



Wednesday, September 4, 2024

Board of Commissioners AGENDA-MINUTES – 7:00 PM

1. CALL TO ORDER

A. Roll Call

Attendees:

Commissioner Diane Kelly, President
Commissioner Monica Hodges, Vice President**
Commissioner Jacob Roth, Assist. Twp. Secretary
Commissioner Tom Johns
Commissioner Chris Peischl
Jennifer Alderfer, Twp. Solicitor, Zator Law
Erinn Bet, Twp. Engineer, The Pidcock Co.

Tom Petrucci, Township Manager
Herb Bender, Dir. of Twp. Operations
Mike Elias, PW Utility & MS4 Coordinator
Tricia Dickert, Director of Finance*
Stephen G. Brown, Interim Chief of Police
Dave Manhardt, Director, Community Development Dept.
Chris Strohler, Long-Range Planner, CD Dept.*
John Frantz, Fire Marshal, Building Code Official *
Tom Harper, Code Enforcement Program Manager *
Rob Fehnel, IT Projects Manager *
Tracy Fehnel, Exec. Assistant
Absent* **Attended Virtually ****

2. PLEDGE OF ALLEGIANCE

3. ANNOUNCEMENTS

- A. All public sessions of the South Whitehall Township Board of Commissioners are electronically recorded, filed, and posted on the Township’s Website for Public access.**
- B. Public /Virtual Meeting Rules**
- C. Board of Commissioners Met in Executive Session on the following dates to discuss legal and personnel Matters: August 26th, and prior to this evening’s September 4th BOC Meeting.**

4. COURTESY OF THE FLOOR – Public Comment on Non-Agenda Items (2:50)

Mark Ackerman, Resident, 1148 N. 25th Street. Subject: As Chairman of the Park & Rec Board, he just wanted to publicly clarify some things. Although the P&RB are not scheduled to meet over the summer due to the summer camp programs going on, he wanted the BOC to know that if something big comes up, the committee will meet—they are not taking the summer off, they are available, and they are here to work. He felt that the Park issue that occurred over the summer was one of those things the P&RB should have been involved in. He thanked the Board for their time.

5. MINUTES

A. August 21, 2024 – Board of Commissioners Meeting Minutes (4:50)

A MOTION was made by Commissioners Roth and Peischl to approve the August 21, 2024, BOC Meeting Minutes as presented. All in favor; none opposed. Vote 5:0; Motion carried.

6. PRESENTATION

A. July 2024 Financial Review YTD Report (5:30)

Township Manager Tom Petrucci explained that all the financials are as of July.

General Fund

- Revenue: Currently tracking at 78.55% of Budget. Actual \$15,543,433.06. Since last time, have taken in significant more for BP Tax, R/E Tax, and Amusement Tax.
- Expenses: Currently tracking at 43.00% of Budget. Actual \$8,661,270.22. Have not, of course, taken in all the anticipated revenue for the year as of yet.
- Net: Actual \$6,882,162.84

Fire Tax Fund

- Revenue: Currently tracking at 83.38% of Budget. Actual \$1,144,023.55
- Expenses: Currently tracking at 30.83% of Budget. Actual \$422,925.84
- Net: Actual \$721,097.71

Some similar trends across each of the funds for Fire Tax, which is a companion tax for the R/E Tax—very much on par as well.

Water Fund

- Revenue: Currently tracking at 54.30% of Budget. Actual \$2,644,654.41
- Expenses: Currently tracking at 33.83% of Budget. Actual \$1,761,480.17
- Net: Actual \$883,174.24

Sewer Fund

- Revenue: Currently tracking at 51.29% of Budget. Actual \$2,138,367.52
- Expenses: Currently tracking at 36.53% of Budget. Actual \$1,643,723.65
- Net: Actual \$494,643.87

Refuse/Recycling Fund

- Revenue: Currently tracking at 75.11% of Budget. Actual \$3,772,360.91
- Expenses: Currently tracking at 61.45% of Budget. Actual \$2,950,462.08
- Net: Actual \$821,898.83

Capital Fund

- Revenue: Currently tracking at 15.42% of Budget. Actual \$753,927.73
- Expenses: Currently tracking at 13.86% of Budget. Actual \$851,652.02
- Net: Actual \$(97,724.29)

State Highway Aid Fund

- Revenue: Currently tracking at 100.75% of Budget. Actual \$731,703.99
- Expenses: Currently tracking at 39.57% of Budget. Actual \$332,358.92
- Net: Actual \$399,345.07

Township Manager Tom Petrucci said that across all the major funds of the Township, we are trending very positively. The Finance Team has been doing an excellent job, as well as each Department doing a very good job monitoring budgetary expenses to ensure compliance with budget. President Kelly asked Mr. Petrucci to pass along to all the Board's appreciation in ensuring compliance to the Budget set.

(This Report will be attached to the Minutes once approved.)

B. PFM Financial Advisors, LLC – Water and Sewer Rate Projections (9:35)

Township Manager Tom Petrucci explained that Township administration received previous authorization from BOC to authorize PFM Financial Advisors, LLC to conduct a Water and Sewer Rate/Revenue Requirements Study. The study was anticipated to accomplish the following:

1. Ensure future revenues and expenditures for the water and sewer public utility systems are adequately forecasted.
2. To establish a baseline prior to the completion of the Kline's Island Sewer System Act 537 Plan Update (and related capital improvements).

3. To ensure equitable rates are charged for both water and sewer utilities and that sufficient revenues are produced to sustain the operations and capital requirements of the system.
4. Account for the following: future capital projects, growth or decline in system customers, operations and maintenance expenses, debt service, service agreements, trends in water/sewer usage, as well as other variables that affect future rates.
5. Provide fiscal decision makers with the data and information required to access the potential future trajectory of utility rates. In this way, Township management can help the governing body to develop a long-term fiscal plan for utility planning that can be implemented effectively and that serves the best interests of the community.
6. Receive and interpret financial information to assess strategically the short- and long-term fiscal condition of the community water and sewer systems.

Official action is neither requested nor required for this agenda item. Representatives from PFM Financial Advisors, LLC were in attendance this evening to provide a presentation to the BOC and answer any questions.

(13:10) Jamie Schlesinger, Managing Director, and Ben Kapenstein, Sr. Managing Consultant, both with PFM Financial Advisors LLC, presented at this time. *(This presentation will be attached to this set of minutes and also posted on Township Website.)*

At conclusion of the presentation, President Kelly thanked Messrs. Schlessinger and Kapenstein for their work on this presentation to the Board, and also thanked Tom Petrucci, Herb Bender, and all other staff for their hard work to make this presentation happen. President Kelly said these are wonderful projections and very helpful information to the Board.

7. ORDINANCES

A. An Ordinance of the Township of South Whitehall, County of Lehigh, and Commonwealth of Pennsylvania, Amending Part II ("General Legislation"), Chapter 240 ("Parks and Recreation") of the Codified Ordinances of South Whitehall Township in its Entirety; Enforcement of Violations; Fines and Penalties; Repealer; Failure to Enforce not a Waiver; Severability and an Effective Date. (40:15)

Township Manager Tom Petrucci explained that as previously communicated, Township Officials have been receiving complaints regarding the following activities at Covered Bridge Park:

- Loud music played along the banks and in the Jordan Creek.
- Cooking activities/grilling along the banks and in the Jordan Creek.
- Taking Township property (picnic tables) into the Jordan Creek.
- Placing picnic tables and other objects into the Jordan Creek.
- Littering along the banks and in the Jordan Creek.
- Parking vehicles in areas that are not designated for parking.

Mr. Petrucci said that after receiving these complaints, several actions have been taken, one which is before the Board this evening--revised regulations to address some of these concerns.

The comprehensive draft amendment to § 240 of the Township Code of Ordinances accomplished a number of things as follows:

- Requires a permit to be obtained for multiple activities, including the following:
 - Use of any recreational buildings, pavilions, and associated grounds of any facilities located in the Park System.
 - Use of athletic fields.
 - To reserve any area in the Park System for use.
 - An event, assemblage, or activity which ten (10) or more people are expected to attend. This provision shall not apply to individuals and groups that are utilizing playground facilities at the direct location of the relevant playground facility.
 - Use of park property for commercial purposes, i.e. athletic contests, courses, sales, seminars, etc. Admission charge, donations, or the sale of items is prohibited.
 - A Special Event Permit issued by the Township is required for the following activities: organized walks/runs of any distance, including but not limited to, 5K runs/10K runs/half-marathons/marathons, birthday parties, company

picnics, events festivals, weddings/ceremonies, family reunions, workshops/clinics/classes and any other event deemed a special use by the Township. Special Events that anticipate attendance of over 1,000 attendees shall submit an Emergency Action Plan to the Township for the review and approval of the Police Department, the Township Manager, and the Emergency Management Director.

