

City of Lock Haven  
**Early Intervention Program Report**



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## CHAPTER 1 INTRODUCTION

In 2018, the City of Lock Haven received a grant from the state Department of Economic and Community Development through the Early Intervention Program to conduct a management and financial audit and five-year plan. The objective as stated in the City's Request for Proposals was to develop a "long-term fiscal and operational plan, identifying the fiscal and operational changes necessary to ensure the future viability of the City without overburdening our taxpayer base." The Pennsylvania Economy League was selected to complete the report.

The current analysis involved a review of the municipality's year-end financial reports; independent audits; debt payment schedules; pension obligations; collective bargaining agreements; General Fund and enterprise fund budgets; other fiscal data; and other relevant information and factors that may affect the current and future financial condition of the City, including socio-demographic data. In addition, PEL staff interviewed and held discussions with City staff regarding the municipal information.

PEL acknowledges and appreciates the full cooperation of all who contributed in the preparation of this study including the elected officials, manager, department heads and staff of the City of Lock Haven. The analysis could not have been successfully completed without their assistance.

In the course of this project PEL:

- Analyzed the financial history of the City from 2013 through 2017 focusing on such factors as revenues, expenditures, tax base, operating positions, and debt structure.
- Examined the historical data and the 2018 budget in relation to ongoing operations, collective bargaining agreements, other salary and benefit requirements, financial inter-relationships among the component funds and other obligations of the City.
- Projected, to the extent possible based on known factors and available data, General Fund revenues and expenditures for 2019 through 2023 assuming continuation of obligated levels of wages and operations, existing revenue patterns, and other operating trends.
- Performed an operational/management review of administration as well as reviews of police, public works, sewer, water, airport, labor and economic development.
- Compiled recommendations for all areas reviewed.

## CHAPTER 2 GOVERNMENT STRUCTURE AND DEMOGRAPHICS

### Introduction

The existence of municipal governments in Pennsylvania is authorized by the Pennsylvania Constitution and state law. All land within the Commonwealth is incorporated by law as a municipality with its own government. There are three primary types or classifications of municipal governments: cities (of the first, second, or third class), boroughs and townships (of the first or second class).

Municipal governments in Pennsylvania are the principal providers of direct public services to citizens. Services often include, but are not limited to, police and fire protection; construction and maintenance of roadways and bridges; street lighting; parks and recreation facilities and programs; planning and zoning activities; enforcement of building and related codes; water treatment and distribution; sewage collection and treatment; storm water management; solid waste collection and disposal; and recycling collection.

### Lock Haven City Government

#### Location and Structure

Lock Haven is a third-class city in Clinton County located in northcentral Pennsylvania. The City is approximately 2.7 square miles. Located along the confluence of Bald Eagle Creek and the West Branch of the Susquehanna River, the City is bordered by Flemington Borough and by Allison, Woodward and Castanea Townships. The City was founded in 1833 by Jeremiah Church due to its proximity to the river and creek. He named it Lock Haven because it had a canal lock and was a haven for loggers, boatmen and other travelers. The City became the county seat in 1839 and was incorporated as a borough in 1840. Lock Haven became a city in 1870. Historical industries included timber and transportation, and later Piper Aircraft, which closed in 1984. The Central State Normal School opened in 1877 to train teachers and later became Lock Haven University.

Lock Haven operates under a council-manager form of government. City Council is comprised of seven members serving four year terms including a mayor who presides over

Council. An appointed manager serves as the City Clerk and Chief Fiscal Officer, responsible for day-to-day management. The City also has an elected City treasurer and City controller.

### Overview of Government Services, Staffing, Taxes, and Fees

In addition to the manager, the City has a code enforcement officer, engineer, engineering draftsman, and two planner positions (one of which was vacant as of the writing of this report). Other positions include a water office manager, three part-time clerks (one water and two financial), and a code enforcement clerk.

The City provides direct police protection to its residents with an authorized staff of 14 full-time officers (three positions currently vacant) including a chief, one sergeant, one detective, two corporals and six officers. There are two police support personnel including two clerks. Fire protection is primarily provided by volunteer departments but the City hires three full-time drivers – one each for the Hand in Hand Hose Company, Hope Hose Company and Citizens Hose Company - and up to six part-time relief drivers. Ambulance services are provided by the Lock Haven Emergency Medical Service.

Public works includes 28 employees responsible for street and highway operations, water operations, sanitary sewer and storm sewer operations, parks and recreational facilities, buildings and property, and flood protection operations. The Public Works Department is overseen by a director, two superintendents and three foremen. Recycling and trash collection are handled by a third party.

The City has an extensive park system that includes six playgrounds and sports parks featuring ballfields, play areas, tennis and basketball courts, pavilions, a skate park and more. In addition, the system includes five passive parks, a City beach and the William Clinger Riverwalk. The City provides recreation programs in partnership with the Keystone Central School District.

City taxes in 2019 were a blended rate property tax of 9.0571 mills. The resident earned income tax levied by the City is 0.5 percent. Other taxes levied by the City include a \$52 local services tax (the school district receives \$5 of the total), a 0.5 percent realty transfer tax, mercantile/business privilege taxes of 0.5 mills wholesale and 0.75 mills retail, and a \$50 mechanical devices tax.

Lock Haven City Demographics

Introduction

Demographics in the City of Lock Haven portray a community that has lost population since 1970 and whose income and housing values are well below that of the state, although only slightly lower than to Clinton County as a whole. The City’s demographic picture is heavily influenced by Lock Haven University, since students are included in City demographics. For instance, 20 percent of Lock Haven residents lived in group quarters (such as dorms) compared to only 5 percent of the county as a whole in 2010, and the median age was 25 in Lock Haven compared to 38 in Clinton County and 40 in the Commonwealth. Rental units in the City have increased to over 50 percent of total housing units while owner occupied units declined to one-third. Students are included in population, age and income measurements, so looking at owner-occupied housing values is one way to measure the wealth of the resident adult (i.e. non-student) population. As noted previously, housing values are significantly lower than the state as a whole

Population

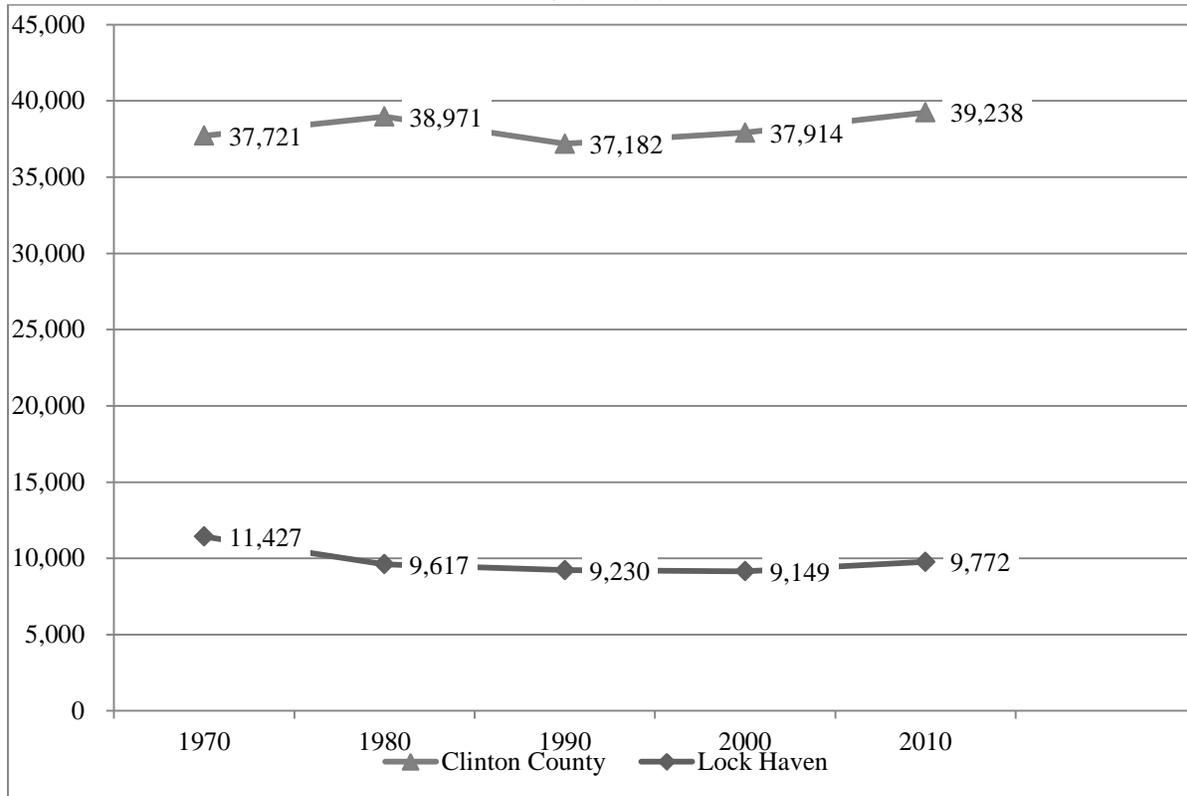
Population in the City steadily declined from 1970 to 2000, falling from 11,427 to 9,149. The population then grew to 9,772 in 2010. The difference between 1970 and 2010 was a decrease of 1,655 or 14.5 percent. The most significant population decline occurred from 1970 to 1980, when population dropped by 1,810 or 15.8 percent. Clinton County’s population, which includes the City, has grown since 1970, increasing by 1,517 or 4.0 percent. (See Table 2-1 and Graph 2-1.)

Table 2-1  
 LOCK HAVEN CITY  
Population Trend  
 1970 to 2016

	1970	1980	1990	2000	2010	Change 1970 to 2010	
	Actual	Actual	Actual	Actual	Actual	#	%
<b>Lock Haven</b>	11,427	9,617	9,230	9,149	9,772	-1,655	-14.5
<b>Clinton County</b>	37,721	38,971	37,182	37,914	39,238	1,517	4.0

Source: U.S. Census Bureau

Graph 2-1  
 LOCK HAVEN CITY  
Population Change  
 1970 to 2010



Source: U.S. Census Bureau

Births, Deaths, and Population Change 1990 through 2016

Lock Haven experienced a “natural” population decrease of 258 from 1990 to 1999, while the total population dropped during that period by 81. That indicates a net migration into the City of 177. Net migration into the City was 819 from 2000 to 2009. Population estimates from 2016 indicate a slight outmigration from 2010 to 2016. Net migration into the City was 978 from 1990 to 2016. The City experienced more deaths than births throughout the review period for a natural population decrease of 483. Therefore, it appears the City’s population has avoided more substantial declines in the past 25 years through net migration. (See Table 2-2.)

Table 2-2  
**LOCK HAVEN CITY**  
Resident Births, Deaths and Population Trend  
 1990 to 2016

	<b>1990 to 1999</b>	<b>2000 to 2009</b>	<b>2010 to 2016</b>	<b>1990 to 2016</b>
<b>Births</b>	1,068	1,076	710	2,854
<b>Deaths</b>	1,326	1,272	739	3,337
<b>Natural Pop. Change</b>	-258	-196	-29	<b>-483</b>
<b>Total Population (start)</b>	9,230	9,149	9,772	9,230
<b>Total Population (end)</b>	9,149	9,772	9,725	9,725
<b>Total Population Change</b>	-81	623	-47	<b>495</b>
<b>Less Natural Change</b>	-258	-196	-29	-483
<b>Net Migration</b>	177	819	-18	<b>978</b>
<b>Migration % of Total Change</b>	<b>-218.5</b>	<b>131.5</b>	<b>38.3</b>	<b>197.6</b>

Source: U.S. Census Bureau, American Community Survey and PA Department of Health

Population by Age Group

Population in the 18 to 64 working age population grew from 6,003 in 1990 to 7,104 in 2010, an increase of 1,101 or 18.3 percent. Both the age 65 and over and the under age 18 populations declined, with the largest decrease in the 65 and over population, which fell by 28.6 percent. However, the population by age data does not give a true picture of the amount of working age residential population in the City given the presence of Lock Haven University. The working age population is typically the main producer of wage tax revenue and a significant contributor to property taxes as homeowners. In Lock Haven, the 18 to 64 population is skewed by the significant number of college students. Over 20 percent of the City’s population lived in noninstitutionalized group quarters in 2010, which includes college dormitories. In contrast, only 5.2 percent of Clinton County residents (including Lock Haven) lived in noninstitutionalized group quarters. The median age in Lock Haven was 25.0 in 2010 compared to Clinton County’s median age that year of 38.5. Again, Clinton County’s data includes the City. Despite the contribution that Lock Haven University makes to the City’s population, the number of enrolled university students declined by approximately 2,000 from 2000 to 2018<sup>1</sup>. (See Tables 2-3, 2-4 and 2-5.)

<sup>1</sup> Centre Daily Times, Dec. 11, 2018, “Lock Haven University has lost students, jobs in recent years.”

Table 2-3  
 LOCK HAVEN CITY  
Population by Age  
 1990 to 2010

	1990		2000		2010		Change 1990 -2010	
	#	%	#	%	#	%	#	%
<b>Under 18</b>	1,635	17.7	1,530	16.7	1,531	15.7	-104	-6.4
<b>18-64</b>	6,003	65.0	6,206	67.8	7,104	72.7	1,101	18.3
<b>65 &amp; over</b>	1,592	17.2	1,413	15.4	1,137	11.6	-455	-28.6
<b>Total Population</b>	9,230	100.0	9,149	100.0	9,772	100.0	542	5.9

Source: U.S. Census Bureau

Table 2-4  
 LOCK HAVEN CITY  
Population in Group Quarters (Noninstitutionalized)  
 2000 to 2010

	2000		2010	
	#	%	#	%
<b>Lock Haven</b>	1,573	17.2	2,013	20.6
<b>Clinton County</b>	1,626	4.3	2,027	5.2

Source: U.S. Census Bureau

Table 2-5  
 LOCK HAVEN CITY  
Median Age  
 2000 to 2010

	2000	2010
	#	#
<b>Lock Haven</b>	22.7	25.0
<b>Clinton County</b>	37.8	38.5

Source: U.S. Census Bureau

Housing Measures

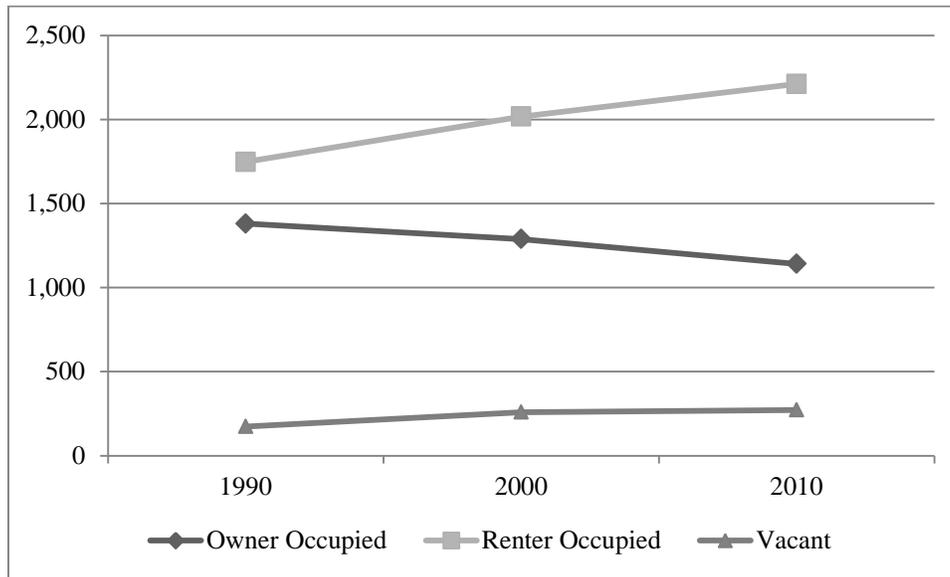
The total number of owner occupied housing units has declined from 1,380 in 1990 to 1,141 in 2010, a drop of 239 units or 17.3 percent. In contrast, the number of rental units has grown from 1,748 in 1990 to 2,211 in 2010, an increase of 463 units or 26.5 percent. Currently, the majority of housing units or 61 percent are renter occupied compared to 31.5 that are owner occupied. This scenario of high numbers of renter occupied housing units is not unusual in towns with a large college student population. Meanwhile, the number of vacant units has also increased, rising from 174 units in 1990 to 272 units in 2010, a growth of 56.3 percent. (See Table 2-4 and Graph 2-3.)

