Newberry Township Board of Supervisors October 15, 2025

Workshop Meeting Minutes

Call to Order at 6:00 PM

Vice Chair Diane Shellenhamer called the meeting to order at 6:00 PM.

Pledge of Allegiance

The Pledge of Allegiance was recited.

Announcements

There were no announcements.

Public Comments

Jane Harman of 205 Hemlock Lane, Etter's, inquired about the lack of supporting documentation for the budget meeting online. She expressed concern about being unprepared for the meeting.

Manager Schwartz explained that, like last year, the budget documents were not posted prior to the meeting to allow for line-by-line explanation during the meeting. He noted there would be additional budget workshops and board meetings where the public could ask questions, and he invited residents to schedule one-on-one meetings to discuss the budget in detail.

Manager Schwartz clarified that the budget would be posted online the following morning and that the Board of Supervisors were receiving the budget information for the first time at this meeting as well.

New Business

Discuss 2026 Draft Budget

Manager Schwartz opened the budget presentation by thanking everyone for attending. He highlighted that no tax increase was predicted for 2026 and outlined that the meeting would cover special funds (fire tax, liquid fuels, recreation fund, MESB construction fund, sewer, hydrant and events committee) followed by a comprehensive review of the general fund revenues and expenditures.

Mr. Schwartz also mentioned his intention to discuss creating a main capital reserve account to support infrastructure and large purchases.

Fire Tax Fund

Comptroller Jane Deamer presented the Fire Tax Fund details. She explained that interest rates were expected to drop to around 3% for 2026, down from the 5% rate enjoyed over the past two years. The fire tax millage at current property values was projected to generate $265,000 in current tax revenue, plus $4,000 in prior years' taxes, bringing total revenue to $284,000.

Ms. Deamer reviewed expenses including $48,000 for paid fire drivers (approximately 100 hours per month at $18/hour), $1,500 for supplies (shirts, lanyards, iPad cases), and $2,000 for legal fees. Workers' compensation insurance costs had decreased considerably to $22,000, while automotive insurance had increased by 18% due to claims. Cloud services for Knox Box and First Due would cost $11,000.

Contributions to Newberry, Goldsboro, and York Haven fire departments were listed as placeholders pending Board approval. Total fire tax expenses were projected at $183,000, allowing for growth of the fire tax fund by $97,000 in the coming year.

Liquid Fuels Fund

Manager Schwartz presented the Liquid Fuels Fund with proposed revenue of $571,772, reflecting a 2% decrease from 2025, primarily due to reduced gas tax revenue partly attributable to electric vehicles. Ms. Deamer noted they had just received notification that the allocation would be $549,000, a 5% decrease, though this amount could potentially grow by March.

The beginning balance was projected at $532,220, giving total available funds of $1,100,000. Several line items showed increases, particularly salt/anti-skid and snow removal, which were increased to ensure adequate funding after shortfalls in the previous year.

Public Works Director Scott Getgen detailed the expenditures, including:

- Operating maintenance increased to $4,000
- Salt and anti-skid increased to $125,000 (spent $111,000 last year)
- Contracted snow removal increased to $25,000
- Operating supplies decreased to $3,000
- Electric remained at $8,500 for traffic lights and streetlights
- Contracted services for lights and signs remained at $25,000
- Line painting remained at $30,000
- Stormwater operating supplies increased to $25,000 for purchasing more pipes.
- Stone and bituminous materials increased to $450,000

Mr. Getgen outlined planned projects for 2026, including base repair and overlay in Susquehanna Village and rebuilding the end of Sipe Road near Copart.

Ms. Deamer noted that the fund balance would decrease by approximately $138,000 after accounting for all expenditures.

Recreation Fund

Manager Schwartz explained that the Recreation Fund showed large numbers due to two Grant applications: a $764,000 connectivity Grant and a $392,000 Grant for Dolan Park improvements. He emphasized these projects would only proceed if the Grants were awarded.

Ms. Deamer reviewed the revenue projections, noting developer fees could increase if Southern Crossing and Woods Extended projects moved forward in 2026. She explained that the Grants would likely be reimbursement-based, potentially requiring General Fund support initially if the projects proceeded.