- Provides specific criteria in the form of guidelines that must be satisfied prior to the issuance of any permits.
- Sets standards for the operation of motor vehicles in the Park System, including the imposition of a blanket 10 miles per hour speed limit for Park System access roads/parking lot areas.
- Provides regulations to protect natural areas, the natural environment, and plant life.
- Regulates the following categories of activities:
 - Aeronautical activities.
 - Alcoholic beverages.
 - Amusement and play equipment.
 - Animals, birds and reptiles.
 - Audio equipment and use.
 - Boating.
 - Camping.
 - Dogs, pets and other animals.
 - Firearms and weapons.
 - Fires.
 - Fireworks and explosives.
 - Fishing.
 - Interference with Township personnel.
 - Horses. ☒ Hunting and trapping.
 - Illegal drugs and controlled substances.
 - Littering.
 - Peddling/soliciting.
 - Swimming, bathing and wading.
- Other prohibited activities include the following:
 - No person shall:
 - Tamper with drinking fountains, hydrants, or other water system facilities or use water other than for drinking or cooking unless otherwise designated.
 - Gamble in any form, including any Small Games of Chance activity as defined by the Pennsylvania Local Option Small Games of Chance Act, as amended.
 - Dump or dispose of waste, garbage, or unwanted material that was not accumulated during use of the Park System.
 - Urinate or defecate anywhere in the Park System except in a restroom or other facility provided for such purposes.
 - Engage in any form of golfing activity, except at designating golfing areas.
 - Throw rocks, stones, or other objects from any overlook or cliff.
 - Fail to obey a posted park sign.
 - Use a skateboard, in-line skates, or similar wheeled apparatus or equipment except within an area designated as a skate park or on paved roadways.
 - Camp in the Park System unless authorized by the Township as part of an official Township-directed Special Event.
 - Construct or occupy any man-made "survival" shelters in the Park System unless part of an official Park System program.
 - Draft water from waterways that run through the Park System without obtaining written permission from the Township Manager.
 - Use any tobacco product or electronic cigarette, in any form, within fifty (50) feet of a recreational field/facility, or playground since these areas are designated as tobacco-free.
 - Release balloons or sky lanterns within the Park System.
 - Pollution of Waters. No person in a park shall throw, discharge or otherwise place or cause to be placed in the waters of any fountain, pond, lake, stream or other body of water in or adjacent to any park or any tributary, stream, storm sewer or drain flowing into such water, any substance, matter or thing, liquid or solid, which will or may result in the pollution or altering the flow of such waters.

- Placing chairs, picnic tables, tables, or any other similar objects in Township-controlled waters shall not be permitted.
- Placing and utilizing grills and griddles (or any other similar portable cooking equipment) shall not be permitted in Township-controlled waters.

Short Term Actions at Covered Bridge Park - In addition to the enclosed revised regulations, the Township has taken the below-listed actions in an attempt to assuage the ongoing reported concerns at Covered Bridge Park:

- Removal of rope swings (and limbs of the tree where the rope swings were traditionally attached).
- Additional staffing (overtime) for Public Works and Police Department personnel during peak time periods (ex. weekends, holidays, hot weather time periods). Police Department personnel have posted an additional duty job posting for Covered Bridge Park, and this will continue. The use of Public Works personnel will be implemented through Labor Day weekend, at a minimum.
- Extending the parking lot split rail fence in Covered Bridge Park.
- Placement of a permanent bollard at one of the trail access points.

Other Actions - Below is a list of other actions that the Township can take to attempt to address the reported issues at Covered Bridge Park in addition to the short-term actions and the revised rules/regulations for Parks.

- Install new bi-lingual clear/concise rules and regulations signage in Covered Bridge Park following the adoption of any revised rules/regulations.
- Increase the pavilion rental fee for non-residents from \$150.00 to \$300.00; this would need to be incorporated into the Schedule of Fees by Resolution and approved by the governing body. The current rate for residents is \$85.00 and the current rate for non-residents is \$150.00, as per the Fee Schedule.

At the last meeting the BOC authorized review by Township Solicitor, which has been done. Solicitor comments have been incorporated into ordinance. The primary substantive revision is the removal of any relevant section that would already be addressed in the Pennsylvania Crimes Code, including trespassing, vandalism, personal/disorderly conduct, and unlawful obstruction. These crimes would still be enforced by SWT PD, but will be handled under the relevant Pennsylvania statute set forth in the Crimes Code.

Mr. Petrucci explained that we are requesting a motion to proceed with advertising of said Ordinance amending Chapter 240 in its entirety.

There was clarification on the rates for pavilion rentals as follows: Current rate for Residents \$85 and current rate for Non-Residents is \$150. However, there will be an increase for pavilion rentals, most likely at the beginning of the year as follows: Non-Residents will pay \$300 to rent a pavilion.

President Kelly thanked Mr. Petrucci, our PD, and PW for patrolling the park and also for the drafting of this ordinance for the Board's review.

A MOTION was made by Commissioners Peischl and Roth to proceed with advertising of said ordinance. All in favor; none opposed. Vote 5:0. Motion carried.

B. An Ordinance of the Township of South Whitehall, County of Lehigh, and the Commonwealth of Pennsylvania, Amending Part II ("General Legislation"), Chapter 304 ("Streets and Sidewalks"), to add a New Article V Entitled "Snow, Ice, and Sleet Removal" to the Codified Ordinances of South Whitehall Township and further Providing for Removal of Snow, Ice, and Sleet from Sidewalks; Restricting the Depositing of Snow; Enforcement and Violations; Violation Ticket Appeal Process; Fines and Penalties; Providing for the Removal from the Codified Ordinances of Chapter 148 (Conduct) Section 148-1(A)(5), Chapter 155 (Drug Paraphernalia) in its Entirety, and Chapter 221 (Loitering) in its Entirety; Repealer; Failure to Enforce not a Waiver; Severability and an Effective Date. (49:45)

Township Manager Tom Petrucci explained that upon review of the ordinances of the Township, the Code Enforcement previously only had two options to address snow removal from sidewalks, and the ordinance was not very clear. Therefore, we went ahead and drafted a snow removal ordinance for sidewalks.

The overall intent of this ordinance is as follows:

1. Identifies the purpose and intent as ensuring that snow, ice and sleet does not create a hazardous condition for the traveling public.
2. Requires snow and/or ice to be removed no later than 24 hours after the cessation of the snowstorm or weather event which causes the buildup of snow or ice on the sidewalk. A specific date range is not referenced, as snow/ice events can occur outside of the normal window.
3. Snow and/or ice shall be removed from the above-referenced sidewalk for the entire width and the entire length of the sidewalk on or fronting said property.
4. Requires the use of a melting or traction agent in those instances when snow is compacted and/or has created a slippery/icy surface.
5. Requires fire hydrants to be clear of snow.
6. Requires ADA ramps/sidewalks and LANTA bus stops to be clear of snow/ice.
7. Prohibits snow/ice from being thrown on public streets.
8. Prohibits snow/ice accumulation to block stormwater drainage systems.
9. Provides for an enforcement process, including a method to handle appeals.
10. Removes Section 148 (A) (5) (a) of the Code (relating to depositing of snow/ice), which is now addressed in the Snow Removal Ordinance.
11. Provides for up to 20 days to pay an issued ticket to avoid a citation.
12. Removes 2-outmoded Sections of the Code pertaining to Loitering and Drug Paraphernalia, which are no longer used by the South Whitehall Township Police Department, as confirmed by the Command Staff. These sections are enforced by way of Pennsylvania Crimes Code; as such, the Township is taking the administrative opportunity to amend the Code with this new Ordinance.

Draft ordinance has been reviewed by Township Solicitor. Summary of changes made in accordance with recommendations of the Township Solicitor is provided as follows:

- Removal of a specific date range (October to April)
- Clarifies that the Code Enforcement Officer can issue tickets without previous warnings.
- Clarifies that the first violation is \$50 and any subsequent offense is \$100 with a \$10 penalty if the ticket is not paid or appealed within the specified time period of 10 days.
- Clarifies that those persons/entities that have been issued a ticket have 20 days to pay the ticket in order to avoid the filing of a citation.

Mr. Petrucci said that a motion is being requested to adopt said Ordinance as advertised in The Parkland Press and was sent to the LC Department of Law on or about August 13, 2024. For the record, the Township did not receive any feedback as a result of the advertisement. Mr. Petrucci said information will be placed in the new E-Newsletter regarding this ordinance.

It was requested that if the Township requires residents to clean up around their fire hydrants within 24-hours, that the Township should be expected to do the same as well around their Township fire hydrants. Mr. Petrucci agreed that was fair and reasonable.

A MOTION was made by Commissioners Johns and Roth to adopt said Ordinance Amending Part II, Chapter 304, to add a New Article V, entitled “Snow, Ice, and Sleet Removal” to the Codified Ordinances of SWT. All in favor; none opposed. Vote 5:0; Motion carried.

8. RESOLUTIONS

A. A Resolution of the Board of Commissioners of South Whitehall Township to Adopt a Formal Policy Entitled “South Whitehall Township Donations to Non-Profit Organizations Policy” (55:05)

Township Manager Tom Petrucci explained that at the last BOC meeting, under Direction/Discussion, the Board felt it necessary to put together a Donation Policy for consideration of donations to be included in

the Budget, for non-profit organizations. These requests are typically reviewed annually for possible inclusion into the approved operating budget of SWT.

