



HAMILTONBAN TOWNSHIP BOARD OF SUPERVISORS

2011 BUDGET MESSAGE

This annual Budget Message is being issued as part of the 2012 Budget. It will explain Budget category changes and summarize major Township accomplishments in 2011. In addition, it will outline what the Board of Supervisors plan to accomplish in 2012. It is our hope that through our annual Budget Messages, you will be able to measure our success(es) as elected officials and become aware of the work that has been put forth to assure you, our residents, that you are being served efficiently AND that our tax dollars are being spent responsibly. The Hamiltonban Township Board of Supervisors has instituted **NO INCREASE IN TAXES** for the past six (6) years and proposes **NO INCREASE IN TAXES** for 2012. The following is a chart designed to demonstrate how the Hamiltonban Board's actions have compared to Adams County Government and the Fairfield School District:

Year	Yearly Property Tax Increase		
	Adams County	Fairfield School District	Hamiltonban Township
2006	3%	5%	0%
2007	4%	7%	0%
2008	16%	6%	0%
2009	0%	5%	0%
2010	9%	3%	0%
2011	21%	11%	0%
6-year Compounded Total	65%	43%	0%

The 2012 budget is divided into 3 parts; the General Fund, the State Liquid Fuels Fund, and the Orrtanna Treatment Plant Sewer Fund. The budget format aligns the fund subcategories and the accounting groups with the PA Department of Community and Economic Development's recommended Chart of Accounts.

The Hamiltonban Township Board of Supervisors continue to provide quality services, to provide for the general safety of our community, to use sound fiscal management, and to deliver clear, concise and open communications with our residents. We begin this 2011 Budget Message with an update of past projects and accomplishments.

ACCOMPLISHMENTS IN 2011 AND ONGOING PROJECTS

It was our hope, as we are sure it was yours, that by the time we entered into late 2011 and the budgeting season for 2012 that our economy would be looking much brighter. It has been a trying several years and many people are still struggling. It is for that reason that the Board has consistently been conservative with our budgeting process and yet has moved the Township progressively forward. We all agree that the Township must live within its budget just as our residents must and yet be as efficient as possible.

Grant funds are drying up quickly and becoming virtually extinct. However, we were fortunate to receive approval of over \$1,150,000 in grants this past year. This message will address them in each category as they apply. We will continue to seek out grant funding wherever possible.

New Maintenance Facilities – Construction began in the Fall of 2011

As reported in 2010, we planned to begin construction this year on a new Township maintenance facility. It was important to begin construction in 2011 to be sure that construction is completed before our lease for the present maintenance facility expires in 2012. As this Message is being written, the construction is in full swing with expected completion in January of 2012. We will then begin to vacate the old facility and prepare for an Open House so residents can tour the new facility.

Two actions were taken to fund the project. On December 29, 2010, the Township applied for an \$800,000 loan. Also, we applied for and have obtained a grant from the American Recovery and Revitalization Stimulus Allocation (ARRA) that was allotted by the Federal Government to Adams County. This grant will reimburse the Township for 45% of the interest on the loan throughout its life (a total of over \$338,000).

In addition, we applied for a \$500,000 grant to assist with the construction of the new maintenance facility through the Governor's Office Redevelopment Assistance Capital Project (RACP) in 2010. The Township has received the final commitment letter from the Governor's Office and the process of receiving the grant money is scheduled to begin in December. State Senator Richard Alloway II has helped us tremendously in securing this funding and we certainly appreciate all his efforts. Once all funding has been received, the Township will begin to rebuild the Capital Reserve Fund that was established several years ago for major building projects.

Municipal Office Building Renovations

In 2010, we removed a wall in the municipal office building to create more space for residents to attend meetings and to give the Secretary/Treasurer more needed office space. We also received Community Development Block Grant (CDBG) funds through Adams County as part of the County allocation from the PA Department of Community Economic Development which helped us to install an ADA compliant handicap ramp.

In 2011 we received another CDBG grant and a Robert C. Hoffman Charitable Trust Foundation grant to renovate our restroom in the office building to be ADA compliant. Unfortunately, conditions attached to the CDBG grant drove the estimated cost of the completion of the restroom to an amount that was twice what we believed to be reasonable. That cost increase was primarily due to the requirement to pay "prevailing wages." The Board decided to return the CDBG Grant and continue with the renovations at a more reasonable level. The restroom renovation was completed in November. The grants that were applied to the Municipal Office renovations totaled \$3,500 in 2010 and \$9,000 in 2011.