Table 2-6  
 LOCK HAVEN CITY  
Owner, Renter, Vacant and Total Housing  
 1990 to 2010

	1990		2000		2010		Change 1990-2010	
	#	%	#	%	#	%	#	%
<b>Owner Occupied</b>	1,380	41.8	1,289	36.2	1,141	31.5	-239	-17.3
<b>Renter Occupied</b>	1,748	52.9	2,017	56.6	2,211	61.0	463	26.5
<b>Total Occupied</b>	3,128	94.7	3,306	92.7	3,352	92.5	224	7.2
<b>Vacant</b>	174	5.3	259	7.3	272	7.5	98	56.3
<b>Total Units</b>	3,302	100.0	3,565	100.0	3,624	100.0	322	9.8

Source: U.S. Census Bureau

Graph 2-2  
 LOCK HAVEN CITY  
Total Housing Units  
Owner, Renter and Vacant Housing  
 1990 to 2010



Source: U.S. Census Bureau

The City’s median value of an owner-occupied house rose from \$43,600 in 1990 to \$89,700 in 2010, an increase of \$46,100. Lock Haven’s median housing value was consistently below Clinton County and the state as a whole for the entire review period. By 2010, the state’s median housing value was 44 percent higher than the City. (See Table 2-6 and Graph 2-4.)

Table 2-6  
 LOCK HAVEN CITY  
Median Value of Owner Occupied House  
 1990 to 2010

	1990	2000	2010	Change 1990 - 2010	
				\$	%
<b>Lock Haven</b>	<b>\$43,600</b>	<b>\$76,100</b>	\$89,700	<b>46,100</b>	<b>105.7</b>
<b>Clinton County</b>	\$46,300	\$78,000	\$98,400	<b>52,100</b>	112.5
<b>Pennsylvania</b>	\$69,700	\$97,000	\$159,300	<b>89,600</b>	128.6

Source: U.S. Census Bureau

Income Measures

Lock Haven’s per capita income was lower than both Clinton County and the state from 1990 to 2010. Per capita income in the City grew by \$3,899 or 42.1 percent from \$9,271 in 1990 to \$13,170 in 2010. In comparison, per capita income increased by 87.2 percent in Clinton County and 92.3 percent in the state during the same time period. (See Table 2-7 and Graph 2-5.)

Table 2-7  
 LOCK HAVEN CITY  
Per Capita Income  
 1990 to 2010

	1990	2000	2010	Change 1990 - 2016	
				\$	%
<b>Lock Haven</b>	\$9,271	\$11,948	\$13,170	3,899	42.1
<b>Clinton County</b>	\$10,287	\$15,750	\$19,261	8,974	87.2
<b>Pennsylvania</b>	\$14,068	\$20,880	\$27,049	12,981	92.3

Source: U.S. Census Bureau

Median household income in the City increased from \$16,910 in 1990 to \$25,579 in 2010, a growth of \$8,669 or 51.3 percent. During the same period, median household income in Clinton County rose from \$22,128 to \$39,354, a 77.8 percent increase. For Pennsylvania, median household income grew from \$29,069 to \$50,398 in 2010 or 73.4 percent. The City’s median household income remained below both the County and the state for the entire historical review period. (See Table 2-8 and Graph 2-6.)

Table 2-8  
 LOCK HAVEN CITY  
Median Household Income  
 1990 to 2016

	1990	2000	2010	Change 1990-2018	
				\$	%
	<b>\$16,910</b>	<b>\$20,731</b>	<b>\$25,579</b>	<b>8,669</b>	<b>51.3</b>
<b>Clinton County</b>	\$22,128	\$31,064	\$39,354	<b>17,226</b>	77.8
<b>Pennsylvania</b>	\$29,069	\$40,106	\$50,398	<b>21,329</b>	73.4

Source: U.S. Census Bureau

CHAPTER 3  
HISTORICAL FINANCIAL REVIEW  
2013 to 2017  
2018 Estimated Versus Budget  
2013 to 2019 Other Funds

Introduction

The City of Lock Haven experienced surpluses for the majority of the historical review period that grow even larger once capital expenditures (and revenue) are removed<sup>1</sup>. Taxes, specifically property taxes, are the main source of General Fund revenue. The City raised property taxes four times from 2013 to 2017, with the largest increase of 1.6864 mills (blended rate) in 2015. Lock Haven also received considerable reimbursements for health care costs during the historical review period that in effect lowered the amount of annual health insurance. In terms of expenditures, two-thirds of costs were related to personnel and the largest departmental spending is on police.

Methodology

PEL compiled this historical review of the City's General Fund through analysis of year-end financial reports, independent audits, annual budgets, debt obligation documents, salary and benefit data, pension obligations and other financial obligations, as well as interviews with City officials.

2013 - 2017 General Fund Revenues and Expenditures

Revenues during the historical review period fluctuated, declining from \$5.8 million in 2013 to \$4.6 million in 2014, and then rising to \$4.8 million in 2016, falling to \$4.6 million in 2017. The revenue change between 2013 and 2017 was a decrease of \$1.3 million or 21.5 percent. Expenditures fell from \$5.5 million in 2013 to \$4.4 million in 2014, and then rose to \$4.6 million in 2017. The change in expenditures from 2013 to 2017 was a decrease of \$816,854 or 14.9 percent. The City experienced surpluses every year with the exception of 2017, ranging from a high of \$358,181 in 2013 to a low of \$54,691 in 2015. The City had a deficit of \$77,649 in 2017. Throughout the historical review period, the City included capital revenue and expenditures in the General Fund. (Table 3-1 and Graph 3-1.)

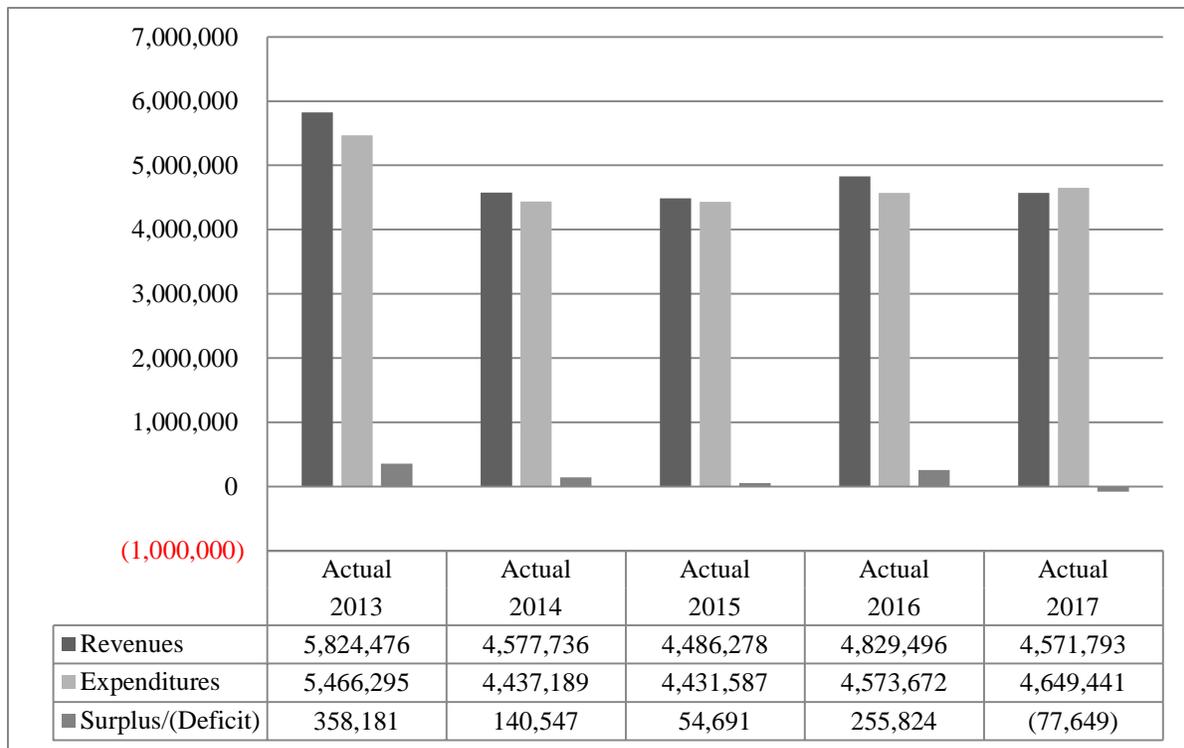
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<sup>1</sup> Capital spending and revenues were removed from the General Fund in 2019.

Table 3-1  
 LOCK HAVEN CITY  
Unadjusted General Fund Revenues, Expenditures and Surplus/(Deficit)  
 2013 to 2017

	2013	2014	2015	2016	2017	Change 2013 - 2017	
	Actual	Actual	Actual	Actual	Actual	\$	%
<b>Revenues</b>	\$5,824,476	\$4,577,736	\$4,486,278	\$4,829,496	\$4,571,793	-1,252,684	-21.5
<b>Expenditures</b>	5,466,295	4,437,189	4,431,587	4,573,672	4,649,441	-816,854	-14.9
<b>Surplus/(Deficit)</b>	<b>\$358,181</b>	<b>\$140,547</b>	<b>\$54,691</b>	<b>\$255,824</b>	<b>-\$77,649</b>		

Graph 3-1  
 LOCK HAVEN CITY  
General Fund Revenues, Expenditures and Surplus/(Deficit)  
 2013 to 2017



Adjusted Revenues, Expenditures and Surplus/(Deficit)

As previously noted, the City used the General Fund to record a considerable amount of capital revenue and expenditures. To get a better idea of annual operating revenues and expenditures, identified capital line items for both revenues and expenditures were removed. This gives a different financial picture with much larger surpluses recorded each year as

compared to the unadjusted figures that indicate smaller surpluses from 2013 through 2016, as well as a deficit in 2017. (See Table 3-2.)

Table 3-2  
 LOCK HAVEN CITY  
Adjusted General Fund Revenues, Expenditures and Surplus/(Deficit)  
 2013 to 2017

	2013	2014	2015	2016	2017	Change 2013 - 2017	
	<u>Adjusted</u>	<u>Adjusted</u>	<u>Adjusted</u>	<u>Adjusted</u>	<u>Adjusted</u>	\$	%
<b>Revenues</b>	\$5,824,476	\$4,577,736	\$4,486,278	\$4,829,496	\$4,571,793	-1,252,684	-22
<b>Less: Proceeds</b>	<u>-1,323,691</u>	<u>-336,943</u>	<u>-112,785</u>	<u>-92,075</u>	<u>-82,737</u>	<u>1,240,954</u>	<u>-94</u>
<b>Net Revenues</b>	4,500,785	4,240,793	4,373,493	4,737,421	4,489,055	-11,730	0
<b>Expenditures</b>	5,466,295	4,437,189	4,431,587	4,573,672	4,649,441	-816,854	-15
<b>Less:</b>							
<b>Capital Projects</b>	-244,988	-343,692	-158,990	-80,102	-184,684	60,305	-25
<b>Capital Purchases</b>	<u>-1,367,775</u>	<u>-192,692</u>	<u>-147,802</u>	<u>-115,921</u>	<u>-311,127</u>	<u>1,056,648</u>	<u>-77</u>
<b>Expenditures</b>	3,853,532	3,900,805	4,124,795	4,377,649	4,153,631	300,099	8
<b>Net Surplus/(Deficit)</b>	<b>\$1,970,944</b>	<b>\$676,931</b>	<b>\$361,483</b>	<b>\$451,846</b>	<b>\$418,162</b>		

Revenue Components

The City receives the bulk of its General Fund revenue from taxes, ranging from 50 percent to 72 percent of total revenues from 2013 to 2017. Tax revenue rose from approximately \$3.0 million in 2013 to peak at \$3.4 million in 2016, and then declined to \$3.3 million by 2017. The difference between 2013 and 2017 was an increase of \$401,165 or 13.9 percent.

Non-tax revenue varied from 25 percent to 28 percent of total revenues. Non-tax revenue peaked at \$1.5 million in 2013 and then declined to \$1.2 million in 2017. The change from 2013 to 2017 was a decrease of \$335,894 or 22 percent.

Transfers include reimbursements from various other City funds including water, sewer, Community Development Block Grant and the Home program, as well as a \$33,927 capital project allocation in 2013. Proceeds include proceeds from loans, mostly from a \$2.1 million borrowing in 2013 that was drawn down over several years. Table 3-4 lists the capital projects and equipment that were allocated to the 2013 loan as provided by the City. (See Tables 3-3 and 3-4.)

Table 3-3  
 LOCK HAVEN CITY  
General Fund Total Revenues  
 2013 to 2017

	2013	2014	2015	2016	2017	Change 2013 - 2017	
	Adjusted	Adjusted	Adjusted	Adjusted	Adjusted	\$	%
<b>Tax Revenue</b>	\$2,877,677	\$3,062,697	\$3,237,546	\$3,383,861	\$3,278,842	401,165	13.9
<b>Nontax Revenue</b>	1,531,135	1,160,882	1,115,698	1,346,241	1,195,241	-335,894	-21.9
<b>Transfers</b>	91,973	17,215	20,249	7,318	14,973	-77,000	-83.7
<b>Proceeds</b>	<u>1,323,691</u>	<u>336,943</u>	<u>112,785</u>	<u>92,075</u>	<u>82,737</u>	<u>-1,240,954</u>	<u>-93.7</u>
<b>Total Revenue</b>	<b>\$5,824,476</b>	<b>\$4,577,736</b>	<b>\$4,486,278</b>	<b>\$4,829,496</b>	<b>\$4,571,793</b>	<b>-1,252,684</b>	<b>-21.5</b>
	Percent of Total						
<b>Tax Revenue</b>	49.4	66.9	72.2	70.1	71.7		
<b>Nontax Revenue</b>	26.3	25.4	24.9	27.9	26.1		
<b>Transfers</b>	1.6	0.4	0.5	0.2	0.3		
<b>Proceeds</b>	<u>22.7</u>	<u>7.4</u>	<u>2.5</u>	<u>1.9</u>	<u>1.8</u>		
<b>Total Revenue</b>	100.0	100.0	100.0	100.0	100.0		

Table 3-4  
 LOCK HAVEN CITY  
Reported Loan Proceeds Allocations

Category	Amount
Park Mowers	\$ 40,000
Street Sweeper	\$ 300,000
Vehicle code scanner (parking)	\$ 7,000
Leaf vacuum (local share)	\$ 21,000
Police vehicles (2)	\$ 55,000
2nd Ave building purchase	\$ 340,000
2nd Ave renovations	\$ 160,000
Ped Mall Perm. Financing	\$ 86,000
Main St Lighting Upgrades	\$ 270,000
Fire Hose	\$ 35,000
Snow blower	\$ 50,000
Plow Truck	\$ 130,000
Fire Pumper Replacement (local share)	\$ 300,000
Triangle Park Upgrades	\$ 50,000
Street Paving	\$ 150,000
Parking Lot Resurface (Water & Church)	\$ 55,000
Airport Equip. (Local Share)	\$ 53,000
	<b>\$ 2,102,000</b>

Real Estate Market Value and Assessed Value

Clinton County conducted a real estate reassessment in 2009 that increased Lock Haven’s assessment by almost 400 percent and resulted in an assessed to market value (as calculated by the State Equalization Board) ratio of 154 percent. The ratio of assessed to market value is currently 114 percent. The City’s assessed value has declined by \$1 million or 0.4 percent since 2009. Accurate, up-to-date assessments allow the City to capture market value growth that can lessen the need to raise taxes. However, assessments that vary from market value may lead to increased appeals and a lowering of assessed tax base. (See Table 3-5.)