SWT officials have determined a need to develop a consistent and equitable process by which to review these donations to ensure that appropriated funds, as applicable, are utilized in a manner that directly benefits residents, making good use of taxpayer funds.

In order to achieve that overall goal, it is recommended that the Finance Committee of SWT be empowered to review the below-listed materials/criteria, which would be required as part of any donation request(s):

- Two (2) years of profit and loss statements.
- Current fiscal year operating budget.
- Form 990 – Return of Organization Exempt from Income tax.
- Statement on how funds donated by the Township will be specifically utilized.
- Mission statement.
- Breakdown of Township resident membership/participation for any relevant programs, initiatives, or activities.
- Statement on how the requested funds will specifically benefit Township residents.

The Finance Committee (FC) would review the requests. This year is unique because they would be looking at 2024 and 2025.

Key provisions of the policy are listed as follows:

- A. The failure of a non-profit organization to provide the above-listed information (in its entirety) shall constitute a deemed denial of any donation request(s). Upon receipt of any donation request(s), Township designated personnel will review the submitted materials and determine if the request is administratively complete.
- B. The donation request shall not support any direct administrative personnel costs and shall be used to benefit programs, initiatives and activities in alignment with the mission statement of the non-profit organization.
- C. Donation requests will be accepted on a rolling basis by the Township, but requests must be received no later than September 30th of the preceding fiscal year in which the donation request would be included. For example, a donation request to be considered for approval in the 2025 approved operating budget of SWT shall be received no later than September 30, 2024, in order to be considered for the 2025 budget cycle.
- D. Donation requests deemed administratively complete by the Township will be considered in the order they are received.
- E. Each non-profit organization that successfully receives an approved appropriation of funds from the Township will receive a specific lump sum amount, as recommended by the FC and approved by the BOC, in its sole discretion.
- F. The FC may recommend that the BOC establish fiscal limits on the approved donation amount that is available to each non-profit organization for each fiscal year.
- G. Once all appropriated funds have been exhausted within an approved operating budget, no further donation requests will be accepted by the Township for that fiscal year approved operating budget. Non-profit organizations may then submit donation requests for consideration of approval of inclusion into the next operating budget cycle.

In accordance with the discussion that occurred during the Wednesday, August 21, 2024, BOC meeting, the FC will consider both 2024 and 2025 donations during the FC meeting to be held on Wednesday, October 4, 2024. Mr. Petrucci said the policy is ready to be adopted if the BOC is so inclined to do so.

President Kelly said she feels this is a very good policy and thanked Mr. Petrucci for drafting it to have a consistent approach to evaluating taxpayer dollars that are expended for donations. The Board was in agreement that this gives them guidance going forward.

A MOTION was made by Commissioners Peischl and Kelly to adopt said resolution to adopt the “SWT Donations to Non-Profit Organizations Policy”. All in favor; none opposed. Vote 5:0. Motion carried.

B. A Resolution of the Board of Commissioners of South Whitehall Township, Lehigh County, Pennsylvania Authorizing the Conveyance of 0.095 Acre of Required Right of Way and .007 Acre of a Temporary Construction Easement to the Commonwealth of Pennsylvania Department of Transportation in Lieu of Condemnation, Authorizing the Acceptance of Compensation from the

Commonwealth, and Further Authorizing the Execution and Delivery of all Documents to Accomplish said Conveyance. (59:45)

Township Manager Tom Perucci explained that as part of the PennDOT 309 Betterment Project, which includes improvements to signalized intersections, access improvements, widening to roadway lanes and shoulders, drainage improvements, and roadway resurfacing, PennDOT is connecting the Township's newly to be installed sidewalk from the Township building to Route 309. As part of that, they will need to acquire ROW, specifically 0.095 acre of required ROW for limited access and 0.007 acre for a temporary construction easement at the SWT Building. The ROW acquisition will help to provide a sidewalk connection from the S.R 309/Walbert Avenue intersection to the Township's recently authorized municipal campus sidewalk project, where there will eventually be a LANTA bus stop as well. This accomplishes a number of planning goals set forth in the Township's Comprehensive Plan.

The total amount of the offer is \$1,900 (\$1,800.00 for the 0.095 acre and \$100.00 for the 0.007 acre). The offer for the limited access works out to \$18,947.37 per acre.

Because the amount of the acquisition is under \$10,000, PennDOT can utilize the streamlined waiver valuation method of determining the value of the property. Township management/staff have determined that this value is appropriate, especially factoring in the forthcoming sidewalk improvements.

This resolution, if the BOC is inclined to adopt it, allows for the Township to accept that offer so that the 309 Betterment Project can commence. It does follow the eminent domain law—essentially, we are accepting the offer in lieu of condemnation, which means we do not have to follow First Class Township Code Real Estate processes because of the overall benefit of the project.

Mr. Petrucci said he is seeking a motion to adopt the resolution presented.

A MOTION was made by Commissioners Roth and Kelly to adopt said resolution authorizing to accept an offer of property from PennDOT for the 309 Betterment Project as explained by Mr. Petrucci. All in favor; none opposed. Vote 5:0; Motion carried.

C. A Resolution Approving Sewer Planning Module - 1619 Hausman Road (1:02:52)

Mr. Mike Elias, PW Utility and MS4 Coordinator, explained that 1619 Hausman Partners LLC is proposing a Medical Office Building located on a 2.616-acre lot at 1619 Hausman Road, SWT. This 32,379 SQF building proposes an anticipated water usage of 2,390 GPD or 11 EDUs. PW is here this evening to request adoption of resolution approving 11 EDUs of sewer allocation for 1619 Hausman Road.

A MOTION was made by Commissioners Peischl and Kelly to adopt said resolution approving sewer planning module for 1619 Hausman Road. All in favor; none opposed. Vote 5:0; Motion carried.

9. MOTIONS**A. Motion to Proceed with Release of Security for: Montar Self-Storage, Certification #1 (1:04:03)**

Based on the Applicant's request to withdraw this item from the agenda, a MOTION was made by Commissioners Roth and Kelly to TABLE this item at this time. All in favor; none opposed. Vote 5:0; Motion carried.

B. Motion to Proceed with Release of Security for: Ridge Farms Phase 1A Improvements Security Release Certification #8. (1:04:30)

Dave Manhardt, Director, CDD, explained that this is a Security reduction #8 for Ridge Farms Phase 1A. The total release in this request is \$283,241.40. The project is very near completion—there are a few outstanding items that will be conditions of a CO. We do anticipate them getting a CO in the coming days. A lot of progress has been made over the last few weeks.

Township Solicitor, Tony Tallarida – We have no objections to the request.

A MOTION was made by Commissioners Peischl and Kelly granting permission to proceed with release of security as explained by Mr. Manhardt. All in favor; none opposed. Vote 5:0; Motion carried.

C. Motion to Proceed with Bid regarding Furnish and Delivery of Police Uniforms (1:06:06)

Interim Chief Steve Brown explained that the current contract for Police uniforms with Patriot Workwear is expiring with no additional extensions available. This contract is used to outfit new officers and to replace worn or damaged uniform items for current Police staff, as needed.

SWT PD and Purchasing Departments are requesting permission to proceed with advertising of bid for the purchase of uniforms.

Interim Chief Brown explained that not everyone gets uniforms replaced every year. This is a one-year contract. Township Manager Tom Petrucci said that if needed, we do have the ability to purchase off COSTARS, which is also factored into the budget.

A MOTION was made by Commissioners Peischl and Roth to proceed with bid as explained by Interim Chief Brown. All in favor; none opposed. Vote 5:0; Motion carried.

D. Motion to send South Whitehall Landscapes Plan to South Whitehall Township Planning Commission for Review. (1:08:50)

Dave Manhardt, Director, CDD, said that the SW Landscapes Plan is moving forward per the timeline presented at the last few BOC meetings. Mr. Strohler provided a summary of the edits, many of which were minor in nature. Did get some feedback on swapping out some of the case studies to some more local ones, which has been done. Reached out to other municipalities that have similar ordinances and had conversations with them, and incorporated some of their feedback.

At the October 26th EAC they voted unanimously to approve and recommended that the Plan move on to the Planning Commission. We are here this evening to request permission to send the SW Landscapes Plan to the SWT PC for their review.

A MOTION was made by Commissioners Kelly and Peischl to send SW Landscapes Plan to the SWT PC for review as explained by Mr. Manhardt. All in favor; none opposed. Vote 5:0. Motion carried.

10. CORRESPONDENCE AND INFORMATION ITEMS

A. Boards and Commissions – Informational Items/Vacancies (1:10:35)

Mr. Petrucci added that the Festival will be held on September 28th; and more details can be found on Township Website.

11. DIRECTION/DISCUSSION ITEMS

A. Ridge Farms – Restaurant Pads (1:11:55)

Dave Manhardt, Director, CDD, explained that there is a request in the letter from the developer for the Ridge Farms Project to get some feedback on consideration of a text amendment for our residential cluster overlay. Specifically, they are requesting the possibility of a text amendment to change a sit-down restaurant from 5,000 SQF to 8,000 SQF. They are looking for a bigger footprint. Because it is a text amendment, there would be implications to other overlay zones, which we would need to consider as we move forward with this. There are a couple of ways this can be handled. We can ask for further evaluation. We can direct the applicant to proceed with an application. Or, the Board could choose to do nothing.