Municipal Communications with our Residents

A year-end Budget Message and a mid-year newsletter are mailed out each year in an effort to keep you aware of what your Board of Supervisors has been doing to improve the Township and how it functions for you. We would like to expand the number of mailings but are also conscious of the additional costs. The Emmitsburg Journal published our 2011 mid-year newsletter at no cost. Copies of the Journal are available at the Township Office. Future newsletters will also be submitted to the Journal, so if you do not receive the Journal by mail, please stop by the Office or several of the businesses around Fairfield and pick up a copy.

To further expand communications to the public, the Township has established an “E-Alert” system that can advise you of upcoming road closings, road conditions or other newsworthy items. You may subscribe to this email alert system by simply calling our office (717-642-8509) or emailing us at hamiltonban@embarqmail.com and request that your email address be added to our listing. As always, the Township website is updated frequently and provides an abundance of information about Township history, personnel, meetings, ordinances, resolutions, and news at www.hamiltonban.com.

Emergency Management

We have certainly had our fair share of rain, rain and more rain this past year! The resulting flooding is always a concern. Our Emergency Management Coordinator, Mr. Donald Wills Jr. and his Deputy Mr. Herbert Milligan are in constant touch with Adams County Emergency Services and the Pennsylvania Emergency Management Agency (PEMA) during any storm event. If you suffer damage to your home as a result of a disaster level storm, Adams County Emergency Services regularly issues status statements for State Assistance through PEMA. During and after those events the Township stays abreast of developments with our road system and files for assistance for repairs when PEMA assistance is available.

The US Army Corps of Engineers is assisting the Township with a flood study of the Carroll’s Tract/Middle Creek area. The study will assess the contributing causes of the flooding and give Hamiltonban Township and the Borough of Fairfield guidance on corrective actions that we may wish to take in the future. Federal Funding of up to \$100,000 will be used for the Flood Study, without cost to the Township.

Fairfield Area School Traffic Zone – Automated Red Light Signal Enforcement Grant

A \$25,000 grant was applied for in the fall of 2010 through the Automated Red Light Enforcement Funding Program (ARLE). Approval for the grant was received in January of 2011 and will allow the Township to install two new LED signaling devices for traffic control at the school crossing zone. The school zone lights have not been updated since the 1990’s. We had hoped to have the lights installed by the 2011 school year but the funding has been delayed so the installation will not take place until sometime in 2012.

2011 Road Maintenance and Improvement Projects

Over the past four (4) years the Board adopted a Capital Improvements Plan for not only the improvements of our buildings but also for our road equipment and vehicles. The Roads Department is the largest category of our budget and also utilizes all of the State Liquid Fuels Account for the improvement of our road system. Therefore, we felt it important that we have safe and reliable equipment, which had previously not always been the case. We devised a schedule for regular replacement of our vehicles once they have reached an age where their repair costs outweigh the cost of a new purchase. As a result, we currently have, albeit small, a fleet of vehicles that are dependable, reliable, and more fuel efficient. All our vehicles are free from debt with the exception of the 2005 Peterbilt dump truck. Its pay off date will fall in 2013.

Our Roadmaster, Mr. John Harbaugh Jr. has recently been certified through Penn Dot. Over three years of classes have earned him a Roads Scholar Certification. He is the first Roadmaster in Hamiltonban Township to achieve that distinction.

Roadmaster Harbaugh has again utilized our good working relationships with our neighboring communities to assist us in several projects this year. In turn, we trade our services back to them. It is a great cost savings measure to both participating municipalities. It allows us to share our expertise, equipment and labor with one another. Costs remain very high for paving compounds. Therefore we have focused, over the past three years, on sealing our roads to maintain their integrity and paving only where there is need for a more finished surface.

There are two (2) gravel roadways in Hamiltonban Township, Knox Road and Newman Road. A Dirt and Gravel Road Assistance Grant was submitted by Roadmaster Harbaugh for repairs to Newman Road. The grant has been approved and will give the Township an approximated additional \$40,000 for Newman Road repairs in 2012.

The following is a list of a few of the more prevalent 2011 road projects:

- Cold Springs Road – 4/10th of a mile was paved on the lower section of the road.
- Mt. Hope and Gums Springs Roads – 3.9 miles were seal coated, from the railroad tracks to the 1900 block of Mt. Hope Road and on Gum Springs Road from the Iron Springs Road intersection past the Mt. Hope Road intersection.
- Old Waynesboro Road – the intersection was rebased.
- Many of the Township roads were spot seal coated. This was done in-house.