Table 3-5  
 LOCK HAVEN CITY  
Market Value and Assessed Value  
 2001 to 2017

	<b>Market Value</b> \$	<b>Change</b> \$	<b>Change</b> %	<b>Assessed Value</b> \$	<b>Change</b> \$	<b>Change</b> %	<b>Ratio of Assessed To Market Value</b>
<b>2001</b>	135,388,800			56,229,200			41.5%
<b>2002</b>	146,385,600	10,996,800	8.1	56,347,500	118,300	0.2	38.5%
<b>2003</b>	152,259,100	5,873,500	4.0	58,257,210	1,909,710	3.4	38.3%
<b>2004</b>	161,370,800	9,111,700	6.0	57,572,500	(684,710)	(1.2)	35.7%
<b>2005</b>	161,112,300	(258,500)	(0.2)	57,464,160	(108,340)	(0.2)	35.7%
<b>2006</b>	179,126,900	18,014,600	11.2	59,610,290	2,146,130	3.7	33.3%
<b>2007</b>	177,808,300	(1,318,600)	(0.7)	59,164,450	(445,840)	(0.7)	33.3%
<b>2008</b>	179,052,378	1,244,078	0.7	56,173,150	(2,991,300)	(5.1)	31.4%
<b>2009</b>	180,075,384	1,023,006	0.6	276,543,740	220,370,590	392.3	153.6%
<b>2010</b>	209,286,910	29,211,527	16.2	274,987,340	(1,556,400)	(0.6)	131.4%
<b>2011</b>	210,619,473	1,332,563	0.6	276,148,700	1,161,360	0.4	131.1%
<b>2012</b>	230,567,793	19,948,320	9.5	275,668,840	(479,860)	(0.2)	119.6%
<b>2013</b>	230,459,463	(108,330)	(0.0)	275,550,940	(117,900)	(0.0)	119.6%
<b>2014</b>	237,156,199	6,696,736	2.9	275,990,600	439,660	0.2	116.4%
<b>2015</b>	237,074,728	(81,471)	(0.0)	275,927,100	(63,500)	(0.0)	116.4%
<b>2016</b>	240,538,941	3,464,213	1.5	274,376,800	(1,550,300)	(0.6)	114.1%
<b>2017</b>	241,322,408	783,467	0.3	275,463,016	1,086,216	0.4	114.1%

Real Estate Taxes

Real estate taxes are the City’s largest revenue source, averaging 70 percent or more of General Fund total taxes annually throughout the historical review period. The City’s general purpose millage grew from 7.58 in 2013 to 9.0364 (blended rate) in 2017. Real estate tax revenue increased from approximately \$2.0 million in 2013 to approximately \$2.4 million in 2017. The change from 2013 to 2017 was an increase of \$403,331 or 20.0 percent. (See Table 3-6.)

Table 3-6  
 LOCK HAVEN CITY  
Total Tax Revenue by Source  
 2013 to 2017

	2013	2014	2015	2016	2017	Change 2013 - 2017	
	Adjusted	Adjusted	Adjusted	Adjusted	Adjusted	\$	%
<b>Real Estate Taxes</b>	\$2,017,728	\$2,192,981	\$2,371,476	\$2,457,873	\$2,421,059	403,331	20.0
<b>Earned Income Tax</b>	481,733	491,754	511,430	528,518	479,597	-2,136	-0.4
<b>LST</b>	167,422	160,886	166,410	162,070	172,949	5,526	3.3
<b>Real Estate Transfer</b>	44,007	73,529	42,305	63,264	73,408	29,401	66.8
<b>Mechanical Devices</b>	1,498	1,142	1,125	1,612	1,771	273	18.2
<b>Business Privilege Taxes</b>	<u>165,289</u>	<u>142,406</u>	<u>144,800</u>	<u>170,525</u>	<u>130,058</u>	<u>-35,231</u>	<u>-21.3</u>
<b>Tax Revenue</b>	<b>\$2,877,677</b>	<b>\$3,062,697</b>	<b>\$3,237,546</b>	<b>\$3,383,861</b>	<b>\$3,278,842</b>	<b>401,165</b>	<b>13.9</b>
Percent of Total Taxes							
<b>Real Estate Taxes</b>	70.1	71.6	73.2	72.6	73.8		
<b>Earned Income Tax</b>	16.7	16.1	15.8	15.6	14.6		
<b>LST</b>	5.8	5.3	5.1	4.8	5.3		
<b>Real Estate Transfer</b>	1.5	2.4	1.3	1.9	2.2		
<b>Mechanical Devices</b>	0.1	0.0	0.0	0.0	0.1		
<b>Business Privilege Taxes</b>	<u>5.7</u>	<u>4.6</u>	<u>4.5</u>	<u>5.0</u>	<u>4.0</u>		
<b>Tax Revenue</b>	100.0	100.0	100.0	100.0	100.0		

\*May not add to 100 percent due to rounding

Act 511 Taxes

The City levies a 1.0 percent Earned Income Tax (EIT), which is shared with the Keystone Central School District. The City levies a \$52 Local Services Tax (LST), of which the school district receives \$5. The City also charges a 0.5 percent realty transfer tax, a 0.5 percent mercantile/business privilege tax (wholesale), a 0.75 percent mercantile/business privilege tax (retail) and a \$50 mechanical devices fee. EIT revenue, which represents approximately 16

percent of total taxes, steadily rose from \$481,733 in 2013 to \$528,518 in 2016. In 2017, EIT revenue declined to \$479,597. The change from 2013 to 2017 was a decrease of \$2,136 or 0.4 percent. LST varied from a high of \$172,949 in 2017 to a low of \$160,886 in 2014, with the change from 2013 to 2017 an increase of \$5,526 or 3.3 percent. The LST accounts for over 5 percent of General Fund total taxes. Real estate transfer taxes fluctuated based on property sales in the City, ranging from a low of \$42,305 in 2015 to a high of \$73,529 in 2014. With the exception of 2016, business privilege taxes steadily declined from \$165,289 in 2013 to \$130,058 in 2017, a decline of \$35,231 or 21.3 percent.

### Non-Tax Revenue

The City's main sources of non-tax revenue are reimbursements, pension state aid and fines and forfeitures. Reimbursements fluctuated from a high of \$606,675 in 2013 to a low of \$225,342 in 2017. The change from 2013 to 2017 was a decrease of \$381,333. The main source of reimbursements is returns from the Pennsylvania Municipal Health Insurance Cooperative (PMHIC) that is a result of annual health insurance usage. PMHIC returns and year of payment were: \$227,254, 2013; \$270,918, 2014; \$192,565, 2015; \$309,008, 2016; and \$101,727, 2017. Pension state aid grew from \$238,466 in 2013 to \$294,524 in 2017, an increase of \$56,058 or 23.5 percent. The main source for fines and forfeitures is parking meter and other parking fines. Fines and forfeitures varied from a low of \$109,121 in 2015 to a high of \$167,536 in 2017. Cable franchise fee revenue, which grew from \$69,675 in 2013 to \$77,876 in 2017, is the main source for licenses and permits. Act 13 impact fees, which fell from \$36,573 in 2013 to \$18,062 in 2017, are also included in licenses and permits. Licenses and permits varied from \$108,896 in 2013 to \$94,352 in 2016. Parking revenue includes money collected from parking meters, as well as revenue from parking lots starting in 2017. The highways category is snow removal revenue received from PennDOT, which varied from approximately \$25,000 to approximately \$31,000 over the historical review period. Grants included a one-time recycling grant of \$193,598 in 2013 (leaf vacuum truck) and a police grant of \$84,720 (computers in police cars plus the City acted as a pass through for other municipalities). State shared revenue is primarily firefighter relief funds. For the most part, all other non-tax revenues are less than 5 percent of total non-tax revenues. (See Table 3-7.)

Table 3-7  
 LOCK HAVEN CITY  
Total Non-Tax Revenues  
 2013 to 2017

	2013	2014	2015	2016	2017	Change 2013 - 2017		
	Adjusted	Adjusted	Adjusted	Adjusted	Adjusted	\$	%	
<b>State</b>	\$4,608	\$4,514	\$4,426	\$6,636	\$7,256	2,648	57.5	
<b>Fines &amp; Forfeits</b>	128,752	113,488	109,121	133,380	167,536	38,784	30.1	
<b>Interest</b>	1,318	868	800	1,831	3,509	2,191	166.2	
<b>Rentals</b>	5,400	5,800	7,600	10,100	10,055	4,655	86.2	
<b>PURTA</b>	3,356	3,735	3,524	3,771	3,231	-126	-3.7	
<b>Pension State Aid</b>	238,466	255,597	247,013	293,101	294,524	56,058	23.5	
<b>State Shared Revenue</b>	50,198	47,803	49,074	47,006	38,996	-11,202	-22.3	
<b>Local Intergovernmental</b>	26,233	64,493	26,590	13,604	15,143	-11,090	-42.3	
<b>Charges for Services</b>	3,249	3,926	4,477	3,032	2,863	-387	-11.9	
<b>Licenses &amp; Permits</b>	108,896	105,839	100,801	94,352	101,638	-7,258	-6.7	
<b>Public Safety</b>	31,309	48,481	28,814	30,460	24,179	-7,130	-22.8	
<b>Highways</b>	30,805	26,224	28,151	25,015	27,552	-3,253	-10.6	
<b>Parking</b>	63,953	59,000	93,922	64,311	109,933	45,980	71.9	
<b>Grants</b>	197,528	18,432	19,350	19,772	111,039	-86,490	-43.8	
<b>Miscellaneous</b>	30,388	39,539	49,670	59,104	52,445	22,057	72.6	
<b>Reimbursements</b>	<u>606,675</u>	<u>363,144</u>	<u>342,365</u>	<u>540,767</u>	<u>225,342</u>	<u>-381,333</u>	<u>-62.9</u>	
<b>Total Revenue</b>	<b>\$1,531,135</b>	<b>\$1,160,882</b>	<b>\$1,115,698</b>	<b>\$1,346,241</b>	<b>\$1,195,241</b>	<b>-335,894</b>	<b>-21.9</b>	
	Percent of Non-Tax Revenue							
<b>State</b>	0.3	0.4	0.4	0.5	0.6			
<b>Fines &amp; Forfeits</b>	8.4	9.8	9.8	9.9	14.0			
<b>Interest</b>	0.1	0.1	0.1	0.1	0.3			
<b>Rentals</b>	0.4	0.5	0.7	0.8	0.8			
<b>PURTA</b>	0.2	0.3	0.3	0.3	0.3			
<b>Pension State Aid</b>	15.6	22.0	22.1	21.8	24.6			
<b>State Shared Revenue</b>	3.3	4.1	4.4	3.5	3.3			
<b>Local Intergovernmental</b>	1.7	5.6	2.4	1.0	1.3			
<b>Charges for Services</b>	0.2	0.3	0.4	0.2	0.2			
<b>Licenses &amp; Permits</b>	7.1	9.1	9.0	7.0	8.5			
<b>Public Safety</b>	2.0	4.2	2.6	2.3	2.0			
<b>Highways</b>	2.0	2.3	2.5	1.9	2.3			
<b>Parking</b>	4.2	5.1	8.4	4.8	9.2			
<b>Grants</b>	12.9	1.6	1.7	1.5	9.3			
<b>Miscellaneous</b>	2.0	3.4	4.5	4.4	4.4			
<b>Reimbursements</b>	<u>39.6</u>	<u>31.3</u>	<u>30.7</u>	<u>40.2</u>	<u>18.9</u>			
<b>Nontax Revenue</b>	100.0	100.0	100.0	100.0	100.0			

Expenditures

Personnel versus Non-Personnel

Personnel expenditures make up nearly two-thirds of the City’s total expenditures. Personnel costs steadily grew from \$2.6 million in 2013 to approximately \$3.3 million in 2017, an increase of \$669,288 or 25.8 percent. Non-personnel costs accounted for less than 20 percent of expenses, varying from \$726,513 in 2017 to a peak of \$878,293 in 2016. The difference between 2013 and 2017 was a drop of \$133,456 or 15.5 percent. Debt service during the historical review period declined from \$379,036 in 2013 to \$176,342 in 2017, a decrease of \$202,694 or 53.5 percent. Transfers and capital projects and purchases varied by year. (See Table 3-8.)

Table 3-8  
 LOCK HAVEN CITY  
Personnel versus Non-Personnel Expenditures  
 2013 to 2017

	2013	2014	2015	2016	2017	Change 2013 - 2017	
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	\$	%
<b>Personnel</b>	\$2,591,967	\$2,826,423	\$3,031,362	\$3,117,184	\$3,261,255	669,288	25.8
<b>Non-Personnel</b>	859,969	813,139	824,148	878,293	726,513	-133,456	-15.5
<b>Capital Projects</b>	244,988	343,692	158,990	80,102	184,684	-60,305	-24.6
<b>Capital Purchases</b>	1,367,775	192,692	147,802	115,921	311,127	-1,056,648	-77.3
<b>Debt Service</b>	379,036	260,250	264,685	223,521	176,342	-202,694	-53.5
<b>Transfers</b>	<u>22,560</u>	<u>993</u>	<u>4,600</u>	<u>158,652</u>	<u>-10,479</u>	<u>-33,039</u>	<u>-146.4</u>
<b>Total Expenditures</b>	<b>\$5,466,295</b>	<b>\$4,437,189</b>	<b>\$4,431,587</b>	<b>\$4,573,672</b>	<b>\$4,649,441</b>	<b>-816,854</b>	<b>-14.9</b>
Percent of Total Expenditures							
<b>Personnel</b>	47.4	63.7	68.4	68.2	70.1		
<b>Non-Personnel</b>	15.7	18.3	18.6	19.2	15.6		
<b>Capital Projects</b>	4.5	7.7	3.6	1.8	4.0		
<b>Capital Purchases</b>	25.0	4.3	3.3	2.5	6.7		
<b>Debt Service</b>	6.9	5.9	6.0	4.9	3.8		
<b>Transfers</b>	<u>0.4</u>	<u>0.0</u>	<u>0.1</u>	<u>3.5</u>	<u>-0.2</u>		
<b>Total Expenditures</b>	100.0	100.0	100.0	100.0	100.0		

Transfers

- 2013: \$2,500, Interchange Fund; and \$20,060, other funds.
- 2014: \$2,500, Interchange Fund; \$6,463, other funds; and -\$7,969, Sweep Fund.

- 2015: \$4,000, Interchange Fund; and \$600, River Dam Fund.
- 2016: \$4,000, Interchange Fund; \$600, River Dam Fund; \$37,411, Water Fund; \$15,096, Off-Street Fund; \$46,479, Capital Escrow Fund; \$39,988, Capital Projects Fund; and \$15,079, Highway Aid Fund.
- 2017: \$4,000, Interchange Fund; \$600, River Dam Fund; and -\$15,079, Highway.

### Personnel

The majority of the City's day-to-day personnel expenses are related to salaries and wages (over 50 percent of total), health insurance (23 percent to 28 percent of total) and pension (approximately 10 percent of total). Salary and wages showed the largest absolute growth, rising from approximately \$1.4 million in 2013 to \$1.7 million in 2017, an increase of \$379,443 or 27.8 percent. Overtime fell from \$60,164 in 2013 to \$33,969 in 2017, a decrease of \$26,195 or 43.5 percent. Health insurance experienced a larger percentage growth than salary and wages, increasing by \$255,367 or 43.1 percent from \$592,517 in 2013 to \$847,883 in 2017. However, these expenditures have been somewhat offset by annual returns that the City receives from PMHIC that fluctuate depending on health insurance usage. Pension costs rose from \$243,191 in 2013 to peak at \$333,244 in 2015, and then declined to \$301,713 in 2017. Lock Haven's pension funds are fully funded, according to the Commonwealth Act 205 report for 2018. All other costs are less than 5 percent of personnel expenditures. (See Table 3-10 and 3-11.)