Applicant's representative was in attendance this evening to answer questions and get into some of the details.

Jason Englehardt, Principal/Vice President, Langan Engineering & Environmental Services, explained that he is the site engineer for this project. He explained that there are two 5,000 SQF restaurant pads along the front edge where St. Luke's is. To provide an upscale sit-down restaurant that would include all the elements you need, you would need larger than a 5,000 SQF footprint. In the TND zone there is a limitation of 5,000 SQF. Restaurants throughout the Township, and in any other commercial zone, there is no limitation on SQF. In the meeting packet Applicant illustrated the currently approved plan and then a second page that proposes an 8,000 SQF restaurant on the east side. What we would propose on the west side is making that Open Space. Currently we are permitted two 5,000 SQF restaurants. What the developer is willing to do, and they are open to suggestions as they proceed with this, is propose an 8,000 SQF one, and actually just make the western pad an Open Space/Green Space—This would become active open space. Ultimately, what we are trying to accomplish is a restaurant that can be the quality of a sit-down restaurant with a scale that is needed for a tenant in this market. P.J. Whelihan's has expressed their interest in this site, filed a letter of intent, and working towards a lease there; however, they cannot make that work there with only 5,000 SQF.

We are asking for consideration of a text amendment, realizing that it will have impact in other TND zones within the Township—four total that would be impacted by this; we are asking that you consider allowing this. We can work with staff on how this could be pulled together, or we can offer as Mr. Manhardt described to fill out the paperwork and offer suggestions of how a text amendment would proceed—but that is what we are looking for at this point.

The Board would like some more information, Staff review, continuation of dialog, submission of an application. The Board would like to keep the door open on this, but does not have enough information this evening to make any definitive decisions on this matter. More information is needed and a more thorough review before deciding one way or another. Staff would need to look at traffic; pros and cons; positive vs. negative impacts. How will this affect our residents? Also, some Board members expressed their concern that they are reluctant to change something that was already approved in conditional use. Everyone, including the public, is aware of the TND and associated limitations.

President Kelly said the Board is open to further discussion, and in having Staff work with Applicant. If Applicant so chooses, they can submit a plan with more detail to the BOC, with more information to help understand the impacts of this plan, which at this point would be funded by the escrow account of the developer. The Board remains open, but needs more information before making any kind of decisions.

Mr. Manhardt, Director of Community Development said that they can certainly work with Applicant/Developer team to put this in a format, so that the Board can evaluate impacts and concerns that were brought up, in a more concrete manner, and then the Board can decide if they want to move forward.

President Kelly wanted to note that other commercial districts do not have this 5,000 SQF restriction; however, when this plan was presented to the Township and worked its way through the development process, the developer chose to use the TND overlay and one of the stipulations of that criteria which permitted the developer to have increased density was to also comply with this more Town Center, the restaurant restrictions for size, which is something that the developer certainly knew coming in and worked through the process. That would explain why the restriction is here as opposed to a regular commercial district.

Mr. Englehardt said that he appreciates all the Board feedback. They will work with staff.

12. OLD BUSINESS – NONE.

13. COURTESY OF THE FLOOR - Public Comment on Non-Agenda Items – NONE.

14. MOTION TO AUTHORIZE PAYMENT OF INVOICES & DISBURSEMENTS

A. Invoices and Disbursements (1:25:25)

A MOTION was made by Commissioners Roth and Kelly to authorize the payment of Invoices & Disbursements. All in favor; none opposed. Vote 5:0; Motion carried.

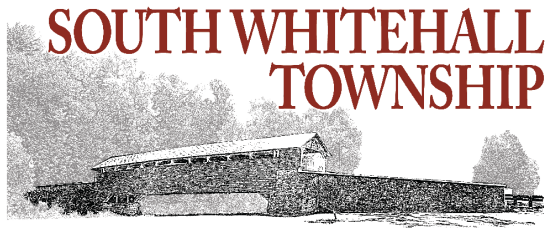
15 EXECUTIVE SESSION

A. Scheduled Accordingly – NONE.

16. ADJOURNMENT

A. Motion to Adjourn – At 8:26P a MOTION was made by Commissioners Peischl and Roth to adjourn. All in favor; none opposed. Vote 5:0; Motion carried.

17. APPROVED: On Wednesday, September 18, 2024, a MOTION was made by Commissioners Hodges and Peischl to approve the September 4, 2024, BOC Meeting Minutes as presented. All in favor; none opposed. Vote 5:0. Motion carried.



MEMORANDUM FOR AGENDA ITEMS

TO:	Board of Commissioners
FROM:	Kristin Blahnik, Financial Reporting & Fund Balance Specialist
DATE:	August 27, 2024
SUBJECT:	June 2024 Financial Review YTD
COPY TO:	T. Petrucci, H. Bender, T. Dickert

General Fund:

	<u>Budget</u>	<u>Actual</u>	<u>% Budget</u>
Revenue:	\$19,788,338	\$15,543,433.06	78.55%
Expense:	<u>\$20,143,267</u>	<u>\$ 8,661,270.22</u>	43.00%
Net:	(\$354,929)	\$ 6,882,162.84	

*Please note the 2024 Expense Budget amount includes the 2023 Rollover Pos.

Fire Tax Fund:

	<u>Budget</u>	<u>Actual</u>	<u>% Budget</u>
Revenue:	\$1,372,000	\$1,144,023.55	83.38%
Expense:	<u>\$1,372,000</u>	<u>\$ 422,925.84</u>	30.83%
Net:	\$0	\$ 721,097.71	

Water Fund:

	<u>Budget</u>	<u>Actual</u>	<u>% Budget</u>
Revenue:	\$4,870,500	\$2,644,654.41	54.30%
Expense:	<u>\$5,206,738</u>	<u>\$1,761,480.17</u>	33.83%
Net:	(\$336,238)	\$ 883,174.24	

*Please note the 2024 Expense Budget amount includes the 2023 Rollover Pos.

Sewer Fund:

	<u>Budget</u>	<u>Actual</u>	<u>% Budget</u>
Revenue:	\$4,169,258	\$2,138,367.52	51.29%
Expense:	<u>\$4,499,890</u>	<u>\$1,643,723.65</u>	36.53%
Net:	(\$330,632)	\$ 494,643.87	

*Please note the 2024 Expense Budget amount includes the 2023 Rollover Pos.

Refuse/Recycling Fund:

	<u>Budget</u>	<u>Actual</u>	<u>% Budget</u>
Revenue:	\$5,022,240	\$3,772,360.91	75.11%
Expense:	<u>\$4,801,452</u>	<u>\$2,950,462.08</u>	61.45%
Net:	\$ 220,788	\$ 821,898.83	

*Please note the 2024 Expense Budget amount includes the 2023 Rollover Pos.

Capital Fund:

	<u>Budget</u>	<u>Actual</u>	<u>% Budget</u>
Revenue:	\$4,888,473	\$753,927.73	15.42%
Expense:	<u>\$6,146,259</u>	<u>\$851,652.02</u>	13.86%
Net:	(\$1,257,786)	(\$97,724.29)	

*Please note the 2024 Expense Budget amount includes the 2023 Rollover Pos.

State Highway Aid Fund:

	<u>Budget</u>	<u>Actual</u>	<u>% Budget</u>
Revenue:	\$726,270	\$731,703.99	100.75%
Expense:	<u>\$839,907</u>	<u>\$332,358.92</u>	39.57%
Net:	(\$113,637)	\$399,345.07	

*Please note the 2024 Expense Budget amount includes the 2023 Rollover Pos.

South Whitehall Township

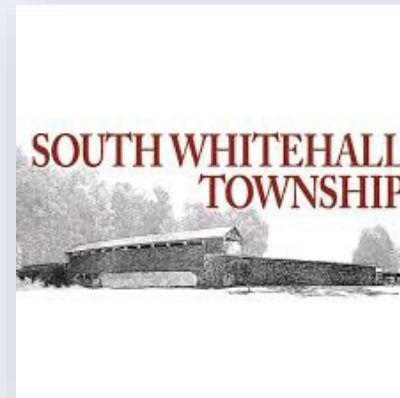


Water Rate Projections

September 4, 2024

Prepared by:

PFM Financial Advisors LLC





System Financial Highlights, Modeling Assumptions, & Initial Findings

System Financial Highlights

- System has 6,850 EDUs
- Potential new 1,760 (22% growth) EDUs over 10-year period.
- Significant user (Nestle) expected to come online in 2026 and use 500,000 GPD.
 - Est. \$1.3 million/yr revenue
 - Little expense added
- Anticipated \$10.931 million in capital spend over the next 10 years.
- Significant cash reserves with Fund Balance at 360 Days Cash on Hand (**highest score from Moody's Scorecard**).

Major Modeling Assumptions

- Rate structure remains the same (Qtr. Base + Volumetric)
- Inflation Assumptions are 4% for 2025 & 2026 and 3% thereafter (Salaries & Benefits at 2.5% per contract. Water Purchase line item grown at historic growth rate of 5.74%).
- Assumed half of customer growth.
- Assumed Nestle at 500,000 GPD paying the same volumetric rate as other customers. **Without this additional customer, the rate trajectory would change significantly.**
- Assumes customer/EDU figures and total annual billed flow as provided by the Township. Full projections with all detailed assumptions are available upon request.

