-0.**

**VISITOR/PUBLIC COMMENTS**

Rich Gamble discussed the entertainment tax issue with the Board of Supervisors and stated his concern that the tax needs to return to the schools and the community.

**ADJOURNMENT**

Supervisor Zmuda made a motion to adjourn the meeting at 6:45 p.m. Supervisor Corado seconded the motion. **Motion carried 5-0.**

**SUBMITTED BY:**

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Michael P. Corado, Secretary