Table 3-10  
 LOCK HAVEN CITY  
Personnel Expenditures  
 2013 to 2017

	2013	2014	2015	2016	2017	Change 2013 - 2017	
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	\$	%
<b>Salaries &amp; Wages</b>	\$1,366,014	\$1,464,211	\$1,534,850	\$1,625,517	\$1,745,456	379,443	27.8
<b>Compensation/Medical</b>	10,581	10,875	11,400	12,166	11,261	680	6.4
<b>Court Time</b>	5,181	9,892	11,500	7,701	8,510	3,329	64.2
<b>Overtime</b>	60,164	47,454	45,644	36,979	33,969	-26,195	-43.5
<b>FICA/Social Security</b>	67,976	68,851	69,617	71,094	79,844	11,868	17.5
<b>Health Insurance</b>	592,517	763,134	782,696	863,255	847,883	255,367	43.1
<b>HRA Deductible</b>	12,359	21,193	49,496	41,749	48,776	36,417	294.7
<b>Dental Insurance</b>	22,334	19,897	23,576	21,817	25,325	2,990	13.4
<b>Life Insurance</b>	12,402	12,117	13,693	12,965	16,778	4,377	35.3
<b>Pension</b>	243,191	265,733	333,244	293,101	301,713	58,522	24.1
<b>Unemployment Compensation</b>	3,997	2,312	13,000	3,328	2,324	-1,672	-41.8
<b>Uniform Expense</b>	13,622	23,636	14,520	20,861	11,587	-2,035	-14.9
<b>Workers Comp Insurance</b>	173,408	110,627	120,523	97,719	111,852	-61,556	-35.5
<b>Other Expense</b>	<u>8,223</u>	<u>6,491</u>	<u>7,604</u>	<u>8,933</u>	<u>15,977</u>	<u>7,754</u>	<u>94.3</u>
<b>Total Personnel Expenditures</b>	<b>\$2,591,967</b>	<b>\$2,826,423</b>	<b>\$3,031,362</b>	<b>\$3,117,184</b>	<b>\$3,261,255</b>	<b>669,288</b>	<b>25.8</b>
Percent of Employee Expenditures							
<b>Salaries &amp; Wages</b>	52.7	51.8	50.6	52.1	53.5		
<b>Compensation/Medical</b>	0.4	0.4	0.4	0.4	0.3		
<b>Court Time</b>	0.2	0.3	0.4	0.2	0.3		
<b>Overtime</b>	2.3	1.7	1.5	1.2	1.0		
<b>FICA/Social Security</b>	2.6	2.4	2.3	2.3	2.4		
<b>Health Insurance</b>	22.9	27.0	25.8	27.7	26.0		
<b>HRA Deductible</b>	0.5	0.7	1.6	1.3	1.5		
<b>Dental Insurance</b>	0.9	0.7	0.8	0.7	0.8		
<b>Life Insurance</b>	0.5	0.4	0.5	0.4	0.5		
<b>Pension</b>	9.4	9.4	11.0	9.4	9.3		
<b>Unemployment Compensation</b>	0.2	0.1	0.4	0.1	0.1		
<b>Uniform Expense</b>	0.5	0.8	0.5	0.7	0.4		
<b>Workers Comp Insurance</b>	6.7	3.9	4.0	3.1	3.4		
<b>Other Expense</b>	<u>0.3</u>	<u>0.2</u>	<u>0.3</u>	<u>0.3</u>	<u>0.5</u>		
<b>Total Personnel Expenditures</b>	100.0	100.0	100.0	100.0	100.0		

\*May not add to 100 percent due to rounding

Table 3-11  
 LOCK HAVEN CITY  
Adjusted Health Insurance Total  
 2013 to 2017

	2013	2014	2015	2016	2017	Change 2013 to 2017	
<b>Health Insurance Total</b>	\$592,517	\$763,134	\$782,696	\$863,255	\$847,883	255,367	43.1
<b>PMIHC Reimbursement</b>	-227,254	-270,918	-192,565	-309,008	-101,727		
<b>Adjusted Health Insurance Total</b>	<b>\$365,263</b>	<b>\$492,216</b>	<b>\$590,131</b>	<b>\$554,247</b>	<b>\$746,156</b>	<b>380,893</b>	<b>104.3</b>

Non-Personnel

The largest non-personnel expenditures are street lights, utilities, insurance/bonds and vehicle expense. Street light costs averaged \$106,000 annually throughout the historical review. Utilities fell from \$96,360 in 2013 to \$78,232 in 2017. Insurance/bonds declined from \$76,701 in 2013 to \$57,451 in 2017, a decrease of \$19,250 or 25.1 percent. The largest drop was in property insurance, which decreased from \$30,814 in 2013 to \$11,024 in 2017. Vehicle expense mostly includes gasoline and parts for vehicle repairs. Vehicle costs varied from a high of \$77,432 in 2013 to a low of \$56,932 in 2016. Miscellaneous expense includes a negative number. The presence of negative numbers skews expenditures for 2017. Other non-personnel expenditures are approximately five percent or less of total non-personnel expenditures. (See Table 3-12.)

Table 3-12  
 LOCK HAVEN CITY  
Non-Personnel Expenditures  
 2013 to 2017

	2013	2014	2015	2016	2017	Change 2013 - 2017	
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	\$	%
<b>Advertising/Printing</b>	\$3,417	\$5,037	\$2,699	\$2,987	\$5,152	1,735	50.8
<b>Automobile Allowance</b>	1,805	3,148	2,510	1,294	1,478	-327	-18.1
<b>Building Maintenance</b>	12,163	15,474	14,567	11,367	8,758	-3,405	-28.0
<b>Computer Expense</b>	27,441	38,070	33,403	26,561	27,210	-231	-0.8
<b>Conrail Lease</b>	2,396	2,420	2,461	2,511	2,563	167	7.0
<b>Contract Services</b>	41,581	38,723	31,328	19,837	39,592	-1,989	-4.8
<b>Contributions</b>	84,086	49,571	41,670	49,263	59,768	-24,318	-28.9
<b>Dues/Subscriptions</b>	5,505	5,320	6,274	5,678	6,558	1,053	19.1
<b>Duplicating Expense</b>	3,404	3,853	3,948	3,361	5,690	2,285	67.1
<b>Electric Street Lights</b>	114,544	110,931	92,050	102,254	110,394	-4,150	-3.6
<b>Equipment Maintenance</b>	4,195	5,063	9,881	7,096	5,960	1,765	42.1
<b>Equipment Rental</b>	2,295	5,608	9,173	0	5,444	3,149	137.2

	2013	2014	2015	2016	2017	Change 2013 - 2017		
<b>Firefighter Relief</b>	45,298	43,003	41,524	41,356	38,296	-7,002	-15.5	
<b>Grant Expense</b>	0	0	0	0	0	0	-100.0	
<b>Hydrant Rentals</b>	561	510	510	510	510	-51	-9.1	
<b>Insurance/Bonds</b>	76,701	70,967	57,316	57,841	57,451	-19,250	-25.1	
<b>Land Fill Fees</b>	690	416	2,915	5,085	4,889	4,199	608.5	
<b>Legal Expense</b>	21,625	14,779	9,021	9,508	18,298	-3,327	-15.4	
<b>Materials &amp; Supplies</b>	1,659	1,951	2,209	833	3,454	1,795	108.2	
<b>Meeting Expenses</b>	3,499	5,473	6,544	8,749	1,059	-2,441	-69.7	
<b>Minor Equipment</b>	2,961	2,895	5,648	2,863	2,790	-171	-5.8	
<b>Miscellaneous Expense</b>	29,849	39,988	44,756	105,392	-43,272	-73,121	-245.0	
<b>Office Supplies</b>	5,407	5,465	7,155	9,642	6,802	1,395	25.8	
<b>Operating Supplies</b>	7,785	9,380	12,029	11,986	11,230	3,445	44.3	
<b>Other Maintenance</b>	12,710	821	37,744	11,611	2,411	-10,299	-81.0	
<b>Other Supplies</b>	6,934	8,794	5,177	6,265	5,490	-1,445	-20.8	
<b>Phone And Internet</b>	14,026	13,997	14,701	12,095	15,862	1,835	13.1	
<b>Postage</b>	8,892	6,572	12,247	7,448	6,202	-2,691	-30.3	
<b>Professional Fees</b>	33,799	54,628	33,310	32,998	47,545	13,746	40.7	
<b>Recycling Program Costs</b>	24,305	23,290	25,617	24,222	28,807	4,502	18.5	
<b>Repairs &amp; Maintenance</b>	18,139	9,879	25,609	93,543	22,997	4,858	26.8	
<b>Shade Tree</b>	0	0	4,406	13,115	283	283	100.0	
<b>Snow Removal Materials</b>	18,422	46	17,690	273	12,689	-5,733	-31.1	
<b>Storm Sewer Materials</b>	0	1,086	1,046	4,275	7,378	7,378	100.0	
<b>Tax Collection Expenses</b>	45,716	48,908	51,279	50,628	46,200	484	1.1	
<b>Tax Refund</b>	4,363	1,932	1,569	3,565	6,951	2,588	59.3	
<b>Utilities</b>	96,360	91,664	89,001	75,347	78,232	-18,128	-18.8	
<b>Vehicle Expense</b>	77,432	73,477	65,163	56,932	65,390	-12,042	-15.6	
<b>Total Expenditures</b>	<b>\$859,969</b>	<b>\$813,139</b>	<b>\$824,148</b>	<b>\$878,293</b>	<b>\$726,513</b>	<b>-133,456</b>	<b>-15.5</b>	
	Percent of Non-Personnel Expenditures							
<b>Advertising/Printing</b>	0.4	0.6	0.3	0.3	0.7			
<b>Automobile Allowance</b>	0.2	0.4	0.3	0.1	0.2			
<b>Building Maintenance</b>	1.4	1.9	1.8	1.3	1.2			
<b>Computer Expense</b>	3.2	4.7	4.1	3.0	3.7			
<b>Conrail Lease</b>	0.3	0.3	0.3	0.3	0.4			
<b>Contract Services</b>	4.8	4.8	3.8	2.3	5.4			
<b>Contributions</b>	9.8	6.1	5.1	5.6	8.2			
<b>Dues/Subscriptions</b>	0.6	0.7	0.8	0.6	0.9			
<b>Duplicating Expense</b>	0.4	0.5	0.5	0.4	0.8			
<b>Electric Street Lights</b>	13.3	13.6	11.2	11.6	15.2			
<b>Equipment Maintenance</b>	0.5	0.6	1.2	0.8	0.8			

	2013	2014	2015	2016	2017	Change 2013 - 2017	
Equipment Rental	0.3	0.7	1.1	0.0	0.7		
Firefighter Relief	5.3	5.3	5.0	4.7	5.3		
Grant Expense	0.0	0.0	0.0	0.0	0.0		
Hydrant Rentals	0.1	0.1	0.1	0.1	0.1		
Insurance/Bonds	8.9	8.7	7.0	6.6	7.9		
Land Fill Fees	0.1	0.1	0.4	0.6	0.7		
Legal Expense	2.5	1.8	1.1	1.1	2.5		
Materials & Supplies	0.2	0.2	0.3	0.1	0.5		
Meeting Expenses	0.4	0.7	0.8	1.0	0.1		
Minor Equipment	0.3	0.4	0.7	0.3	0.4		
Miscellaneous Expense	3.5	4.9	5.4	12.0	-6.0		
Office Supplies	0.6	0.7	0.9	1.1	0.9		
Operating Supplies	0.9	1.2	1.5	1.4	1.5		
Other Maintenance	1.5	0.1	4.6	1.3	0.3		
Other Supplies	0.8	1.1	0.6	0.7	0.8		
Phone And Internet	1.6	1.7	1.8	1.4	2.2		
Postage	1.0	0.8	1.5	0.8	0.9		
Professional Fees	3.9	6.7	4.0	3.8	6.5		
Recycling Program Costs	2.8	2.9	3.1	2.8	4.0		
Repairs & Maintenance	2.1	1.2	3.1	10.7	3.2		
Shade Tree	0.0	0.0	0.5	1.5	0.0		
Snow Removal Materials	2.1	0.0	2.1	0.0	1.7		
Storm Sewer Materials	0.0	0.1	0.1	0.5	1.0		
Tax Collection Expenses	5.3	6.0	6.2	5.8	6.4		
Tax Refund	0.5	0.2	0.2	0.4	1.0		
Utilities	11.2	11.3	10.8	8.6	10.8		
Vehicle Expense	9.0	9.0	7.9	6.5	9.0		
<b>Total Expenditures</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>		

Department Expenditures

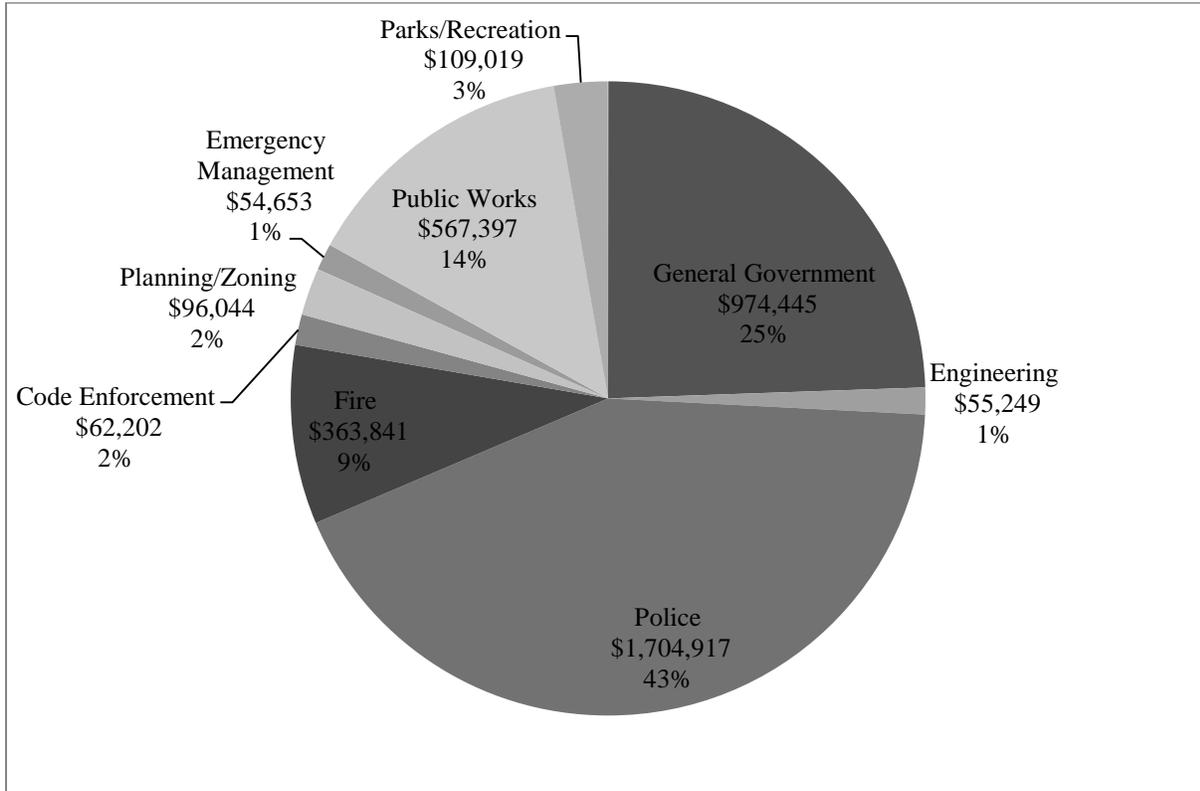
The Police Department accounts for the largest percentage of total departmental expenditures, averaging over 40 percent, with costs varying from a low of \$1.4 million in 2013 to a high of \$1.8 million in 2016. The change from 2013 to 2017 was an increase of \$269,366 or 18.8 percent. (See Table 3-13 and Graph 3-.)

Table 3-13  
 LOCK HAVEN CITY  
Department Expenditures  
 2013 to 2017

	2013	2014	2015	2016	2017	Change 2013 - 2017	
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	\$	%
<b>General Government</b>	\$865,399	\$953,354	\$917,907	\$944,089	\$974,445	109,046	12.6
<b>Engineering</b>	46,725	45,366	43,799	51,990	55,249	8,524	18.2
<b>Police</b>	1,435,550	1,557,152	1,722,285	1,798,537	1,704,917	269,366	18.8
<b>Fire</b>	338,612	327,736	365,822	381,703	363,841	25,230	7.5
<b>Code Enforcement</b>	50,354	61,734	49,281	46,673	62,202	11,848	23.5
<b>Planning/Zoning</b>	51,073	48,686	52,630	67,734	96,044	44,970	88.0
<b>Emergency Management</b>	43,819	48,077	50,867	57,809	54,653	10,834	24.7
<b>Public Works</b>	490,455	466,097	527,703	528,141	567,397	76,943	15.7
<b>Parks/Recreation</b>	129,948	131,359	125,215	118,803	109,019	-20,929	-16.1
<b>Total Departmental</b>	<b>\$3,451,936</b>	<b>\$3,639,562</b>	<b>\$3,855,510</b>	<b>\$3,995,477</b>	<b>\$3,987,768</b>	<b>535,832</b>	<b>193</b>
	Percentage of Departmental Expenditures						
<b>General Government</b>	25.1	26.2	23.8	23.6	24.4		
<b>Engineering</b>	1.4	1.2	1.1	1.3	1.4		
<b>Police</b>	41.6	42.8	44.7	45.0	42.8		
<b>Fire</b>	9.8	9.0	9.5	9.6	9.1		
<b>Code Enforcement</b>	1.5	1.7	1.3	1.2	1.6		
<b>Planning/Zoning</b>	1.5	1.3	1.4	1.7	2.4		
<b>Emergency Management</b>	1.3	1.3	1.3	1.4	1.4		
<b>Public Works</b>	14.2	12.8	13.7	13.2	14.2		
<b>Parks/Recreation</b>	3.8	3.6	3.2	3.0	2.7		
<b>Total Departmental</b>	100.0	100.0	100.0	100.0	100.0		

\*May not add to 100 percent due to rounding

Graph 3-2  
 LOCK HAVEN CITY  
Department Expenditures  
 2017



Police

Personnel costs accounted for over 90 percent of total police expenditures during the historical review period. Personnel expenses grew from \$1.3 million in 2013 to approximately \$1.7 million in 2017, an increase of \$366,608 or 27.6 percent. Salary and wages, which are the largest police personnel costs, increased from \$689,181 in 2013 to \$931,505 in 2017, a growth of \$242,324 or 35.2 percent. Other major personnel expenditures include health insurance and pension. Non-personnel expenditures experienced a sharp decline in 2017 that was the result of a negative miscellaneous expense recorded in that year. The presence of negative numbers skews expenditures for 2017. (See Table 3-14 and 3-15.)