Mr. Getgen discussed the funds' expenses, highlighting a $30,000 allocation for two new lawn mowers, as the current mowers had approximately 2,000 hours each and were requiring costly repairs. The fund also included $25,000 allocated from the Highway Department for park mowing time.

Manager Schwartz mentioned the possibility of using interns for park maintenance to reduce costs, though there were considerations about liability insurance for operators of motorized equipment. Ms. Deamer confirmed that operators would need to be at least 18 years old for workers' compensation purposes.

Supervisor Harkins questioned the significant discrepancy between the $146,000 budgeted for recreation and developer fees in 2024 versus the actual amount received. Ms. Deamer explained they had anticipated Southern Crossing would begin development in 2024, but the project had been delayed. She noted recent contact with Pennsylvania American Water suggesting movement might begin soon, starting with the Fairview portion of the development.

MESB Construction Fund

Manager Schwartz explained they were looking to close out the MESB construction fund in the coming year. The fund had a beginning balance of $104,742, with $4,743 to be transferred to the General Fund.

He clarified that a $99,000 discrepancy was due to a generator Grant that was repurposed for a sewer plant generator after the original building generator bid did not qualify for the Grant.

Sewer

The sewer fund showed total projected income of approximately $3.1 million with available funds of $12.2 million and a projected year-end balance of $8.6 million.

Manager Schwartz praised Wastewater Coordinator Brent Zeiders and his team for conservative fiscal management but noted that the next 8-10 years would require approximately $10 million in projects, including a Cly Road sewer extension, UV upgrade, plant generator, and potential plant expansion. He mentioned he would present a proposal at a future meeting for a modest increase in quarterly sewer fees to maintain adequate reserves.

Mr. Zeiders detailed the sewer fund income, including $283,000 in interest earnings and $2.4 million in sewer rents. Tapping fee income was projected to decrease to $166,000 in 2026 due to fewer new buildings at Red Mill Crossings. He noted Southern Crossings might generate $57,500 in EDU transfer fees if development proceeded.

The $99,000 generator Grant transfer from the MESB fund was included in the revenue. Mr. Zeiders explained that the transfer could not occur until the generator arrived, which might be in late 2025 or early 2026.

Mr. Zeiders reviewed operating expenses, noting increases in:

- Labor costs (including anticipated retirement payout of approximately $40,000)
- Pump station utilities (due to new cell phone service for emergency notifications)
- Sludge belt press operation and maintenance (50% increase in tipping fees)
- Pumping station maintenance (increased by $10,000 for plumbing rebuilds)
- Chemicals (increased to $50,000 due to rising costs)
- Major equipment purchases ($150,000 for a track skid loader with brush hog attachment and camera truck upgrade)

Mr. Zeiders discussed major projects, including the UV disinfection system upgrade (approximately $1 million total, with $515,000 expected to be spent in 2026), the plant generator ($310,000), and the Cly Road extension ($600,000 in 2026 for engineering, design, right-of-way acquisition, and potentially bidding, with construction likely in 2027).

Total operating expenses were projected at $3 million, with total expenditures at $3.6 million, resulting in a projected $500,000 decrease in reserves.

Supervisor Gonzalez asked about the UV system installation, and Mr. Zeiders confirmed it would be contracted out rather than done in-house, noting the complexity of maintaining continuous disinfection during construction.

Manager Schwartz mentioned that the planned skid steer would serve a dual purpose, as both the Sewer Department and Highway Department could use the equipment.

Janie Fund (Sewer)

Ms. Deamer explained this fund was established when the township had a municipal authority and noted they were considering moving this money to a different fund in 2026. The fund earned a higher interest rate (3.5%) than standard accounts.

Hydrant Fund

Manager Schwartz noted they had stopped funding this account about three years ago when the fire tax started. The fund had interest revenue of approximately $2,400 and a beginning balance of $853,000.

Hydrant services costs were projected to increase by 9% to $62,000, leaving an ending balance of $816,000. At current expenditure rates, Manager Schwartz estimated the fund had approximately 13-14 years of funding remaining without new revenue.