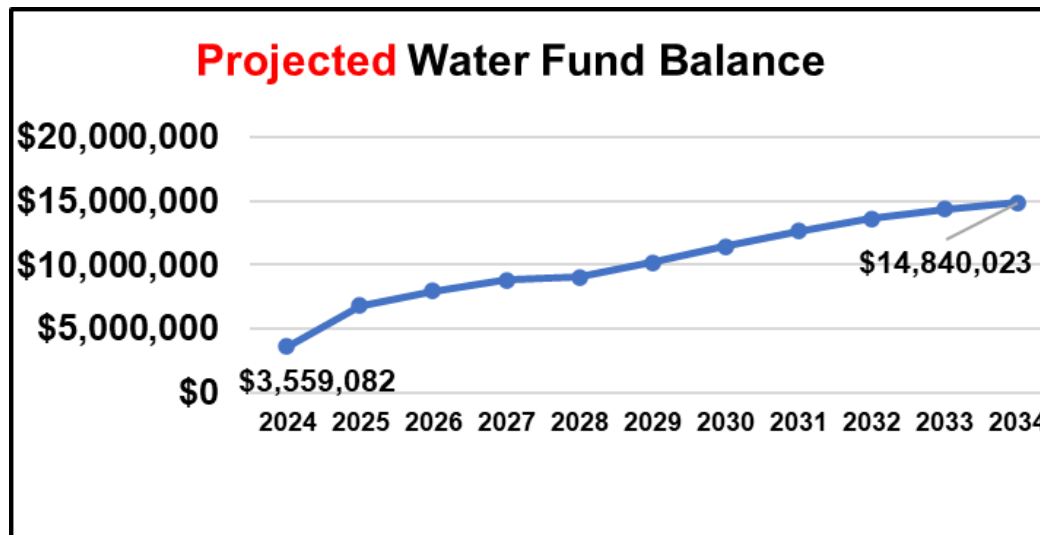
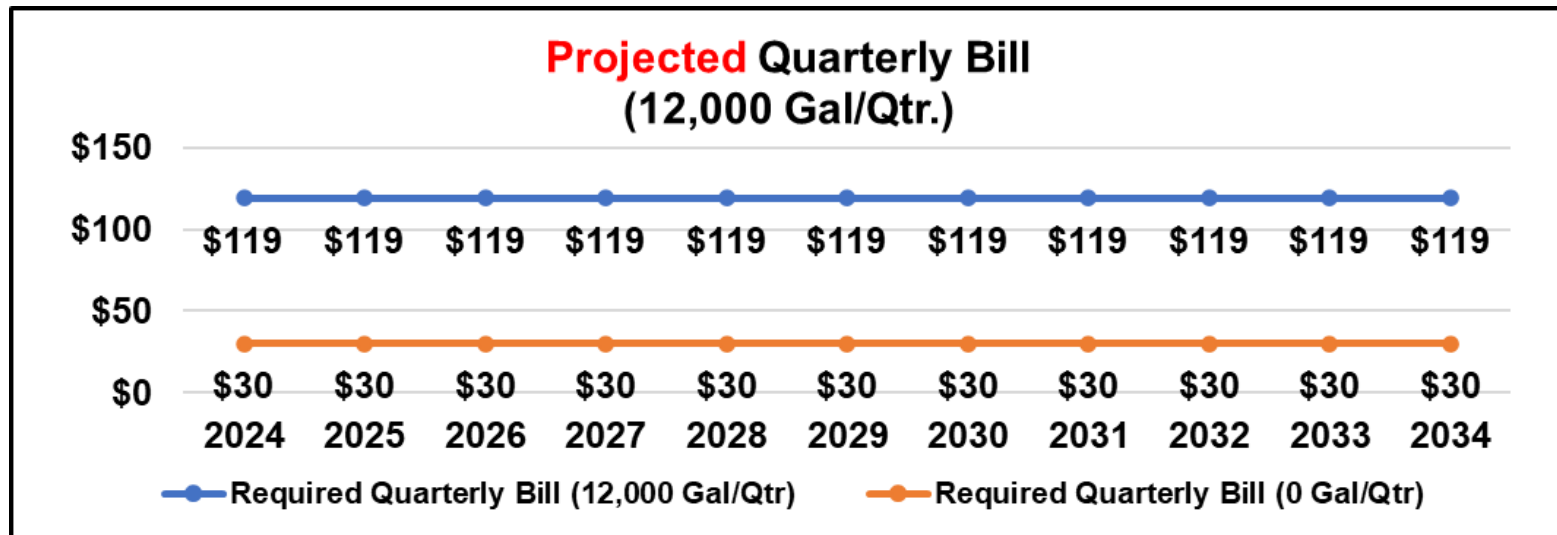
Initial Findings

- **Initial Findings** – Initial findings show **no rate increases necessary through 2034**, primarily due to the addition of Nestle as a customer which brings significant revenue.
- **Exploring a Rate Decrease**
 - Based on the projected financials; after running surpluses every year, the Township would have an ending water fund balance of about \$14.8 million or 912 Days Cash on Hand which could be used for system capital or may justify the exploration of rate decrease at some point.
- **Potential Rate Plan** – The Township plans to hold water rates steady for 2025 and will monitor the addition of Nestle as a new customer.

Note – All information including customer/EDU counts, billed flow, capital plans etc. were provided by the Township.



Projected Quarterly Water Bill & Water Fund Balance



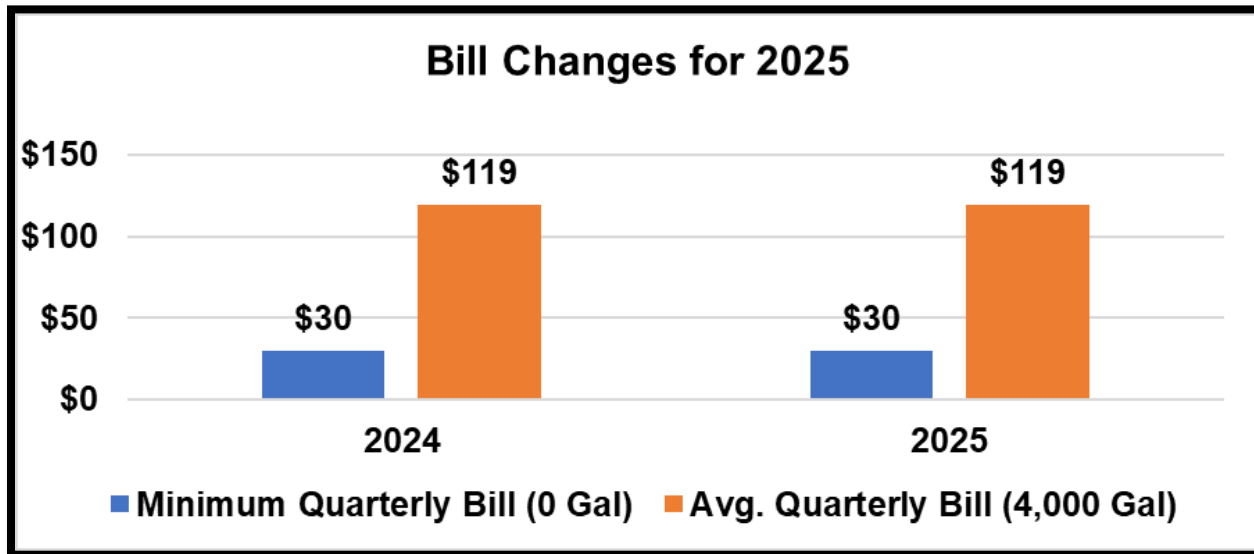
Note - Projections shown are estimated for illustrative purposes only and contain a variety of assumptions that are subject to material change. The projections shown are not indicative of future results.



Summary of 2025 Water Rate Changes

- No rate increases are planned for 2025.