Table 3-14  
 LOCK HAVEN CITY  
Police Personnel and Non-Personnel Operating Expenditures  
 2013 to 2017

	2013	2014	2015	2016	2017	Change 2013 - 2017		
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	\$	%	
<b>Personnel</b>	\$1,327,563	\$1,464,870	\$1,631,006	\$1,639,358	\$1,694,171	366,608	27.6	
<b>Non-Personnel</b>	<u>107,987</u>	<u>92,282</u>	<u>91,279</u>	<u>159,179</u>	<u>10,746</u>	<u>-97,242</u>	<u>-90.0</u>	
<b>Total Operating</b>	<b>\$1,435,550</b>	<b>\$1,557,152</b>	<b>\$1,722,285</b>	<b>\$1,798,537</b>	<b>\$1,704,917</b>	<b>269,366</b>	<b>18.8</b>	
	Percent of Total							
<b>Personnel</b>	92.5	94.1	94.7	91.1	99.4			
<b>Non-Personnel</b>	<u>7.5</u>	<u>5.9</u>	<u>5.3</u>	<u>8.9</u>	<u>0.6</u>			
<b>Total Operating</b>	100.0	100.0	100.0	100.0	100.0			

Table 3-15  
 LOCK HAVEN CITY  
Police Expenditure Detail (Includes Capital Spending)  
 2013 to 2017

	2013	2014	2015	2016	2017	Change 2013 - 2017	
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	\$	%
<b>Salaries &amp; Wages</b>	\$689,181	\$737,639	\$851,050	\$857,894	\$931,505	242,324	35.2
<b>Compensation/Medical</b>	4,822	5,537	6,300	6,509	6,212	1,390	28.8
<b>Court Time</b>	5,181	9,892	11,500	7,701	8,510	3,329	64.2
<b>Overtime</b>	40,083	27,453	13,125	11,332	7,840	-32,243	-80.4
<b>FICA/Social Security</b>	14,022	14,994	15,745	15,135	16,933	2,911	20.8
<b>Health Insurance</b>	325,203	405,192	431,520	457,937	437,303	112,100	34.5
<b>HRA Deductible</b>	5,205	4,357	24,500	20,607	26,923	21,718	417.3
<b>Dental Insurance</b>	10,939	10,318	12,676	11,593	12,002	1,063	9.7
<b>Life Insurance</b>	6,690	6,850	8,066	7,583	8,928	2,237	33.4
<b>Pension</b>	156,234	162,346	192,095	182,525	182,904	26,670	17.1
<b>Uniform Expense</b>	9,991	20,388	11,171	17,073	8,383	-1,608	-16.1
<b>Workers Comp Insurance</b>	53,832	56,278	46,702	37,158	39,761	-14,071	-26.1
<b>Other Employee Expense</b>	6,180	3,628	6,556	6,313	6,967	786	12.7
<b>Advertising/Printing</b>	81	1,372	86	296	749	668	827.1
<b>Automobile Allowance</b>	0	0	130	0	0	0	-100.0
<b>Computer Expense</b>	9,506	11,392	10,762	13,354	12,593	3,087	32.5
<b>Contract Services</b>	10,443	967	983	1,080	1,162	-9,281	-88.9
<b>Dues/Subscriptions</b>	640	262	365	910	440	-200	-31.3
<b>Duplicating Expense</b>	1,439	1,689	1,858	1,831	3,125	1,686	117.2
<b>Equipment Maintenance</b>	470	649	397	849	2,715	2,245	477.6
<b>Insurance/Bonds</b>	16,624	18,435	16,007	16,730	15,833	-791	-4.8
<b>Legal Expense</b>	13,779	4,109	5,045	2,886	2,562	-11,218	-81.4
<b>Minor Equipment</b>	424	566	606	287	207	-217	-51.1
<b>Miscellaneous Expense</b>	10,083	14,844	15,396	85,366	-67,129	-77,213	-765.7
<b>Office Supplies</b>	2,703	1,909	4,280	4,631	3,456	753	27.9
<b>Operating Supplies</b>	1,987	1,334	4,470	2,512	3,003	1,016	51.1
<b>Other Supplies</b>	2,539	3,715	695	1,658	1,061	-1,478	-58.2
<b>Phone And Internet</b>	7,770	7,802	8,348	7,544	9,449	1,679	21.6
<b>Postage</b>	3,461	2,450	2,700	2,376	2,347	-1,114	-32.2
<b>Repairs &amp; Maintenance</b>	0	208	65	584	1,541	1,541	100.0
<b>Vehicle Expense</b>	26,038	20,581	19,086	16,285	17,632	-8,406	-32.3
<b>Capital Projects</b>	0	0	16,174	12,500	0	0	-100.0
<b>Capital Purchases</b>	0	69,578	26,149	8,403	98,253	98,253	100.0
<b>Total Expenditures</b>	<b>\$1,435,550</b>	<b>\$1,626,730</b>	<b>\$1,764,608</b>	<b>\$1,819,440</b>	<b>\$1,803,169</b>	<b>367,619</b>	<b>25.6</b>

Public Works

Personnel costs in public works were approximately half of public works expenditures. Expenditures for personnel declined from \$251,204 in 2013 to \$245,123 in 2014. Personnel costs then rose to end at \$300,228 in 2017. The largest personnel cost is salary and wages. Expenditures for public works health insurance are historically recorded in administration. Street light expenses account for a substantial amount of Public Works non-personnel costs. (See Table 3-16 and 3-17.)

Table 3-16  
 LOCK HAVEN CITY  
 Public Works Personnel and Non-Personnel Operating Expenditures  
 2013 to 2017

	2013	2014	2015	2016	2017	Change 2013 - 2017	
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	\$	%
<b>Personnel</b>	\$251,204	\$245,123	\$247,399	\$245,383	\$300,228	49,023	19.5
<b>Non-Personnel</b>	239,251	220,974	280,305	282,758	267,170	27,919	11.7
<b>Total Operating</b>	<b>\$490,455</b>	<b>\$466,097</b>	<b>\$527,703</b>	<b>\$528,141</b>	<b>\$567,397</b>	<b>76,943</b>	<b>15.7</b>
<b>Personnel</b>	51.2	52.6	46.9	46.5	52.9		
<b>Non-Personnel</b>	48.8	47.4	53.1	53.5	47.1		
<b>Total Operating</b>	100.0	100.0	100.0	100.0	100.0		

Table 3-17  
 LOCK HAVEN CITY  
 Public Works Expenditure Detail (Includes Capital Spending)  
 2013 to 2017

	2013	2014	2015	2016	2017	Change 2013 - 2017	
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	\$	%
<b>Salaries &amp; Wages</b>	\$211,662	\$206,370	\$201,188	\$212,897	\$258,080	46,418	21.9
<b>Overtime</b>	19,969	19,320	22,519	10,937	12,035	-7,933	-39.7
<b>FICA/Social Security</b>	17,434	17,012	16,900	16,027	20,300	2,866	16.4
<b>Health Insurance</b>	0	0	3,301	0	4,123	4,123	100.0
<b>HRA Deductible</b>	0	0	46	0	0	0	-100.0
<b>Dental Insurance</b>	0	0	0	0	120	120	100.0
<b>Life Insurance</b>	0	0	139	0	263	263	100.0
<b>Unemployment Compensation</b>	0	0	0	2,184	1,084	1,084	100.0
<b>Uniform Expense</b>	1,487	1,257	1,219	2,304	1,587	100	6.7
<b>Workers Comp Insurance</b>	0	0	1,977	0	2,116	2,116	100.0
<b>Other Employee Expense</b>	652	1,164	110	1,034	520	-132	-20.3
<b>Advertising/Printing</b>	1,735	1,759	1,000	538	2,304	570	32.8

<b>Automobile Allowance</b>	231	260	343	0	0	-231	-100.0
<b>Computer Expense</b>	2,250	2,763	3,983	1,582	4,044	1,794	79.7
<b>Conrail Lease</b>	2,396	2,420	2,461	2,511	2,563	167	7.0
<b>Contract Services</b>	924	7,030	2,427	4,864	8,448	7,524	814.3
<b>Duplicating Expense</b>	176	256	330	145	409	234	133.1
<b>Electric Street Lights</b>	114,544	110,931	92,050	102,254	110,394	-4,150	-3.6
<b>Equipment Maintenance</b>	2,176	2,488	7,414	1,274	1,606	-570	-26.2
<b>Equipment Rental</b>	2,295	5,428	9,173	0	5,444	3,149	137.2
<b>Insurance/Bonds</b>	0	0	1,144	0	1,080	1,080	100.0
<b>Legal Expense</b>	651	0	12	406	1,725	1,074	164.9
<b>Materials &amp; Supplies</b>	1,659	1,951	2,209	833	3,454	1,795	108.2
<b>Meeting Expenses</b>	31	0	0	0	0	-31	-100.0
<b>Minor Equipment</b>	1,211	1,818	2,300	1,593	1,146	-65	-5.4
<b>Miscellaneous Expense</b>	1,978	1,618	1,981	5,753	7,968	5,990	302.8
<b>Office Supplies</b>	472	449	536	341	240	-232	-49.2
<b>Operating Supplies</b>	1,817	4,175	3,125	4,254	1,886	69	3.8
<b>Other Maintenance</b>	12,607	348	37,618	11,315	2,083	-10,525	-83.5
<b>Other Supplies</b>	2,593	2,760	3,149	1,483	2,021	-572	-22.1
<b>Phone And Internet</b>	1,197	1,210	1,648	1,411	1,974	777	64.9
<b>Postage</b>	507	441	644	631	548	41	8.1
<b>Recycling Program Costs</b>	24,305	23,290	25,617	24,222	28,807	4,502	18.5
<b>Repairs &amp; Maintenance</b>	12,272	5,945	18,783	89,840	17,262	4,991	40.7
<b>Snow Removal Materials</b>	18,422	46	17,690	273	12,689	-5,733	-31.1
<b>Storm Sewer Materials</b>	0	1,086	1,046	4,275	7,378	7,378	100.0
<b>Utilities</b>	4,489	5,024	11,092	4,962	6,278	1,789	39.8
<b>Vehicle Expense</b>	28,314	37,471	32,530	17,999	35,417	7,103	25.1
<b>Capital Projects</b>	243,664	342,351	98,646	160	81,981	-161,683	-66.4
<b>Capital Purchases</b>	352,556	78,762	53,587	24	208,514	-144,042	-40.9
<b>Total Expenditures</b>	<b>\$1,086,674</b>	<b>\$887,211</b>	<b>\$679,937</b>	<b>\$528,324</b>	<b>\$857,892</b>	<b>-228,782</b>	<b>-21.1</b>

General Government

General Government includes the following departmental expenditures: Administration, General Government, Engineering, Buildings, Code Enforcement, Planning and Zoning, Emergency Management and Parks. Salary and wages, pension and health insurance (including for public works employees) are the largest personnel expenses. Personnel expenditures rose from \$783,035 in 2013 to \$994,247 in 2017, an increase of \$211,212 or 27.0 percent. Non-personnel costs fell from a high of \$404,284 in 2013 to a low of \$329,280 in 2016, and then rose

to \$357,366 in 2017. The change from 2013 to 2017 was a decline of \$46,918 or 11.6 percent. (See Tables 3-18 and 3-19.)

Table 3-18  
 LOCK HAVEN CITY  
 General Government Personnel and Non-Personnel Operating Expenditures  
 2013 to 2017

	2013	2014	2015	2016	2017	Change 2013 - 2017	
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	\$	%
<b>Personnel</b>	\$783,035	\$882,089	\$886,230	\$957,817	\$994,247	211,212	27.0
<b>Non-Personnel</b>	<u>404,284</u>	<u>406,487</u>	<u>353,470</u>	<u>329,280</u>	<u>357,366</u>	<u>-46,918</u>	<u>-11.6</u>
<b>Total Operating</b>	<b>\$1,187,319</b>	<b>\$1,288,576</b>	<b>\$1,239,700</b>	<b>\$1,287,096</b>	<b>\$1,351,612</b>	<b>164,293</b>	<b>13.8</b>
<b>Personnel</b>	65.9	68.5	71.5	74.4	73.6		
<b>Non-Personnel</b>	<u>34.1</u>	<u>31.5</u>	<u>28.5</u>	<u>25.6</u>	<u>26.4</u>		
<b>Total Operating</b>	100.0	100.0	100.0	100.0	100.0		

Table 3-19  
 LOCK HAVEN CITY  
 General Government Expenditure Detail (Includes Capital Spending)  
 2013 to 2017

	2013	2014	2015	2016	2017	Change 2013 - 2017	
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	\$	%
<b>Salaries &amp; Wages</b>	\$307,739	\$325,312	\$323,311	\$385,246	\$388,708	80,970	26.3
<b>Compensation/Medical</b>	5,759	5,339	5,100	5,657	5,049	-711	-12.3
<b>Overtime</b>	112	0	0	17	132	19	17.1
<b>FICA/Social Security</b>	24,805	22,692	24,423	27,045	29,133	4,328	17.4
<b>Health Insurance</b>	267,314	357,942	312,100	366,813	377,903	110,590	41.4
<b>HRA Deductible</b>	7,154	16,454	23,000	19,695	20,251	13,097	183.1
<b>Dental Insurance</b>	11,395	9,579	9,800	9,188	12,228	833	7.3
<b>Life Insurance</b>	5,711	5,267	4,654	4,548	6,720	1,009	17.7
<b>Pension</b>	86,957	103,387	141,149	110,577	118,809	31,852	36.6
<b>Unemployment Compensation</b>	3,997	2,312	13,000	1,144	1,240	-2,756	-69.0
<b>Uniform Expense</b>	182	309	130	51	25	-157	-86.3
<b>Workers Comp Insurance</b>	61,000	32,906	28,814	26,575	25,559	-35,441	-58.1
<b>Other Employee Expense</b>	910	590	750	1,261	8,491	7,580	832.6
<b>Advertising/Printing</b>	1,602	1,906	1,613	2,153	2,098	497	31.0
<b>Automobile Allowance</b>	1,574	2,887	2,037	1,294	1,478	-96	-6.1
<b>Building Maintenance</b>	10,454	13,334	11,967	9,206	7,024	-3,430	-32.8
<b>Computer Expense</b>	15,515	23,650	18,632	11,600	10,573	-4,941	-31.8
<b>Contract Services</b>	24,357	28,887	21,483	13,343	23,775	-581	-2.4
<b>Contributions</b>	84,086	49,571	41,670	49,263	59,768	-24,318	-28.9

	2013	2014	2015	2016	2017	Change 2013 - 2017	
Dues/Subscriptions	4,865	5,053	5,909	4,768	6,118	1,253	25.8
Duplicating Expense	1,706	1,726	1,630	1,272	1,975	268	15.7
Equipment Maintenance	619	361	1,391	1,099	1,638	1,020	164.8
Equipment Rental	0	180	0	0	0	0	-100.0
Insurance/Bonds	60,077	52,532	36,270	37,089	36,398	-23,679	-39.4
Land Fill Fees	690	416	2,915	5,085	4,889	4,199	608.5
Legal Expense	7,195	10,497	3,874	6,156	14,012	6,817	94.7
Meeting Expenses	3,469	5,473	6,544	8,749	1,059	-2,410	-69.5
Minor Equipment	1,247	415	1,775	796	1,323	76	6.1
Miscellaneous Expense	16,097	22,884	27,347	14,273	15,014	-1,083	-6.7
Office Supplies	2,198	3,091	2,195	4,424	2,924	725	33.0
Operating Supplies	3,819	3,334	2,835	3,319	5,137	1,318	34.5
Other Maintenance	0	395	99	296	329	329	100.0
Other Supplies	1,663	2,080	1,055	2,304	713	-950	-57.1
Phone And Internet	5,059	4,985	4,705	3,140	4,439	-620	-12.3
Postage	4,804	3,532	8,740	4,231	3,111	-1,693	-35.2
Professional Fees	33,799	54,628	33,310	32,998	47,545	13,746	40.7
Repairs & Maintenance	5,574	2,540	6,551	2,966	4,170	-1,405	-25.2
Shade Tree	0	0	4,406	13,115	283	283	100.0
Tax Collection Expenses	45,716	48,908	51,279	50,628	46,200	484	1.1
Tax Refund	4,363	1,932	1,569	3,565	6,951	2,588	59.3
Utilities	56,123	52,487	44,217	36,923	41,569	-14,554	-25.9
Vehicle Expense	7,613	8,805	7,454	5,223	6,853	-760	-10.0
Capital Projects	1,325	0	44,014	67,443	70,640	69,315	5,233.2
Capital Purchases	374,401	6,570	61,766	2,858	0	-374,401	-100.0
<b>Total Expenditures</b>	<b>\$1,563,045</b>	<b>\$1,295,146</b>	<b>\$1,345,480</b>	<b>\$1,357,396</b>	<b>\$1,422,252</b>	<b>-140,793</b>	<b>-9.0</b>

2018 Estimated versus 2018 Budget

The City is expected to end 2018 with a surplus of \$845,044 as opposed to a deficit of \$542,657. Revenues were almost \$1.7 million higher than anticipated, while expenditures were \$427,430 greater than budgeted.