Ms. Deamer detailed the current hydrant inventory: 97 hydrants in the Veolia area, 44 in the PA American Water area, and 4 serviced by York Water Company. The budget included additional funds for 10 potential new hydrants.

National Night Out Fund

Ms. Deamer explained this was a General Fund account with projected solicitations from businesses of $5,000 and anticipated expenditures of $5,000. She noted contributions had been slower in 2024 because businesses were being asked to support multiple township initiatives.

Special Events

Ms. Deamer explained this fund had moved from recreation back to the General Fund. The proposed budget included $10,200 in contributions and fundraisers with anticipated expenditures of $18,000. She noted the Board would need to vote on transferring funds from the General Fund to the Special Events account to cover the difference.

PLGIT: Unused Absence Compensation

Manager Schwartz explained this fund was established the previous year to cover unexpected or planned retirement payouts for vacation or sick time. The fund started with $150,000, had one payout during the year, and was projected to have a $21,000 payout in 2026. The budget proposed transferring $46,000 to maintain a balance of approximately $175,000.

Ms. Deamer noted the original goal was to keep the balance at $150,000, so the Board would need to approve any transfer beyond $41,000, which was the amount needed to restore the fund to $150,000.

PLGIT: General Fund Savings

Manager Schwartz explained this account held a significant portion of the township's savings, currently earning nearly 4% interest, though rates were expected to drop in the coming year.

Ms. Deamer noted that the account would receive approximately $35,000 in SAFER Grant reimbursements for volunteer fire department incentives, which would be transferred to the general fund. Interest income was projected at $144,000 on the $4.8 million balance at a 3% rate.

General Fund

Manager Schwartz presented the General Fund, projecting total revenue of approximately $7.6 million, showing a 23% decrease primarily due to the absence of the $2 million RACP Grant that was included in the previous year's budget but had not yet been received.

The fund had a projected beginning balance of $7.3 million, with total expenditures estimated at $7.4 million, leaving a projected year-end balance of $7.5 million.

Manager Schwartz provided context about township taxes, explaining that for a property assessed at $100,000, the annual township portion of taxes was $320 (plus $30 for fire tax), compared to school taxes of approximately $2,450 (West Shore) or $3,450 (Northeastern). He noted that the median assessed home value in the township was $131,763, with township taxes representing only about 11% of a property owner's total tax bill.

Ms. Deamer presented detailed revenue projections, including:

- Real estate taxes: $2.8 million (based on 3.2 mills with no increase)
- Real estate transfer tax: $300,000
- Earned income tax: $1.65 million (5% increase over 2024)
- LST tax: $150,000 (reduced from $171,000 based on flat collections)
- Cable TV franchise fees: continued decrease due to streaming options
- Interest income: $221,000 (projected at 3% rate)
- Recycling Grant: $30,000
- Public safety Grant: $35,000 (half of the potential $77,000 depending on volunteer participation)
- State pension aid: $270,000 (down from $313,000 in 2024)
- Firemen's relief: $95,000 to be distributed among fire departments
- Building permits: $125,000

- Quarterly trash reimbursement from Penn Waste: $50,000
- Sewer management fee: $120,000

Total revenue was projected at $7,023,900, a decrease from 2024 primarily due to the absence of Grant funds that were included in the previous budget.

Ms. Deamer presented administrative expenses, noting:

- Salaries were partially allocated between General Fund and Sewer Fund
- Engineering fees maintained at $70,000
- Legal fees reduced to $100,000 from $150,000
- Dues and subscriptions budgeted at $10,000
- Contracted services increased to $179,000, including $60,000 for website redesign

Manager Schwartz explained the website redesign would focus on creating a more interactive platform with potential for future integration of permit applications and online payments. He emphasized this would be a significant investment in creating a foundation that could be built upon in future years.

Minor equipment was budgeted at $10,000 for computer replacements based on recommendations from IT support.

Ms. Deamer noted that propane costs for both the Highway Department and Admin Building were based on a favorable rate of $1.90. Electricity for the municipal building was budgeted at $15,000, based on an average of $1,300 per month. Repairs and maintenance were budgeted at $25,000.