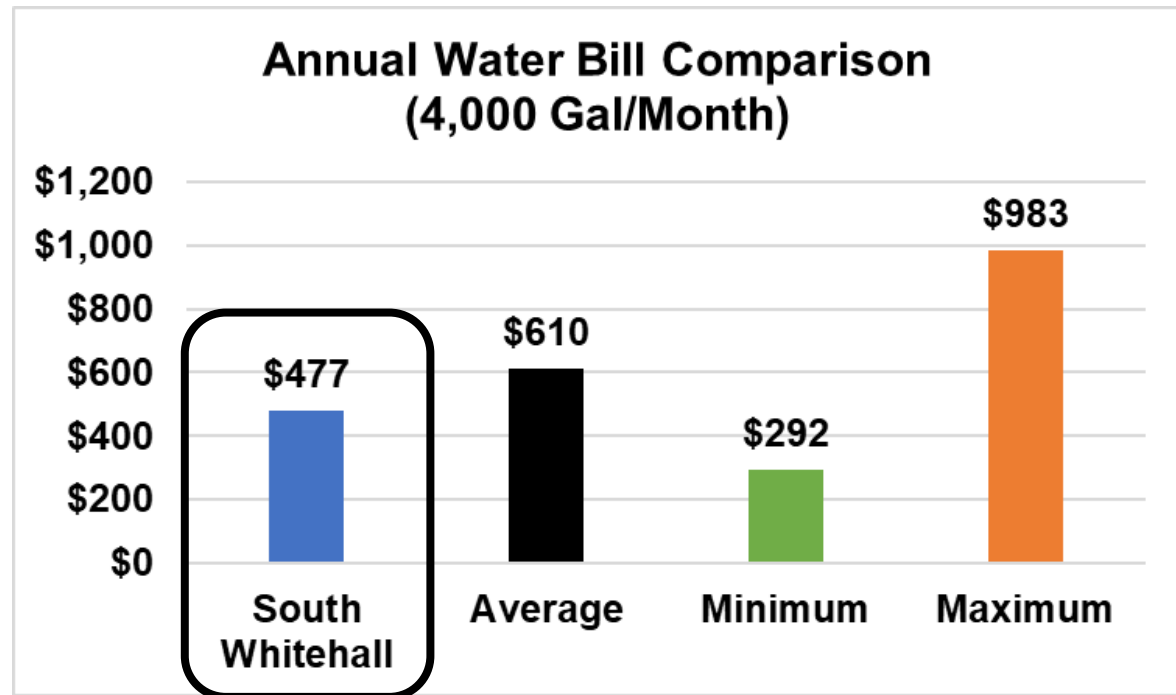
PLANNED RATE CHANGES FOR 2025				
	<u>2024</u>	<u>2025</u>	<u>Increase (\$)</u>	<u>Increase (%)</u>
Quarterly Base Charge	\$30.00	\$30.00	\$0.00	0%
Volumetric Charge	\$7.44	\$7.44	\$0.00	0%
Minimum Quarterly Bill (0 Gal)	\$30	\$30	\$0.00	0%
Avg. Quarterly Bill (4,000 Gal)	\$119	\$119	\$0.00	0%





Comparison of Township's Water Rates to Others in PA

- PFM compared the Township's water rates and average annual bill to 50 different water rate zones across Pennsylvania.
 - Municipal water providers, authorities, & investor-owned utilities
- Based on this sample group, the Township's annual bill is less than the average.



Note – All bills are calculated using public information that cannot be confirmed by PFM. All annual bills shown assume 4,000 gallons/month of usage. The ranking and averages of other usage amounts may differ.



Backup Summary of Financial/Rate Projections

Summary of Water Financial/Rate Projections

	Budget 2024	Proj. 2025	Proj. 2026	Proj. 2027	Proj. 2028	Proj. 2029	Proj. 2030	Proj. 2031	Proj. 2032	Proj. 2033	Proj. 2034
Beginning Total EDU Count	6,850	6,850	6,928	7,007	7,085	7,163	7,241	7,339	7,437	7,535	7,633
New EDUs Assumed	0	78	79	78	78	78	98	98	98	98	98
Ending Total EDU Count	6,850	6,928	7,007	7,085	7,163	7,241	7,339	7,437	7,535	7,633	7,731
Quarterly Base Charge Required	\$30	\$30	\$30	\$30	\$30	\$30	\$30	\$30	\$30	\$30	\$30
Volumetric Charge Required Per 1,000 Gallons	\$7.44	\$7.44	\$7.44	\$7.44	\$7.44	\$7.44	\$7.44	\$7.44	\$7.44	\$7.44	\$7.44
Required Quarterly Bill (12,000 Gal/Qtr)	\$119	\$119	\$119	\$119	\$119	\$119	\$119	\$119	\$119	\$119	\$119
Est. Annual Rate Increase(Decrease)		0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Cumulative Residential Rate Increase (2024-2034)	0%	Compound Annual Growth Rate					0%				
Total Capital Funded (2025-2034)	<u>Debt</u>		<u>PayGo (Cash) - No Resov.</u>			<u>Total</u>					
	\$0		\$10,931,700			\$10,931,700					
	0%		100%								
Revenues											
User Charges	4,536,000	4,845,875	4,902,590	4,959,185	5,015,781	5,072,376	5,143,482	5,214,589	5,285,696	5,356,803	5,427,909
New Nestle Volumetric Revenue	0	0	1,357,800	1,357,800	1,357,800	1,357,800	1,357,800	1,357,800	1,357,800	1,357,800	1,357,800
Tapping Fee Revenues	208,000	6,226,155	148,915	147,030	147,030	147,030	184,730	184,730	184,730	184,730	184,730
Other Revenues	126,500	1,981,301	193,881	196,513	199,198	201,937	220,697	223,546	226,452	229,417	232,440
Total Revenues	4,870,500	13,053,331	6,603,186	6,660,529	6,719,809	6,779,142	6,906,709	6,980,665	7,054,678	7,128,749	7,202,879
Expenses											
Admin & O&M Expenses	3,577,525	3,778,753	3,976,195	4,171,845	4,378,529	4,596,917	4,835,206	5,087,524	5,354,746	5,637,805	5,937,692
Debt Service	30,456	30,456	30,456	30,456	30,456	0	0	0	0	0	0
Pay-Go Capital	752,330	6,000,500	1,439,500	1,645,700	2,073,000	1,048,000	775,000	700,000	750,000	750,000	750,000
Total Expenses	4,360,311	9,809,709	5,446,151	5,848,001	6,481,985	5,644,917	5,610,206	5,787,524	6,104,746	6,387,805	6,687,692
Surplus (Deficit)	510,189	3,243,621	1,157,035	812,528	237,824	1,134,225	1,296,503	1,193,141	949,932	740,944	515,187
Fund Balance	3,559,082	6,802,704	7,959,739	8,772,267	9,010,090	10,144,316	11,440,819	12,633,960	13,583,892	14,324,836	14,840,023
Moody's Financial Strength Scores											
Days Cash on Hand	360	652	725	762	746	805	864	906	926	927	912
Indicative Moody's Score[1]	Aaa	Aaa	Aaa	Aaa	Aaa	Aaa	Aaa	Aaa	Aaa	Aaa	Aaa

Note - Projections shown are estimated for illustrative purposes only and contain a variety of assumptions that are subject to material change. The projections shown are not indicative of future results.

[1] Per Moody's, Financial Strength Category listed above equal approximately 15% of the total credit rating. Rating Scale from best to worst is AAA, Aa, A, Baa, Ba, B and below. Source: Moody's Rating Methodology.

Thank You





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South Whitehall Township

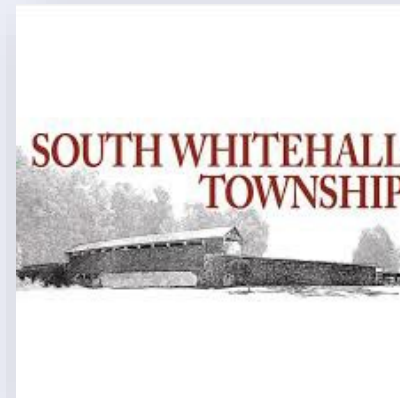


Sewer Rate Projections

September 4, 2024

Prepared by:

PFM Financial Advisors LLC



PFM Financial Advisors
LLC

100 Market Street
Harrisburg, PA 17101

717.231.6268
pfm.com



System Financial Highlights, Modeling Assumptions, & Initial Findings

System Financial Highlights

- System has 7,786 EDUs
 - Potential new 1,760 (22% growth) EDUs over 10-year period.
- Anticipated \$6.175 million in capital spend over the next 10 years (non-treatment related).
- Significant current cash reserves with Fund Balance at 577 Days Cash on Hand.
- For illustrative purposes only, new LCA Capital Debt Service Charge estimated and assumed to start in 2027. May change and could increase in future.

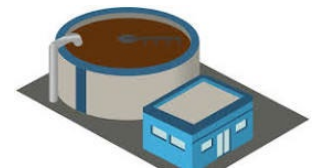
Major Modeling Assumptions

- Rate structure remains the same (Qtr. Base + Volumetric)
- Inflation Assumptions are 4% for 2025 & 2026 and 3% thereafter (Salaries & Benefits at 2.5% per contract).
- Assumed half of customer growth.
- LCA Treatment costs growing at 3%/year per Township expectations.
- Assumes 3 borrowings over projection period for capital (20 yrs at 4%).
 - 2025 Borrowing for \$3.1 million
 - 2029 Borrowing for \$1.2 million
 - 2032 Borrowing for \$1.2 million
- Full projections available upon request.