Table 3-20  
 LOCK HAVEN CITY  
Revenues, Expenditures and Surplus/(Deficit)  
 2018 Estimated versus 2018 Budget

	2018	2018
	<u>Estimated</u>	<u>Budget</u>
<b>Revenues</b>	\$5,741,745	\$4,076,884
<b>Expenditures</b>	4,896,701	4,619,541
<b>Surplus/(Deficit)</b>	<b>\$845,044</b>	<b>-\$542,657</b>

Table 3-21  
 LOCK HAVEN CITY  
Total Revenue  
 2018 Estimated versus 2018 Budget

	2018	2018	Estimated vs. Budget	
	<u>Estimated</u>	<u>Budget</u>	\$	%
<b>Real Estate Taxes</b>	\$2,475,247	\$2,253,767	221,480	9.8
<b>Earned Income Tax</b>	585,791	450,000	135,791	30.2
<b>LST</b>	153,277	140,000	13,277	9.5
<b>Real Estate Transfer</b>	81,770	50,000	31,770	63.5
<b>Mechanical Devices</b>	2,904	1,500	1,404	93.6
<b>Business Privilege Taxes</b>	142,709	135,000	7,709	5.7
<b>State</b>	4,701	5,000	-299	-6.0
<b>Fines &amp; Forfeits</b>	158,284	145,150	13,134	9.0
<b>Interest</b>	6,451	800	5,651	706.3
<b>Rentals</b>	11,443	9,800	1,643	16.8
<b>PURTA</b>	3,191	3,230	-39	-1.2
<b>Pension State Aid</b>	260,202	246,163	14,039	5.7
<b>State Shared Revenue</b>	40,610	45,200	-4,590	-10.2
<b>Local Intergovernmental</b>	256,369	13,500	242,869	1,799.0
<b>Charges for Services</b>	5,658	2,300	3,358	146.0
<b>Licenses &amp; Permits</b>	97,988	96,445	1,543	1.6
<b>Public Safety</b>	23,257	17,800	5,457	30.7
<b>Highways</b>	26,796	26,275	521	2.0
<b>Parking</b>	141,356	137,325	4,031	2.9
<b>Grants</b>	251,111	121,419	129,692	106.8
<b>Miscellaneous</b>	44,358	24,600	19,758	80.3
<b>Reimbursements</b>	313,033	111,512	201,521	180.7
<b>Transfers</b>	494,425	40,098	454,327	1,133.0
<b>Proceeds</b>	<u>160,815</u>	<u>0</u>	<u>160,815</u>	<u>100.0</u>
<b>Total Revenue</b>	<b>\$5,741,745</b>	<b>\$4,076,884</b>	<b>-1,664,861</b>	<b>-40.8</b>

Table 3-22  
 LOCK HAVEN CITY  
Total Expenditures  
 2018 Estimated versus 2018 Budget

	2018	2018	Estimated vs. Budget	
	Estimated	Budget	\$	%
<b>Personnel</b>	\$3,069,903.5	\$3,229,773.4	-159,870	-5.2
<b>Non-Personnel</b>	1,109,138	957,390	151,747	13.7
<b>Capital Projects</b>	267,299	60,000	207,299	77.6
<b>Capital Purchases</b>	256,480	6,400	250,080	97.5
<b>Debt Service</b>	189,678	211,108	-21,430	-11.3
<b>Transfers</b>	<u>4,202</u>	<u>4,600</u>	<u>-398</u>	<u>-9.5</u>
<b>Total Expenditures</b>	<b>\$4,896,701</b>	<b>\$4,469,271</b>	<b>427,430</b>	<b>8.7</b>

Table 3-23  
 LOCK HAVEN CITY  
Total Departmental Expenditures  
 2018 Estimated versus 2018 Budget

	2018	2018	Estimated vs. Budget	
	Estimated	Budget	\$	%
<b>Administration</b>	725,809	466,723	259,086	55.5
<b>Council</b>	2,022	217,278	-215,256	-99.1
<b>Development &amp; Grant Administration</b>	1,280	74,859	-73,580	-98.3
<b>Finance</b>	161,312	184,176	-22,865	-12.4
<b>Tax Collection</b>	87,777	65,463	22,314	34.1
<b>Engineering</b>	44,953	33,724	11,229	33.3
<b>Buildings</b>	177,944	88,401	89,543	101.3
<b>Police</b>	1,685,308	1,792,322	-107,014	-6.0
<b>Fire</b>	398,013	398,139	-125	0.0
<b>Code Enforcement</b>	71,294	69,066	2,228	3.2
<b>Information Systems</b>	193	7,245	-7,052	-97.3
<b>Planning/Zoning</b>	59,156	39,736	19,420	48.9
<b>Emergency Management</b>	40,845	0	40,845	100.0
<b>Other Public Safety</b>	107,175	0	107,175	100.0
<b>PW Sanitation</b>	37,980	30,748	7,232	23.5
<b>PW Admin</b>	676,868	120,002	556,866	464.0
<b>PW Traffic Control</b>	131,355	139,000	-7,645	-5.5
<b>PW Storm Sewers</b>	12,236	4,775	7,462	156.3
<b>PW Parking</b>	70,819	75,207	-4,388	-5.8
<b>PW Winter Maintenance</b>	0	21,000	-21,000	-100.0
<b>PW Vehicle &amp; Equipment Maintenance</b>	11	89,405	-89,394	-100.0
<b>PW Street Maintenance</b>	0	120,702	-120,702	-100.0
<b>Parks/Recreation</b>	103,562	105,144	-1,582	-1.5

	2018	2018	Estimated vs. Budget	
Levee Maintenance	106,907	134,353	-27,445	-20.4
Debt Service	189,678	337,474	-147,796	-43.8
Transfers	4,202	4,600	-398	-8.7
<b>Total Expenditures</b>	<b>\$4,896,701</b>	<b>\$4,619,541</b>	<b>277,160</b>	<b>6.0</b>

Other Funds

PEL reviewed the historical figures in the Borough’s General Fund and in other Borough funds. However, for the purposes of this report, the focus was mostly centered on the General Fund. Historical summaries based on the Borough’s reported financials for the Airport, Water and Sewer Funds are below (See Tables 3-24, 3-25 and 3-26).

Table 3-24  
 LOCK HAVEN CITY  
Airport Revenues, Expenditures and Surplus/(Deficit)  
 2013 to 2019

	2013	2014	2015	2016	2017	2018	2019
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Budget</u>
Revenues	\$710,861	\$298,295	\$282,036	\$232,544	\$280,943	\$264,177	\$265,760
Expenditures	<u>516,639</u>	<u>513,104</u>	<u>332,939</u>	<u>292,452</u>	<u>286,393</u>	<u>287,518</u>	<u>205,477</u>
Surplus/(Deficit)	\$194,222	-\$214,809	-\$50,903	-\$59,908	-\$5,450	-\$23,341	\$60,283

Table 3-25  
 LOCK HAVEN CITY  
Water Fund Revenues, Expenditures and Surplus/(Deficit)  
 2013 to 2019

	2013	2014	2015	2016	2017	2018	2019
	Actual	Actual	Actual	Actual	Actual	Budget	Budget
Revenues	\$1,715,918	\$1,718,627	\$1,759,189	\$1,874,396	\$2,147,614	\$1,722,884	\$1,538,238
Expenditures	<u>1,363,521</u>	<u>1,765,835</u>	<u>1,757,744</u>	<u>1,436,275</u>	<u>1,434,818</u>	<u>2,848,833</u>	<u>1,717,466</u>
Surplus/(Deficit)	\$352,397	-\$47,209	\$1,445	\$438,122	\$712,796	-\$1,125,949	-\$179,228

Table 3-26  
 LOCK HAVEN CITY  
Sewer Fund Revenues, Expenditures and Surplus/(Deficit)  
 2013 to 2019

	2013	2014	2015	2016	2017	2018	2019
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Budget</u>
<b>Revenues</b>	\$2,350,978	\$1,671,255	\$2,267,839	\$2,316,946	\$3,262,665	\$3,294,898	\$3,229,234
<b>Less: Sale of Assets</b>	<u>-80</u>	<u>704,980</u>	<u>0</u>	<u>-113</u>	<u>-171</u>	<u>-300</u>	<u>-300</u>
<b>Net Revenue</b>	2,350,898	2,376,235	2,267,839	2,316,834	3,262,495	3,294,598	3,228,934
<b>Expenditures</b>	1,895,120	-28,877,008	3,861,383	3,108,040	3,063,336	6,927,526	3,484,971
<b>Less:</b>							
<b>Depreciation</b>	-272,002	0	0	0	0	0	0
<b>Legal Expense</b>	-707	-2,524	-150,000	-372,117	-205,882	-300,000	-200,025
<b>Unappropriated</b>	0	0	-1,040,482	0	0	0	0
<b>Transfer to Sewer Project Fund</b>	<u>0</u>	<u>30,704,353</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Net Expenditures</b>	1,622,410	1,824,821	2,670,901	2,735,923	2,857,454	6,627,526	3,284,946
<b>Net Surplus/(Deficit)</b>	<b>\$728,487</b>	<b>\$551,413</b>	<b>-\$403,062</b>	<b>-\$419,089</b>	<b>\$405,041</b>	<b>-\$3,332,928</b>	<b>-\$56,011</b>

## CHAPTER 4 FINANCIAL PROJECTIONS

PEL's financial projections for 2019 through 2023 indicate that the City's annual General Fund revenues will not be able to keep pace with growing General Fund expenditures, resulting in annual operating budget deficits. As a result, the City will most likely need to consider appropriate expenditure reductions or revenue increases in order to avoid future operating deficits in the General Fund. Revenues are anticipated to be fairly flat with a projected growth of less than 1 percent, while expenditures are likely to increase by \$464,988 or almost 9 percent. In terms of General Fund expenditures, the largest absolute increase is projected in health care, which is anticipated to grow by \$321,855 or 36 percent. The City's reported unrestricted Fund Balance for the General Fund was \$1.5 million at the end of 2018. Assuming that amount is still available, the Fund Balance would be depleted by 2020 if it was used to eliminate projected deficits.

PEL prepared its General Fund operating projections using the 2019 budget, the historical revenue and expenditure patterns outlined in Chapter 3, the current collective bargaining agreements, actuarial pension data, amortization tables and similar information.

### Revenue Projection Assumptions

- The 2019 budget serves as the baseline
- Tax rates and fees remain at 2019 levels
- 0.9 percent annual growth in Real Estate Tax revenue based on assessment growth
- 1.25 percent annual growth in Earned Income Tax revenue
- Annual growth in Local Services Tax revenues assumes 100 new jobs annually
- 3.0 percent growth in state pension aid
- Other revenues held at 2019 levels

### Expenditure Projection Assumptions

- The 2019 budget with adjustments serves as the baseline
- Employee count remains at 2019 budgeted levels
- No new debt incurred; debt service based on amortization schedules

- Union employee wages and salaries were increased at the annual contractual rate (including longevity and rank the annual average increase is 2.25 percent) and then 2.0 percent annually for the years 2022 and 2023.
- Other employee wages and salaries were increased at 2.25 percent annually
- Pension were increased at 2.25 annually
- Health insurance was increased by 8.0 percent annually
- Other insurances increased by 2.1 percent annually
- Other annual expenditure growth rates were based on historical patterns and/or projected annual inflation rates of 2.1 percent.
- Capital expenditures were held constant at 2019 budget levels

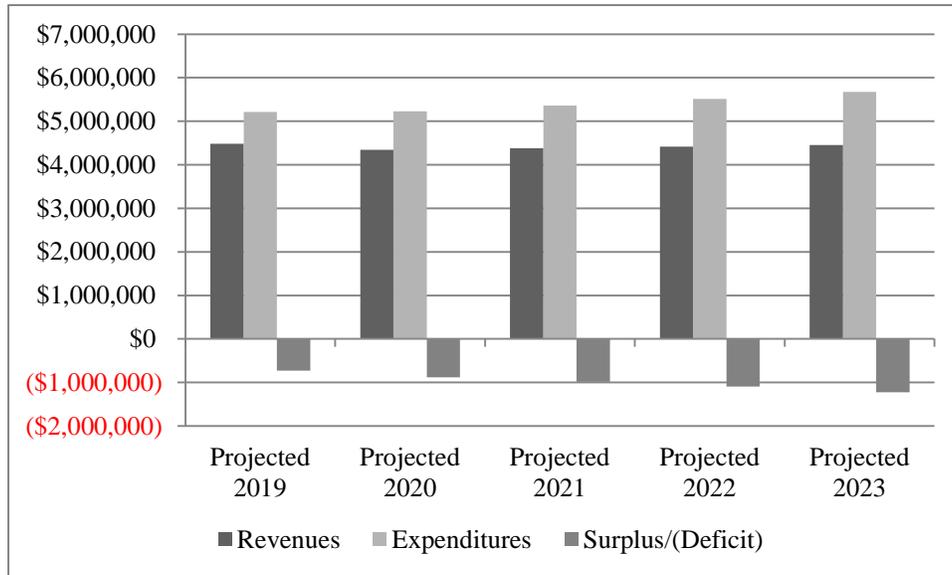
General Fund Revenues and Expenditures

Projections indicate that the City of Lock Haven will experience growing annual deficits starting in 2019 at \$730,932 and reaching \$1.2 million in 2023. Revenues are projected to essentially remain flat at approximately \$4.5 million. Expenditures are expected to rise from \$5.2 million in 2019 to \$5.7 million in 2023. The difference between 2019 and 2023 is a growth of \$464,988 or 8.9 percent. If the City used its existing Fund Balance to erase these deficits, the City’s Fund Balance would be depleted by 2020. (See Table 4-1 and Graphs 4-1 and 4-2.)

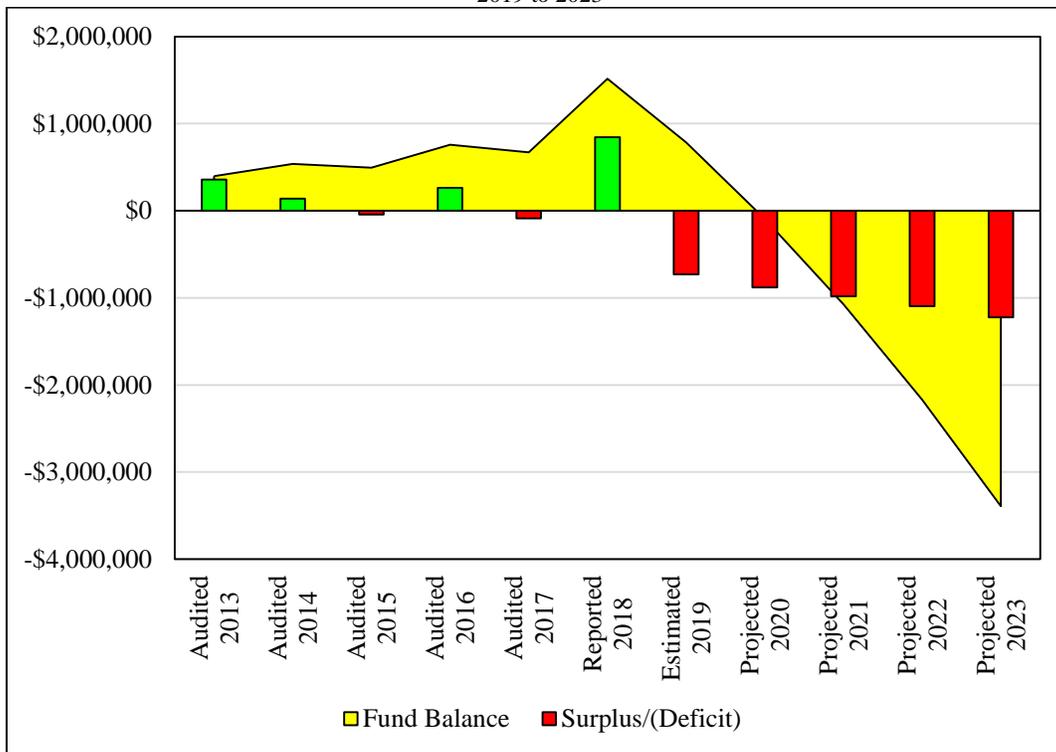
Table 4-1  
LOCK HAVEN CITY  
General Fund Revenues, Expenditures and Surplus/(Deficit)  
2019 to 2023

	2019	2020	2021	2022	2023	Change 2019 - 2023	
	<u>Adjusted</u>	<u>Projected</u>	<u>Projected</u>	<u>Projected</u>	<u>Projected</u>	\$	%
<b>Revenues</b>	\$4,481,359	\$4,348,171	\$4,383,202	\$4,418,752	\$4,454,833	-26,526	-0.6
<b>Expenditures</b>	5,212,291	5,226,511	5,363,955	5,514,170	5,677,279	464,988	8.9
<b>Surplus/(Deficit)</b>	<b>-\$730,932</b>	<b>-\$878,340</b>	<b>-\$980,753</b>	<b>-\$1,095,417</b>	<b>-\$1,222,447</b>		

Graph 4-1  
 LOCK HAVEN CITY  
General Fund Revenues, Expenditures, and Surplus/(Deficit)  
 2019 to 2023



Graph 4-2  
 LOCK HAVEN CITY  
General Fund Revenues, Expenditures, and Surplus/(Deficit)  
 2019 to 2023



General Fund Revenues

Tax revenues are anticipated to grow by 2.8 percent, increasing by \$93,436 or 2.8 percent from \$3.3 million in 2019 to \$3.4 million in 2023. Non-tax revenue is expected to rise by \$70,569 or 8.4 percent from \$839,292 in 2019 to \$909,861 in 2023. Tax revenue accounts for over 75 percent of total revenues, while non-tax revenue is approximately 20 percent. Transfers into the General Fund for 2019 include: \$99,984, highway aid; \$80,547; blight account; \$60,283, airport; \$36,264, sewer fund; and \$27,266, water fund. Projected transfers from 2020 through 2023 include \$36,264 annually, Sewer Fund; \$27,266 annually, Water Fund, as well as Airport Fund transfers that decline from \$57,783 in 2020 to \$50,283 in 2023. (See Table 4-3.)