Other 2011 Township Actions

- The Board voted to discontinue health insurance coverage for Supervisors as their terms expire. Over the next four (4) years the Township will save an approximated \$50,000 + in expense, with additional savings after the term of the last Supervisor eligible for insurance expires in 2015.
- The vehicle & equipment Capital Reserve fund that was established for the replacement of vehicles and equipment has worked out well these past three (3) years. The next item scheduled to be replaced is the Backhoe; followed by the 2007 Ford 350 Pick-up truck.

- The Township purchased a used 4WD John Deere Tractor and mower attachment. The old mower required repeated repairs year after year and was at the end of its service. It was put out for bid and sold.
- The Board is currently in review of our Subdivision and Land Development Ordinance and Zoning Ordinance. These two major ordinances have not been fully reviewed and updated since 1993. We hope to have those ready for Public Hearing in early 2012. The Planning Commission has invested many hours of volunteer time into this project and we appreciate and thank them for their efforts. The Adams County Office of Planning and Development assisted in pulling the revised SALDO and Zoning Ordinance together at no cost to the Township.
- The Recreation and Parks Commission has begun working with Shippensburg University to devise an Official Map for the Township. The map will illustrate possible greenway connections throughout the Township as development occurs in the future years. This will be a tool to help us in maintaining our rural character and will also help maintain connected wildlife corridors. The Shippensburg effort will be conducted as a student project without cost to the Township.
- The Recreation and Parks Commission will be working with the Pennsylvania Recreation and Parks Society to design a small interpretive and passive recreation park on the residual three acre Municipal Campus area. It will interpret our heritage, history and culture while blending those features with passive (walking) recreation. By utilizing the property in this manner the Township maintenance time involved with the property could actually be reduced and at the same time it will give our residents a place of respite. A South Mountain DCNR Mini-Grant will be submitted in an estimated amount of \$40,000 for development of the parkway in 2012.
- The Recreation and Park Commission is still searching for someone to fill a vacant seat. If you are interested, please contact the Township Office (717-642-8509) or go online and complete a Volunteer Form and mail it into the Township Office.

2012 BUDGET

***** General Account*****

Income

The total projected revenue for Hamiltonban Township in 2012 is **\$1,239,892.00** which is an **increase in revenue of \$598,606.00 over 2011** because of anticipated grant funding receipts. That increase is due to the expected receipt of the delayed \$25,276 ARLE grant award for new Fairfield School zone warning lights, \$500,000 in RACP funds for the Maintenance Building construction, the Gravel and Dirt Road Grants for \$40,000 and the annual ARRA Interest Rebate Grant of \$22,320.

The Board has been conservative in its estimation of the 2012 revenue. Housing is still at a “standstill,” lending caution to our revenue projections:

- Account #301 Real Estate Taxes at \$300,000 with allowances for delinquents.

- Account #310 Earned Income Taxes in 2011 “hung in there” mainly because of delinquent collections from York Adams Tax Bureau leading the Board to reduce expected revenue in 2012 in this category to \$212,000.
- Account #331 Fines covers police activity and has been increased to cover 27% of police department expenses.
- Account #361 General Government fees for subdivisions have been reduced by 26% because of the lack of new development.
- Account #391 Proceeds of General Assets reflects the sale of the Case loader and Backhoe trade-in for replacement with a new CAT Backhoe unit.
- Account #392 Interfund Operating Transfers has been increased to accurately reflect the payment for Township services that are expended to the Orrtanna Sewer Treatment Plant from the Orrtanna Sewer Fund.

Expenditures

By law, all municipal government budgets must balance for passage. Therefore, the 2012 expenditures for Hamiltonban Township are projected to meet all revenue at **\$1,239,892.00** in anticipation that all approved grant funding will be released by the Pennsylvania Legislature and all submitted projects will move forward. In 2010, both the police and secretarial offices’ computers were budgeted for replacement but were determined to be sufficient for now, and were not replaced. Each year the computers have been re-evaluated and the secretary/treasurer’s computer has been determined to need replacement this budget year (2012). The old computer will be utilized in the Hamiltonban Emergency Management Agency (HEMA) Department which has been operating with an obsolete unit for many years.