Police Chief Steve Lutz presented the Police Department budget, highlighting several key items:

- Overtime increased by $10,000 to reflect salary increases
- Weapons line increased by $13,000 to replace tasers purchased in 2015
- Computer hardware and software increased due to need for new server ($20,000)
- Legal services decreased due to no contract negotiations
- Building maintenance increased to include preventative maintenance contracts for HVAC, sprinkler systems, and the generator
- Contracted services increased by approximately $4,000 due to IT contract and software increases
- Police vest Grants line increased from $4,500 to $13,500 as the federal Grant program had ended and six officers needed replacement vests

Chief Lutz provided extensive detail about the taser replacement, explaining the devices were 10 years old and cartridges would soon be unavailable. He noted tasers were used in approximately 35% of use-of-force incidents and were valuable for reducing injuries to officers and subjects. The total cost would be $68,271 over five years ($13,654 annually), which included officer certifications and a $10 million liability policy.

Public Works Director Scott Getgen detailed his department's budget, highlighting:

- Vehicle fuel reduced from $42,000 to $33,000 based on current spending and fuel prices
- Vehicle parts and repair services increased due to aging equipment
- Highway/street services returned to $300,000 after being higher in 2024 for bridge work
- Dues and subscriptions increased to $5,700 to include CS Datum software

Mr. Getgen provided specific examples of maintenance costs:

- Paver: $2,523
- Wheel loader: $6,077 for tires plus needed hydraulic cylinder rebuilds
- Grader: $2,800 for cylinder rebuilds
- Sweeper: $11,148
- Grade-all (1989): $3,260

- Truck 3: $9,500 plus pending costs
- Flail mower: $5,995 for tires plus approximately $12,000 for park gear repair

Manager Schwartz and Mr. Getgen discussed the aging street sweeper, noting they had applied for an LSA Grant to help fund a replacement costing approximately $420,000. They noted the current sweeper was being used regularly for projects beyond spring and fall cleanups, and the Board would need to decide whether to purchase, lease, or continue repairing the equipment.

Ms. Deamer reviewed the MS4 (stormwater) budget, noting most line items remained the same except for stormwater repairs and maintenance, which was reduced to $40,000 for in-house work in the Valley Green area.

Ms. Deamer explained that contributions to the library, senior citizen centers, and New Hope were listed as placeholders pending Board decisions. Mr. Schwartz indicated he would gather information about how many township residents were served by these organizations to help the Board make informed decisions about allocations.

Ms. Deamer noted that debt service for the municipal building loan would be approximately $278,000 in 2026.

Ms. Deamer reviewed insurance costs:

- Property and liability insurance increased to $196,000 due to newer vehicles and liability claims
- Health insurance was initially projected to increase 9.7%, but recent plan design changes had reduced the increase to 5.6%, saving approximately $60,000
- Pension contributions would be covered by state aid
- Workers' compensation costs had decreased due to improved experience rating

Proposed Capital Reserve Fund

Manager Schwartz presented a proposal to create a consolidated capital reserve fund for equipment, facility upgrades, and Grant matches. He explained this would:

- Provide clearer annual budgets by separating one-time large purchases from operating expenses
- Improve predictability for major expenditures
- Allow for dedicated funding of infrastructure needs

The fund would be initially funded with:

- $1 million transferred from General Fund savings
- $456,000 consolidated from existing smaller capital reserve accounts
- 5% of real estate tax revenue (approximately $150,000 annually)
- Potential year-end surplus (estimated at $500,000)

This would create a Capital Reserve Fund of approximately $2.1 million. Manager Schwartz emphasized that all expenditures would require Board approval, with the exception of $300,000-$500,000 designated for emergencies, which could be approved by the Manager with the Board Chair's approval, subject to ratification at the next Board meeting.

Manager Schwartz explained that fiscal safeguards would include:

- Maintaining at least six months of operating costs in the General Fund savings at all times
- Requiring formal Board votes for all expenditures
- Quarterly reporting to the Board
- Maintaining a five-year capital plan with input from department heads

The Board members expressed support for the concept.

Adjournment

Motion to adjourn was made by Vice Chair Shellenhamer, seconded by Supervisor Harkins. All voted in favor. The motion passed.

The meeting was adjourned.

Respectfully Submitted,

Aaron Schwartz, Secretary