Table 4-3  
 LOCK HAVEN CITY  
 Total Revenues  
 2019 to 2023

	2019	2020	2021	2022	2023	Change 2019 - 2023	
	Adjusted	Projected	Projected	Projected	Projected	\$	%
<b>Tax Revenue</b>	\$3,337,723	\$3,341,528	\$3,371,119	\$3,400,995	\$3,431,159	93,436	2.8
<b>Nontax Revenue</b>	839,292	885,330	893,270	901,445	909,861	70,569	8.4
<b>Transfers</b>	304,344	121,313	118,813	116,313	113,813	-190,531	-62.6
<b>Total Revenue</b>	<b>\$4,481,359</b>	<b>\$4,348,171</b>	<b>\$4,383,202</b>	<b>\$4,418,752</b>	<b>\$4,454,833</b>	<b>-26,526</b>	<b>-0.6</b>
	Percent of Total						
<b>Tax Revenue</b>	74.5	76.8	76.9	77.0	77.0		
<b>Nontax Revenue</b>	18.7	20.4	20.4	20.4	20.4		
<b>Transfers</b>	6.8	2.8	2.7	2.6	2.6		
<b>Total Revenue</b>	100.0	100.0	100.0	100.0	100.0		

Tax Revenue

The largest projected monetary growth in total tax revenue is from real estate tax, which is anticipated to rise by \$90,638 or 3.7 percent from \$2.4 million in 2019 to \$2.5 million in 2023. Real estate taxes make up the bulk of total taxes at 73 percent of total tax revenue. Earned income taxes are anticipated to increase by \$26,421 or 5.1 percent from \$518,615 in 2019 to \$545,036 in 2023. (See Table 4-4.)

Table 4-4  
 LOCK HAVEN CITY  
Total Taxes  
 2019 to 2023

	2019	2020	2021	2022	2023	Change 2019 - 2023		
	Adjusted	Projected	Projected	Projected	Projected	\$	%	
<b>Real Estate Taxes</b>	\$2,427,705	\$2,450,061	\$2,472,618	\$2,495,378	\$2,518,343	90,638	3.7	
<b>Earned Income Tax</b>	518,615	525,098	531,661	538,307	545,036	26,421	5.1	
<b>LST</b>	168,218	168,688	169,158	169,628	170,098	1,880	1.1	
<b>Real Estate Transfer</b>	75,504	50,000	50,000	50,000	50,000	-25,504	-33.8	
<b>Mechanical Devices</b>	2,096	2,096	2,096	2,096	2,096	0	0.0	
<b>Business Privilege Taxes</b>	145,586	145,586	145,586	145,586	145,586	0	0.0	
<b>Tax Revenue</b>	<b>\$3,337,723</b>	<b>\$3,341,528</b>	<b>\$3,371,119</b>	<b>\$3,400,995</b>	<b>\$3,431,159</b>	<b>93,436</b>	<b>2.8</b>	
	Percent of Total Taxes							
<b>Real Estate Taxes</b>	72.7	73.3	73.3	73.4	73.4			
<b>Earned Income Tax</b>	15.5	15.7	15.8	15.8	15.9			
<b>LST</b>	5.0	5.0	5.0	5.0	5.0			
<b>Real Estate Transfer</b>	2.3	1.5	1.5	1.5	1.5			
<b>Mechanical Devices</b>	0.1	0.1	0.1	0.1	0.1			
<b>Business Privilege Taxes</b>	4.4	4.4	4.3	4.3	4.2			
<b>Tax Revenue</b>	100.0	100.0	100.0	100.0	100.0			

Non-Tax Revenue

The largest projected growth in non-tax revenue is for state pension aid, which is anticipated to increase by \$123,989 or 77.4 percent from \$160,120 in 2019 to \$284,109 in 2023; however, the amount of state pension aid in 2019 experienced a temporary reduction of approximately \$100,000 after three police officers left the City in 2018. Grants decline because of one-time grants that the City expects to receive in 2019 for police and an intern. The only other change anticipated is a slight increase in highways, which is money that the City receives from PennDOT for snow removal. (See Table 4-5.)

Table 4-5  
**LOCK HAVEN CITY**  
Total Non-Tax Revenues  
 2019 to 2023

	2019	2020	2021	2022	2023	Change 2019 - 2023		
	Adjusted	Projected	Projected	Projected	Projected	\$	%	
<b>State</b>	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	0	0.0	
<b>Fines &amp; Forfeits</b>	155,395	155,395	155,395	155,395	155,395	0	0.0	
<b>Interest</b>	4,900	4,900	4,900	4,900	4,900	0	0.0	
<b>Rentals</b>	9,800	9,800	9,800	9,800	9,800	0	0.0	
<b>PURTA</b>	3,191	3,191	3,191	3,191	3,191	0	0.0	
<b>Pension State Aid</b>	160,120	260,000	267,800	275,834	284,109	123,989	77.4	
<b>State Shared Revenue</b>	44,220	44,220	44,220	44,220	44,220	0	0.0	
<b>Local Intergovernmental</b>	44,397	44,397	44,397	44,397	44,397	0	0.0	
<b>Charges for Services</b>	3,223	3,223	3,223	3,223	3,223	0	0.0	
<b>Licenses &amp; Permits</b>	97,744	97,744	97,744	97,744	97,744	0	0.0	
<b>Public Safety</b>	26,107	26,107	26,107	26,107	26,107	0	0.0	
<b>Highways</b>	27,875	28,015	28,155	28,296	28,437	562	2.0	
<b>Parking</b>	113,244	113,244	113,244	113,244	113,244	0	0.0	
<b>Grants</b>	85,806	31,825	31,825	31,825	31,825	-53,981	-62.9	
<b>Miscellaneous</b>	37,653	37,653	37,653	37,653	37,653	0	0.0	
<b>Reimbursements</b>	<u>20,617</u>	<u>20,617</u>	<u>20,617</u>	<u>20,617</u>	<u>20,617</u>	<u>0</u>	<u>0.0</u>	
<b>Total Revenue</b>	<b>\$839,292</b>	<b>\$885,330</b>	<b>\$893,270</b>	<b>\$901,445</b>	<b>\$909,861</b>	<b>70,569</b>	<b>8.4</b>	
	Percent of Non-Tax Revenue							
<b>State</b>	0.6	0.6	0.6	0.6	0.5			
<b>Fines &amp; Forfeits</b>	18.5	17.6	17.4	17.2	17.1			
<b>Interest</b>	0.6	0.6	0.5	0.5	0.5			
<b>Rentals</b>	1.2	1.1	1.1	1.1	1.1			
<b>PURTA</b>	0.4	0.4	0.4	0.4	0.4			
<b>Pension State Aid</b>	19.1	29.4	30.0	30.6	31.2			
<b>State Shared Revenue</b>	5.3	5.0	5.0	4.9	4.9			
<b>Local Intergovernmental</b>	5.3	5.0	5.0	4.9	4.9			
<b>Charges for Services</b>	0.4	0.4	0.4	0.4	0.4			
<b>Licenses &amp; Permits</b>	11.6	11.0	10.9	10.8	10.7			
<b>Public Safety</b>	3.1	2.9	2.9	2.9	2.9			
<b>Highways</b>	3.3	3.2	3.2	3.1	3.1			
<b>Parking</b>	13.5	12.8	12.7	12.6	12.4			
<b>Grants</b>	10.2	3.6	3.6	3.5	3.5			
<b>Miscellaneous</b>	4.5	4.3	4.2	4.2	4.1			
<b>Reimbursements</b>	<u>2.5</u>	<u>2.3</u>	<u>2.3</u>	<u>2.3</u>	<u>2.3</u>			
<b>Nontax Revenue</b>	100.0	100.0	100.0	100.0	100.0			

General Fund Expenditures

Personnel versus Non-Personnel

Projections indicate that personnel expenditures will likely increase by \$564,469 or 15.7 percent from 2019 to 2023. Personnel expenditures are anticipated to account for 70 percent or more of total expenditures from 2019 to 2023. Non-personnel costs, at less than 20 percent of total expenditures, are expected to decline by \$51,957 or 4.9 percent because of one-time costs for demolition and a comprehensive plan incurred in 2019. Debt service also falls as the last payment for a 2007 loan is made in 2019. (Table 4-6.)

Table 4-6  
 LOCK HAVEN CITY  
Personnel versus Non-Personnel Expenditures  
 2019 to 2023

	2019	2020	2021	2022	2023	Change 2019 - 2023	
	<u>Adjusted</u>	<u>Projected</u>	<u>Projected</u>	<u>Projected</u>	<u>Projected</u>	\$	%
<b>Personnel</b>	\$3,605,104	\$3,737,180	\$3,876,423	\$4,018,999	\$4,169,573	564,469	15.7
<b>Non-Personnel</b>	1,051,579	981,247	979,447	987,086	999,622	-51,957	-4.9
<b>Capital Projects</b>	18,500	18,500	18,500	18,500	18,500	0	0.0
<b>Capital Purchases</b>	15,500	15,500	15,500	15,500	15,500	0	0.0
<b>Debt Service</b>	263,552	216,028	216,028	216,028	216,028	-47,524	-18.0
<b>Transfers</b>	<u>258,056</u>	<u>258,056</u>	<u>258,056</u>	<u>258,056</u>	<u>258,056</u>	<u>0</u>	<u>0.0</u>
<b>Total Expenditures</b>	<b>\$5,212,291</b>	<b>\$5,226,511</b>	<b>\$5,363,955</b>	<b>\$5,514,170</b>	<b>\$5,677,279</b>	<b>464,988</b>	<b>8.9</b>
Percent of Total Expenditures							
<b>Personnel</b>	69.2	71.5	72.3	72.9	73.4		
<b>Non-Personnel</b>	20.2	18.8	18.3	17.9	17.6		
<b>Capital Projects</b>	0.4	0.4	0.3	0.3	0.3		
<b>Capital Purchases</b>	0.3	0.3	0.3	0.3	0.3		
<b>Debt Service</b>	5.1	4.1	4.0	3.9	3.8		
<b>Transfers</b>	<u>5.0</u>	<u>4.9</u>	<u>4.8</u>	<u>4.7</u>	<u>4.5</u>		
<b>Total Expenditures</b>	100.0	100.0	100.0	100.0	100.0		

Personnel and Non-Personnel Expenditure Detail

The largest absolute growth is projected in salaries and wages, health insurance and pension. Salary and wages are expected to rise by \$186,022 or 9.2 percent, while health insurance is projected to increase by \$321,855 or 35.9 percent. The PMIHC reimbursement for health care group experience has been accounted for in the projected health insurance expenditure. Pension expense is likely to increase by \$23,276 or 10.1 percent. Miscellaneous

expenses decline significantly because of one-time costs for demolition and a comprehensive plan budgeted for 2019 (See Table 4-7.)

Table 4-7  
 LOCK HAVEN CITY  
 Personnel versus Non-Personnel Expenditure Detail  
 2019 to 2023

	2019	2020	2021	2022	2023	Change 2019 - 2023	
	<u>Adjusted</u>	<u>Projected</u>	<u>Projected</u>	<u>Projected</u>	<u>Projected</u>	\$	%
<b>Salaries &amp; Wages</b>	2,023,080	2,070,112	2,118,251	2,163,194	2,209,102	186,022	9.2
<b>Compensation/Medical</b>	12,220	12,445	12,674	12,908	13,146	926	7.6
<b>Court Time</b>	9,084	9,287	9,495	9,708	9,925	842	9.3
<b>Overtime</b>	48,174	49,082	50,007	50,951	51,914	3,740	7.8
<b>FICA/Social Security</b>	111,044	113,501	116,012	118,580	121,206	10,161	9.2
<b>Health Insurance</b>	897,445	968,871	1,046,012	1,129,323	1,219,300	321,855	35.9
<b>HRA Deductible</b>	82,830	82,830	82,830	82,830	82,830	0	0.0
<b>Dental Insurance</b>	24,206	25,265	26,388	27,578	28,839	4,633	19.1
<b>Life Insurance</b>	14,062	14,239	14,419	14,604	14,793	731	5.2
<b>Pension</b>	230,065	235,675	241,422	247,309	253,341	23,276	10.1
<b>Unemployment Compensation</b>	1,500	1,530	1,561	1,592	1,624	124	8.2
<b>Uniform Expense</b>	23,115	23,588	24,071	24,563	25,067	1,952	8.4
<b>Workers Comp Insurance</b>	101,809	103,825	105,882	107,979	110,119	8,310	8.2
<b>Other Employee Expense</b>	26,470	26,930	27,400	27,879	28,368	1,898	7.2
<b>Advertising/Printing</b>	9,165	9,241	9,318	9,397	9,477	312	3.4
<b>Automobile Allowance</b>	1,500	1,500	1,500	1,500	1,500	0	0.0
<b>Building Maintenance</b>	46,598	47,576	48,575	49,596	50,637	4,039	8.7
<b>Compliance Testing</b>	2,000	2,000	2,000	2,000	2,000	0	0.0
<b>Computer Expense</b>	39,611	40,422	41,249	42,094	42,957	3,346	8.4
<b>Conrail Lease</b>	2,607	2,607	2,607	2,607	2,607	0	0.0
<b>Contract Services</b>	61,625	62,858	64,116	65,401	66,713	5,088	8.3
<b>Contributions</b>	66,400	66,400	66,400	66,400	66,400	0	0.0
<b>Dues/Subscriptions</b>	10,325	10,504	10,686	10,872	11,062	737	7.1
<b>Duplicating Expense</b>	4,735	4,778	4,821	4,866	4,911	176	3.7
<b>Electric Street Lights</b>	85,000	86,785	88,607	90,468	92,368	7,368	8.7
<b>Equipment Maintenance</b>	6,300	6,395	6,491	6,589	6,690	390	6.2
<b>Equipment Rental</b>	2,800	2,800	2,800	2,800	2,800	0	0.0
<b>Fireman'S Relief</b>	38,020	38,818	39,634	40,466	41,316	3,296	8.7
<b>Grant Expense</b>	7,500	7,658	7,818	7,982	8,150	650	8.7
<b>Hydrant Rentals</b>	510	510	510	510	510	0	0.0
<b>Insurance/Bonds</b>	32,911	33,548	34,198	34,861	35,539	2,628	8.0
<b>Land Fill Fees</b>	1,910	1,950	1,991	2,033	2,076	166	8.7
<b>Legal Expense</b>	20,312	20,710	21,115	21,529	21,952	1,639	8.1
<b>Materials &amp; Supplies</b>	6,000	6,126	6,255	6,386	6,520	520	8.7
<b>Minor Equipment</b>	5,800	5,842	5,885	5,929	5,973	173	3.0