Account #438 Highway Payroll - Being diligent with our expenses has resulted in savings over the years that have allowed the Board to maintain our services to the residents and given us room to expand without the need to increase revenue by raising taxes. This is clearly evident in the expense side of the budget. Our decision to employ a fulltime Roadmaster in mid 2008, in place of a paid part-time supervisor as Roadmaster, has allowed the Township to improve services and yet contain 2012 road employee payroll costs that are still **below the costs incurred in 2007**.

Account #487 Health/Hospitalization Insurance has increased in premiums every year over the past six years with the Board taking action in deductible adjustments to reduce premiums. Because those savings adjustments were only a temporary cure to combat the rising cost of insurance, the Board voted in 2011 to end the health coverage for Supervisors. Over the course of the next four years this vote will release an approximated additional \$50,000 per year back into the budget after December 2015.

All other categories have no significant change.

2012 BUDGET

*******State Liquid Fuels Fund*******

Pennsylvania Municipal Law mandates that State Liquid Fuels monies shall not be co-mingled with any other fund. There are strict guidelines for the use of these funds and accountability to the State of Pennsylvania is required.

Income

Total Projected revenues for the State Liquid Fuels Fund totals **\$109,634.50**. The Pennsylvania Department of Transportation (PennDOT) has advised us that Act 32 road turn-back funds for 2012 to be the same as for 2011, a total of \$20,560.00. This is calculated at a rate of \$4,000 per mile for 5.14 miles and is payable to the Township in April 2012.

PennDOT has also advised us that our Act 655 Liquid Fuels allocation for 2012 will be \$89,054.50, an increase over 2011 of just \$5,108.95. This calculation is based on our population of residents and 26 miles of Township roads. The Act 655 payment from PennDOT will also be received in April 2012.

Hamiltonban Township has historically used State Liquid Fuels funds for road repairs, resurfacing, and seal coating projects **only** even though they are eligible for equipment and other road related expenses. The General Fund also supplements road projects with additional money for the purchase of materials, signs, guide rails and other needs. State Liquid Fuels funds are not expended until contracted road services are completed in the late summer and early fall. Those funds gather interest from April until the time of expenditure. An estimated \$100 in interest is budgeted in the account.

Expenditures

Total Projected expenditures for this fund total **\$109,634.50** which is also balanced against revenue. The following projects for 2012 have been suggested by Roadmaster Harbaugh and will be reviewed and prioritized by the Board of Supervisors as funding permits. Recommendations for additional projects or a change in projects may be considered after the winter freeze and thaw and after our annual Spring Road Inspection. The utilization of the chip spreader that was purchased three years ago to do smaller sealcoat projects in-house has proven to have been a very useful investment. Given its proven record, a second spreader to be mounted on the Township's second dump truck has been placed into the 2012 budget for purchase. Anticipated 2012 road work includes:

- Old Waynesboro Road – seal coat the entire two (2) mile road.
- Moritz Road – scratch coat leveling of low spots and seal coat the entire 1.2 mile road.
- Beechwood Drive and Franklin Street – scratch coat leveling of low spots and seal coat the entire ½ mile road with Grip Tight.
- Newman Road – scratch coat leveling of low spots and seal coat the entire 1.4 mile road.
- Carrolls Tract Road in Orrtanna – seal coat ½ mile of road.
- Cold Springs Road - fix poor areas on road at 1800 block and from the railroad tracks to Carrolls Tract Road.

These items are subject to change.

2012 BUDGET

****Sewer Fund – Orrtanna Treatment Plant****

The Orrtanna Treatment Plant income is solely derived from its users and the interest generated from their quarterly payments. The Pennsylvania Department of Environmental Protection has ordered Hamiltonban Township to upgrade its sewer plant facility that services the Village of Orrtanna. The nearly forty (40) year old plant had line repairs completed in the 1990's with the assistance of a Community Development Block Grant (CDBG) funding. Unfortunately, the CDBG funding is tied to the income of the residents of Orrtanna and that income has risen above the eligibility for that funding. The infrastructure of the plant needs to be maintained, i.e., lines cleaned and repaired, as well as manhole maintenance. The current rate structure cannot support that nor can it support the construction of a new plant. The Board has received approval of a \$496,500.00 Community Facilities Grant to assist with the construction of the plant but the total cost could range anywhere from 1.2 million to 2 million dollars. Borrowings will have to make up the difference which will result in loan repayment schedules. Although it is undesirable to increase the rates on the Orrtanna users, the Orrtanna Sewer Authority, which consists solely of Orrtanna residents, has recommended an increase in rates to the Board of Supervisors for 2012. A letter addressing the rate increase was mailed to each Orrtanna resident and business on December 1, 2011.