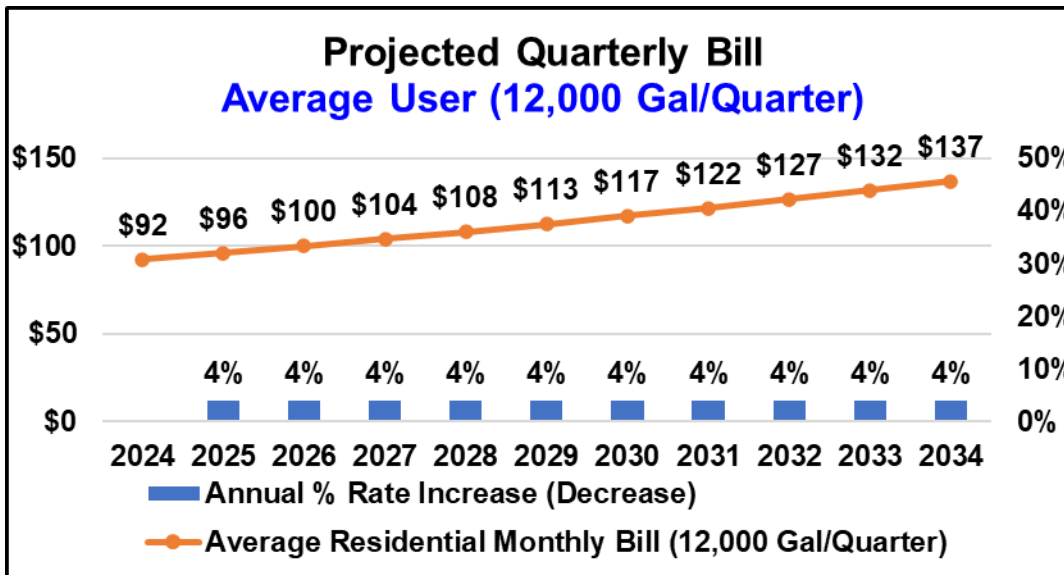
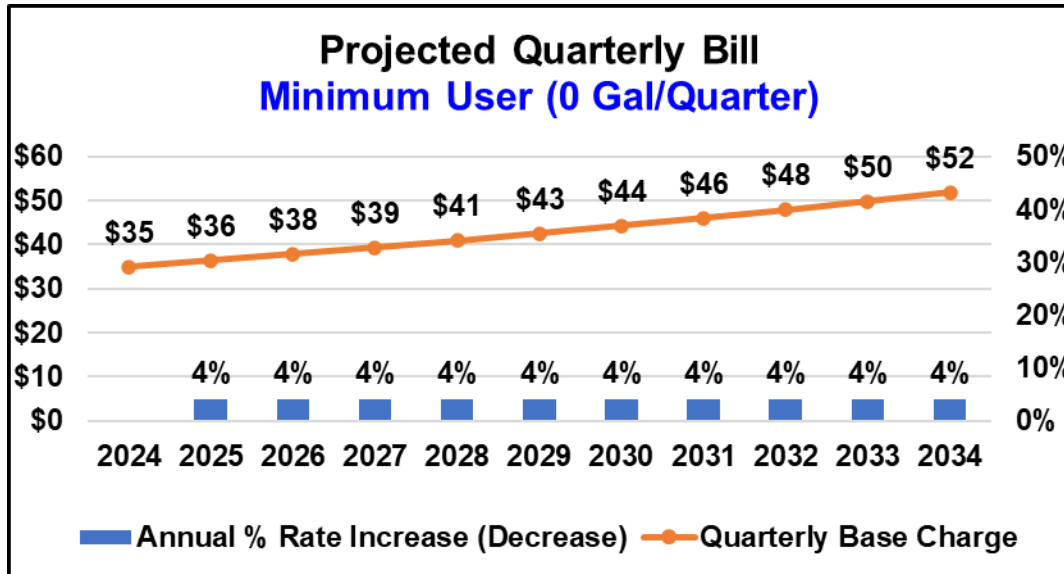
Initial Findings

- **Initial Findings** – After reviewing various scenarios and smoothing out required rate increases, the Township's **projections now show a 4% rate increase each year through 2034.**
- By increasing rates incrementally each year, the Township can avoid rate spikes and still fund all its operating, maintenance, and capital needs.
- Each year, the Township should review its budget to ensure that the projected rate increases remain appropriate.
- Customer growth is an important part of these projections. Without it, rate increases would be higher.

Note – All information including customer/EDU counts, billed flow, capital plans etc. were provided by the Township. New LCA Capital Debt Service charge is subject to change, estimated for illustrative and planning purposes only, and is based on most recent estimates.

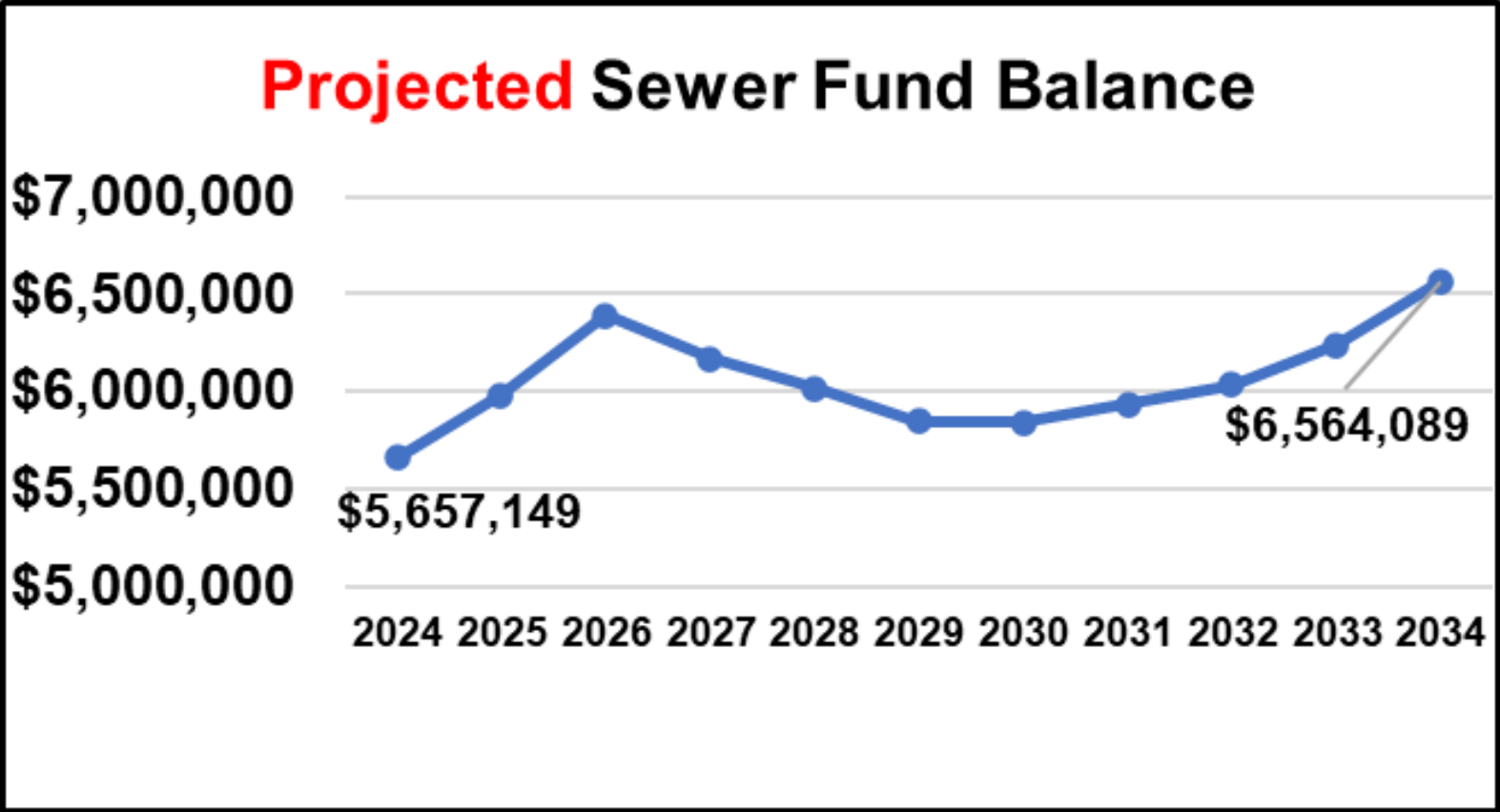


Projected Quarterly Sewer Bill



Note - Projections shown are estimated for illustrative purposes only and contain a variety of assumptions that are subject to material change. The projections shown are not indicative of future results.