Income

The total income for 2012 generated from user payments and interest is estimated at **\$111,515.79**, an increase of \$29,395.79 over 2011.

Expenditures

Total Expenditures for the Sewer Fund are budgeted at **\$111,515.79**. Each year one lagoon is fully pumped which alternates the lagoons to an every two year pumping schedule. The additional \$29,395.79 in revenue will be utilized to complete repairs to our manholes, to continue filming the remainder of the system's lines and for repairs to those lines. Allowances have been made for the preparation of the construction of a new plant which increases the solicitor and engineering fees. Once a design has been submitted, the Municipal Authority and the Board of Supervisors will be better prepared to address the total project cost and explore possible borrowing opportunities to complete the financing of that construction.

Completed Sewer Improvement Projects (2011)

- Lagoon #1 was cleaned; wet wells and floats also were cleaned and repaired.
- Standard pump maintenance and greasing.
- 1,600 feet of line was filmed and cleaned. Pressure had to be reduced in the cleaning process because several residents experienced a "backwash" through their traps. We apologize for any inconvenience this may have caused.

- There are several areas that need tree root removal. Some areas are on laterals which will require contact and coordination with the involved property owner. This will be addressed over the coming six (6) months.
- Several manholes had repairs completed to their deteriorating walls.
- The spray fields heads and uprights take a “hard hit” every winter and are reconditioned every Spring.

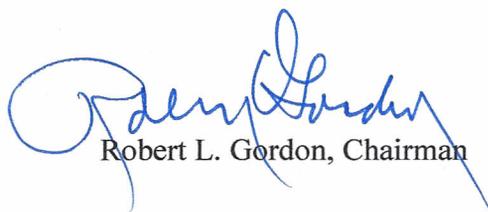
SUMMARY

The philosophy of the Hamiltonban Township Board of Supervisors has always been to maintain financial soundness and to meet the expense needs of the first quarter operations with sufficient unreserved funds through proper fiscal management. The Board will continue to retain additional funds towards Capital Improvements for both Buildings and Equipment in 2012 and future years.

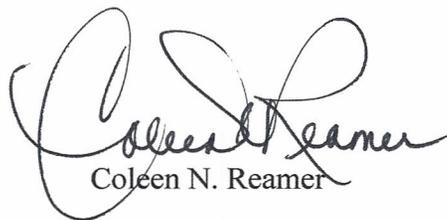
As in the years 2005 through 2011, your Board of Supervisors has planned and worked within the current revenue base to give you the best possible service with NO increase in taxes. We believe that our good, sound fiscal management has enabled us, once again, to continue to provide outstanding service to you within current revenues. Therefore, for what will be the seventh consecutive year, there will be NO TOWNSHIP TAX INCREASE in 2012.

Your Board of Supervisors and staff will continue to closely monitor the fiscal health of the Township and exercise cautious and wise stewardship of your trust. We hope that this message is a good way to let our residents know what we have done and are planning to do in 2012. Please feel free to contact the office at 717-642-8509, at any time, with questions or concerns.

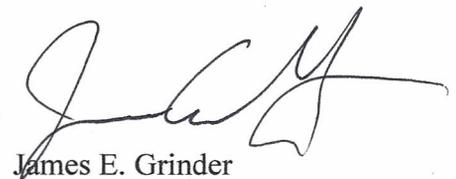
The Township Board of Supervisors respectfully submits this 2011 Budget Message in conjunction with the 2012 Budget to the residents of Hamiltonban Township.



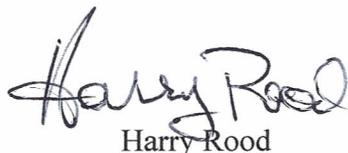
Robert L. Gordon, Chairman



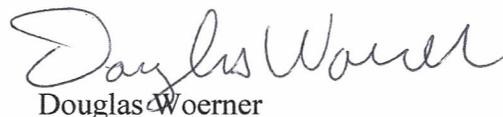
Coleen N. Reamer



James E. Grinder



Harry Rood



Douglas Woerner

We encourage you to please take the opportunity to stop by your Township Office and ask for a copy of the 2012 Budget or view it on the Township Website at www.hamiltonban.com.