Projected Sewer Fund Balance



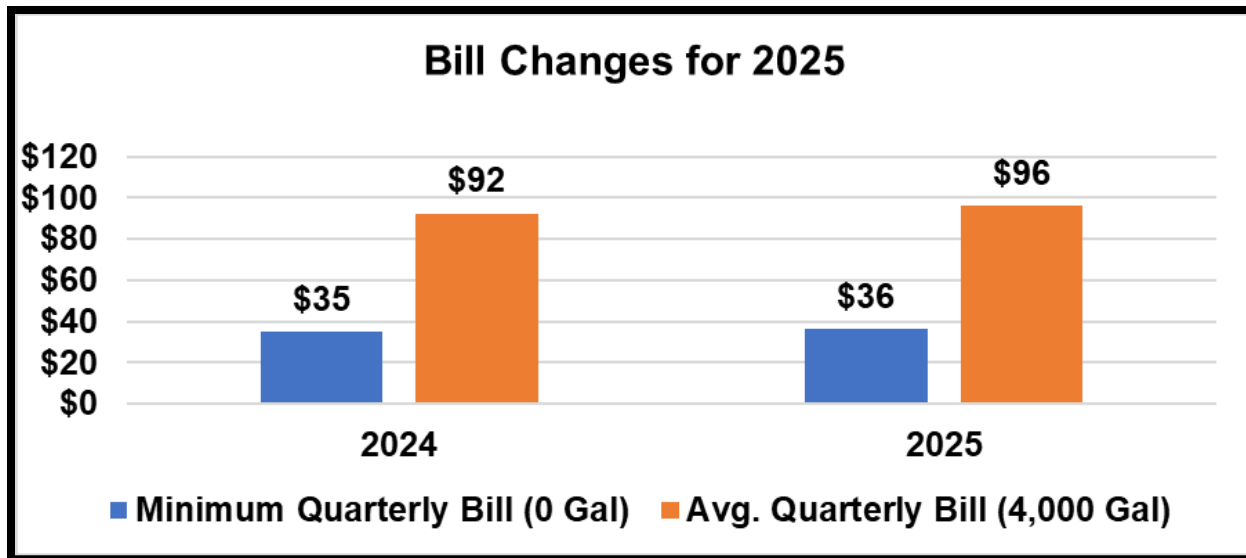
Note - Projections shown are estimated for illustrative purposes only and contain a variety of assumptions that are subject to material change. The projections shown are not indicative of future results.



Summary of 2025 Sewer Rate Changes

- A 4% increase is planned for 2025.

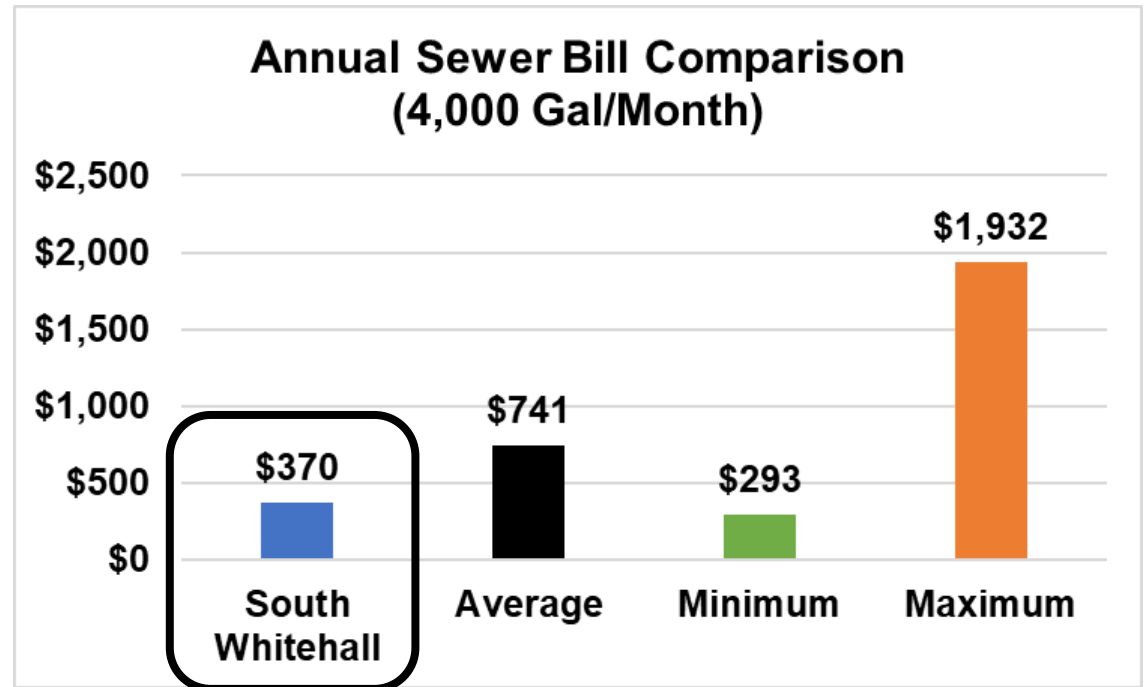
PLANNED RATE CHANGES FOR 2025				
	<u>2024</u>	<u>2025</u>	<u>Increase (\$)</u>	<u>Increase (%)</u>
Quarterly Base Charge	\$35.00	\$36.40	\$1.40	4%
Volumetric Charge	\$4.79	\$4.98	\$0.19	4%
Minimum Quarterly Bill (0 Gal)	\$35	\$36	\$1.40	4%
Avg. Quarterly Bill (4,000 Gal)	\$92	\$96	\$3.70	4%





Comparison of Township's Sewer Rates to Others in PA

- PFM compared the Township's sewer rates and average annual bill to 50 different sewer rate zones across Pennsylvania.
 - Municipal sewage providers, authorities, & investor-owned utilities
- Based on this sample group, the Township's annual bill is significantly less than the average.



Note – All bills are calculated using public information that cannot be confirmed by PFM. All annual bills shown assume 4,000 gallons/month of usage. The ranking and averages of other usage amounts may differ.



Backup Summary of Financial/Rate Projections

Summary of Sewer Financial/Rate Projections

	Budget 2024	Proj. 2025	Proj. 2026	Proj. 2027	Proj. 2028	Proj. 2029	Proj. 2030	Proj. 2031	Proj. 2032	Proj. 2033	Proj. 2034	
Beginning Total EDU Count	7,786	7,786	7,864	7,942	8,020	8,098	8,176	8,274	8,372	8,470	8,568	
New EDUs Assumed		78	78	78	78	78	98	98	98	98	98	
Ending Total EDU Count	7,786	7,864	7,942	8,020	8,098	8,176	8,274	8,372	8,470	8,568	8,666	
Quarterly Base Charge Required	\$35	\$36	\$38	\$39	\$41	\$43	\$44	\$46	\$48	\$50	\$52	
Volumetric Charge Required Per 1,000 Gallons	\$4.79	\$4.98	\$5.18	\$5.39	\$5.60	\$5.83	\$6.06	\$6.30	\$6.56	\$6.82	\$7.09	
Required Quarterly Bill (12,000 Gal/Qtr)	\$92	\$96	\$100	\$104	\$108	\$113	\$117	\$122	\$127	\$132	\$137	
Est. Annual Rate Increase(Decrease)		4%	4%	4%	4%	4%	4%	4%	4%	4%	4%	
Cumulative Residential Rate Increase (2024-2034)	48%	Compound Annual Growth Rate						4%				
Total Capital Funded (2025-2034)	Debt		PayGo (Cash)			Total						
	\$5,628,612		\$1,146,388			\$6,775,000						
	83%		17%									
Revenues												
User Charges	3,624,858	3,960,144	4,163,253	4,376,275	4,599,677	4,833,949	5,093,013	5,365,068	5,650,739	5,950,678	6,265,572	
Tapping Fee Revenues	447,000	292,875	321,750	321,750	321,750	321,750	404,250	404,250	404,250	404,250	404,250	
Other Revenues	97,400	112,197	114,698	117,259	119,883	122,569	125,321	128,140	131,028	133,987	137,019	
Total Revenues	4,169,258	4,365,216	4,599,701	4,815,284	5,041,310	5,278,269	5,622,585	5,897,459	6,186,017	6,488,916	6,806,841	
Expenses												
Admin & O&M Expenses	1,528,064	1,577,425	1,628,467	1,673,202	1,719,176	1,766,424	1,814,981	1,864,884	1,916,170	1,968,879	2,023,049	
Treatment Expenses (3% Growth)	2,051,200	2,139,046	2,230,317	2,324,980	2,423,315	2,525,457	2,639,323	2,757,748	2,880,903	3,008,965	3,142,118	
Est. LCA Capital Debt Service Charge	0	0	0	707,582	716,090	724,597	735,286	745,975	756,663	767,352	778,041	
Debt Service	0	226,635	226,635	226,635	226,635	319,140	319,140	319,140	409,299	409,299	409,299	
Pay-Go Capital	551,000	100,000	103,000	106,090	109,273	112,551	115,927	119,405	122,987	126,677	130,477	
Total Expenses	4,130,264	4,043,105	4,188,419	5,038,488	5,194,487	5,448,169	5,624,657	5,807,151	6,086,023	6,281,172	6,482,985	
Surplus (Deficit)	38,994	322,111	411,283	(223,204)	(153,178)	(169,900)	(2,072)	90,307	99,994	207,743	323,856	
Fund Balance	5,657,149	5,979,260	6,390,543	6,167,339	6,014,161	5,844,261	5,842,189	5,932,496	6,032,490	6,240,233	6,564,089	
Moody's Financial Strength Scores												
Days Cash on Hand	577	553	571	456	432	400	387	381	369	370	377	
Indicative Moody's Score[1]	Aaa	Aaa	Aaa	Aaa	Aaa	Aaa	Aaa	Aaa	Aaa	Aaa	Aaa	

Note - Projections shown are estimated for illustrative purposes only and contain a variety of assumptions that are subject to material change. The projections shown are not indicative of future results.

[1] Per Moody's, Financial Strength Category listed above equal approximately 15% of the total credit rating. Rating Scale from best to worst is AAA, Aa, A, Baa, Ba, B and below. Source: Moody's Rating Methodology.

Thank You



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