	2019	2020	2021	2022	2023	Change 2019 - 2023	
Miscellaneous Expense	140,528	54,451	36,579	27,814	23,606	-116,923	-83.2
Office Supplies	11,355	11,531	11,711	11,895	12,083	728	6.4
Operating Supplies	34,385	35,054	35,736	36,433	37,145	2,760	8.0
Other Maintenance	17,299	17,614	17,935	18,264	18,599	1,300	7.5
Other Supplies	2,500	2,532	2,564	2,596	2,630	130	5.2
Phone And Internet	16,254	16,595	16,944	17,300	17,663	1,409	8.7
Postage	10,600	10,728	10,859	10,992	11,129	529	5.0
Professional Fees	42,641	43,537	44,451	45,384	46,337	3,696	8.7
Recycling Program Costs	29,450	30,068	30,700	31,345	32,003	2,553	8.7
Repairs & Maintenance	36,596	37,310	38,039	38,783	39,543	2,947	8.1
Shade Tree	2,000	2,000	2,000	2,000	2,000	0	0.0
Snow Removal Materials	13,045	13,298	13,556	13,820	14,089	1,044	8.0
Storm Sewer Materials	3,000	3,063	3,127	3,193	3,260	260	8.7
Tax Collection Expenses	59,302	59,784	60,273	60,767	61,268	1,966	3.3
Tax Refund	2,500	2,523	2,545	2,568	2,591	91	3.6
Utilities	109,275	111,552	113,876	116,249	118,673	9,398	8.6
Vehicle Expense	69,220	70,583	71,974	73,395	74,846	5,626	8.1
Capital Projects	18,500	18,500	18,500	18,500	18,500	0	0.0
Capital Purchases	15,500	15,500	15,500	15,500	15,500	0	0.0
Debt Service	263,552	216,028	216,028	216,028	216,028	-47,524	-18.0
Transfers	<u>258,056</u>	<u>258,056</u>	<u>258,056</u>	<u>258,056</u>	<u>258,056</u>	<u>0</u>	<u>0.0</u>
<b>Total Expenditures</b>	<b>\$5,212,291</b>	<b>\$5,226,511</b>	<b>\$5,363,955</b>	<b>\$5,514,170</b>	<b>\$5,677,279</b>	<b>464,988</b>	<b>8.9</b>

Departmental Expenditures

Police Department expenditures are anticipated to experience the largest increase, rising from \$1.8 million in 2019 to \$2.1 million in 2023. The change from 2019 to 2023 is an increase of \$298,954 or 16.3 percent. Costs in the Public Works Department are projected to have the next highest absolute growth, increasing by \$125,818 from \$1.0 million in 2019 to \$1.1 million in 2023. General Government is expected to decline by \$53,712 or 6.8 percent because of previously mentioned one-time expenditures anticipated in 2019. Other departmental costs are less than 10 percent of total expenditures. (See Table 4-9.)

Table 4-9  
 LOCK HAVEN CITY  
Departmental Expenditures  
 2019 to 2023

	2019	2020	2021	2022	2023	Change 2019 - 2023		
<b>Grouped Department</b>	<u>Adjusted</u>	<u>Projected</u>	<u>Projected</u>	<u>Projected</u>	<u>Projected</u>	\$	%	
<b>General Government</b>	\$788,571	\$717,299	\$714,871	\$722,227	\$734,860	-53,712	-6.8	
<b>Engineering</b>	29,456	30,176	30,924	31,702	32,512	3,056	10.4	
<b>Police</b>	1,831,801	1,902,590	1,977,303	2,051,883	2,130,755	298,954	16.3	
<b>Fire</b>	421,677	433,726	446,291	459,406	473,103	51,426	12.2	
<b>Code Enforcement</b>	106,395	109,924	113,639	117,552	121,676	15,281	14.4	
<b>Planning/Zoning</b>	58,751	60,880	63,128	65,502	68,014	9,262	15.8	
<b>Emergency Management</b>	500	500	500	500	500	0	0.0	
<b>Public Works</b>	1,003,393	1,032,719	1,063,406	1,095,538	1,129,211	125,818	12.5	
<b>Parks/Recreation</b>	322,321	333,550	345,377	357,840	370,986	48,665	15.1	
<b>Airport</b>	<u>117,763</u>	<u>121,007</u>	<u>124,377</u>	<u>127,880</u>	<u>131,524</u>	<u>13,761</u>	<u>11.7</u>	
<b>Total Departmental</b>	<b>\$4,680,628</b>	<b>\$4,742,372</b>	<b>\$4,879,816</b>	<b>\$5,030,031</b>	<b>\$5,193,140</b>	<b>512,512</b>	<b>10.9</b>	
	Percentage of Total							
<b>General Government</b>	16.8	15.1	14.6	14.4	14.2			
<b>Engineering</b>	0.6	0.6	0.6	0.6	0.6			
<b>Police</b>	39.1	40.1	40.5	40.8	41.0			
<b>Fire</b>	9.0	9.1	9.1	9.1	9.1			
<b>Code Enforcement</b>	2.3	2.3	2.3	2.3	2.3			
<b>Planning/Zoning</b>	1.3	1.3	1.3	1.3	1.3			
<b>Emergency Management</b>	0.0	0.0	0.0	0.0	0.0			
<b>Public Works</b>	21.4	21.8	21.8	21.8	21.7			
<b>Parks/Recreation</b>	6.9	7.0	7.1	7.1	7.1			
<b>Airport</b>	<u>2.5</u>	<u>2.6</u>	<u>2.5</u>	<u>2.5</u>	<u>2.5</u>			
<b>Total Departmental</b>	100.0	100.0	100.0	100.0	100.0			

Police

The largest projected increase in the Police Department is for health insurance, which is projected to grow by 36.0 percent or \$176,029 from \$488,306 in 2019 to \$664,335 in 2023. Salaries and wages are likely to grow by \$84,907 or 9.3 percent from \$912,688 in 2019 to \$997,595 in 2023. Personnel costs are 95 percent of police costs. (See Tables 4-10 and 4-11.)

Table 4-10  
 LOCK HAVEN CITY  
Police Personnel and Non-Personnel Expenditures  
 2019 to 2023

	2019	2020	2021	2022	2023	Change 2019-2023		
	<u>Adjusted</u>	<u>Projected</u>	<u>Projected</u>	<u>Projected</u>	<u>Projected</u>	\$	%	
<b>Personnel</b>	\$1,747,876	\$1,817,033	\$1,890,080	\$1,962,959	\$2,040,094	292,218	16.7	
<b>Non-Personnel</b>	83,925	85,557	87,223	88,924	90,661	6,736	8.0	
<b>Total Expenditures</b>	<b>\$1,831,801</b>	<b>\$1,902,590</b>	<b>\$1,977,303</b>	<b>\$2,051,883</b>	<b>\$2,130,755</b>	<b>298,954</b>	16.3	
	Percent of Total Expenditures							
<b>Personnel</b>	95.4	95.5	95.6	95.7	95.7			
<b>Non-Personnel</b>	4.6	4.5	4.4	4.3	4.3			
<b>Total Expenditures</b>	100.0	100.0	100.0	100.0	100.0			

Table 4-11  
 LOCK HAVEN CITY  
Police Expenditures Detail  
 2019 to 2023

	2019	2020	2021	2022	2023	Change 2019-2023	
	<u>Adjusted</u>	<u>Projected</u>	<u>Projected</u>	<u>Projected</u>	<u>Projected</u>	\$	%
<b>Salaries &amp; Wages</b>	\$912,688	\$935,275	\$958,421	\$977,812	\$997,595	84,907	9.3
<b>Compensation/Medical</b>	9,450	9,639	9,832	10,028	10,229	779	8.2
<b>Court Time</b>	9,084	9,287	9,495	9,708	9,925	842	9.3
<b>Overtime</b>	10,950	11,163	11,380	11,602	11,828	878	8.0
<b>FICA/Social Security</b>	18,027	18,431	18,844	19,266	19,698	1,670	9.3
<b>Health Insurance</b>	488,306	527,370	569,560	615,125	664,335	176,029	36.0
<b>HRA Deductible</b>	45,540	45,540	45,540	45,540	45,540	0	0.0
<b>Dental Insurance</b>	13,077	13,861	14,693	15,575	16,509	3,432	26.2
<b>Life Insurance</b>	7,890	8,067	8,247	8,432	8,621	731	9.3
<b>Pension</b>	175,574	179,963	184,462	189,074	193,801	18,227	10.4
<b>Uniform Expense</b>	15,500	15,826	16,158	16,497	16,844	1,344	8.7
<b>Workers Comp Insurance</b>	32,571	33,222	33,887	34,565	35,256	2,685	8.2
<b>Other Employee Expense</b>	9,220	9,388	9,560	9,735	9,914	694	7.5
<b>Advertising/Printing</b>	750	750	750	750	750	0	0.0
<b>Compliance Testing</b>	500	500	500	500	500	0	0.0
<b>Computer Expense</b>	23,588	24,083	24,589	25,105	25,633	2,045	8.7
<b>Contract Services</b>	2,500	2,553	2,606	2,661	2,717	217	8.7
<b>Dues/Subscriptions</b>	400	400	400	400	400	0	0.0
<b>Duplicating Expense</b>	2,032	2,075	2,118	2,163	2,208	176	8.7
<b>Equipment Maintenance</b>	800	800	800	800	800	0	0.0
<b>Insurance/Bonds</b>	2,405	2,456	2,507	2,560	2,613	208	8.7

	2019	2020	2021	2022	2023	Change 2019-2023	
<b>Legal Expense</b>	4,776	4,876	4,979	5,083	5,190	414	8.7
<b>Minor Equipment</b>	500	500	500	500	500	0	0.0
<b>Miscellaneous Expense</b>	8,200	8,372	8,548	8,728	8,911	711	8.7
<b>Office Supplies</b>	4,375	4,461	4,548	4,637	4,728	353	8.1
<b>Operating Supplies</b>	3,590	3,665	3,742	3,821	3,901	311	8.7
<b>Other Supplies</b>	1,000	1,000	1,000	1,000	1,000	0	0.0
<b>Phone And Internet</b>	6,839	6,983	7,129	7,279	7,432	593	8.7
<b>Postage</b>	3,200	3,267	3,336	3,406	3,477	277	8.7
<b>Repairs &amp; Maintenance</b>	500	500	500	500	500	0	0.0
<b>Vehicle Expense</b>	17,970	18,317	18,670	19,031	19,400	1,430	8.0
<b>Total Expenditures</b>	<b>\$1,831,801</b>	<b>\$1,902,590</b>	<b>\$1,977,303</b>	<b>\$2,051,883</b>	<b>\$2,130,755</b>	<b>298,954</b>	<b>16.3</b>

Public Works

The largest increase in the Public Works Department is for health insurance, which is likely to rise by \$55,543 or 35.6 percent from \$156,110 in 2019 to \$211,653 in 2023. Salaries and wages are anticipated to grow by \$36,447 or 9.3 percent from \$393,456 in 2019 to \$429,903 in 2023. (See Tables 4-11 and 4-12.)

Table 4-12  
 LOCK HAVEN CITY  
Public Works Expenditures  
 2019 to 2023

	2019	2020	2021	2022	2023	Change 2019-2023	
	<u>Adjusted</u>	<u>Projected</u>	<u>Projected</u>	<u>Projected</u>	<u>Projected</u>	\$	%
<b>Personnel</b>	650,057	672,900	696,966	722,340	749,112	99,054	15.2
<b>Non-Personnel</b>	329,390	335,874	342,494	349,253	356,154	26,764	8.1
<b>Capital Projects</b>	18,000	18,000	18,000	18,000	18,000	0	0.0
<b>Capital Purchases</b>	8,000	8,000	8,000	8,000	8,000	0	0.0
<b>Debt Service</b>	23,945	23,945	23,945	23,945	23,945	0	0.0
<b>Total Expenditures</b>	<b>1,029,393</b>	<b>1,058,719</b>	<b>1,089,406</b>	<b>1,121,538</b>	<b>1,155,211</b>	<b>125,818</b>	<b>12.2</b>
Percent of Total Expenditures							
<b>Personnel</b>	63.1	63.6	64.0	64.4	64.8		
<b>Non-Personnel</b>	32.0	31.7	31.4	31.1	30.8		
<b>Capital Projects</b>	1.7	1.7	1.7	1.6	1.6		
<b>Capital Purchases</b>	0.8	0.8	0.7	0.7	0.7		
<b>Debt Service</b>	2.3	2.3	2.2	2.1	2.1		
<b>Total Expenditures</b>	100.0	100.0	100.0	100.0	100.0		

Table 4-13  
 LOCK HAVEN CITY  
Public Works Expenditures Detail  
 2019 to 2023

	2019	2020	2021	2022	2023	Change 2019-2023	
	<u>Adjusted</u>	<u>Projected</u>	<u>Projected</u>	<u>Projected</u>	<u>Projected</u>	<u>\$</u>	<u>%</u>
<b>Salaries &amp; Wages</b>	\$393,456	\$402,267	\$411,276	\$420,486	\$429,903	36,447	9.3
<b>Compensation/Medical</b>	333	333	333	333	333	0	0.0
<b>Overtime</b>	18,100	18,422	18,750	19,085	19,427	1,327	7.3
<b>FICA/Social Security</b>	32,946	33,680	34,431	35,198	35,982	3,036	9.2
<b>Health Insurance</b>	156,110	168,436	181,748	196,126	211,653	55,543	35.6
<b>HRA Deductible</b>	14,670	14,670	14,670	14,670	14,670	0	0.0
<b>Dental Insurance</b>	4,185	4,277	4,373	4,476	4,585	400	9.6
<b>Life Insurance</b>	2,453	2,453	2,453	2,453	2,453	0	0.0
<b>Unemployment Compensation</b>	1,500	1,530	1,561	1,592	1,624	124	8.2
<b>Uniform Expense</b>	5,015	5,120	5,228	5,338	5,450	435	8.7
<b>Workers Comp Insurance</b>	19,739	20,134	20,536	20,947	21,366	1,627	8.2
<b>Other Employee Expense</b>	1,550	1,578	1,607	1,636	1,665	115	7.4
<b>Advertising/Printing</b>	1,725	1,725	1,725	1,725	1,725	0	0.0
<b>Automobile Allowance</b>	50	50	50	50	50	0	0.0
<b>Building Maintenance</b>	5,500	5,616	5,733	5,854	5,977	477	8.7
<b>Compliance Testing</b>	500	500	500	500	500	0	0.0
<b>Computer Expense</b>	4,698	4,791	4,886	4,983	5,082	384	8.2
<b>Conrail Lease</b>	2,607	2,607	2,607	2,607	2,607	0	0.0
<b>Contract Services</b>	3,975	4,017	4,060	4,104	4,148	173	4.4
<b>Dues/Subscriptions</b>	200	200	200	200	200	0	0.0
<b>Duplicating Expense</b>	638	638	638	638	638	0	0.0
<b>Equipment Maintenance</b>	2,500	2,553	2,606	2,661	2,717	217	8.7
<b>Equipment Rental</b>	2,800	2,800	2,800	2,800	2,800	0	0.0
<b>Insurance/Bonds</b>	10,843	11,037	11,236	11,438	11,645	802	7.4
<b>Legal Expense</b>	1,205	1,230	1,255	1,282	1,309	104	8.6
<b>Materials &amp; Supplies</b>	6,000	6,126	6,255	6,386	6,520	520	8.7
<b>Minor Equipment</b>	3,500	3,542	3,585	3,629	3,673	173	5.0
<b>Miscellaneous Expense</b>	6,150	6,266	6,383	6,504	6,627	477	7.8
<b>Office Supplies</b>	625	625	625	625	625	0	0.0
<b>Operating Supplies</b>	12,550	12,814	13,083	13,357	13,638	1,088	8.7
<b>Other Maintenance</b>	16,000	16,315	16,637	16,965	17,300	1,300	8.1
<b>Phone And Internet</b>	4,810	4,911	5,014	5,119	5,227	417	8.7
<b>Postage</b>	1,800	1,829	1,859	1,890	1,921	121	6.7
<b>Recycling Program Costs</b>	29,450	30,068	30,700	31,345	32,003	2,553	8.7
<b>Repairs &amp; Maintenance</b>	32,746	33,408	34,083	34,772	35,477	2,731	8.3
<b>Snow Removal Materials</b>	13,045	13,298	13,556	13,820	14,089	1,044	8.0

	2019	2020	2021	2022	2023	Change 2019-2023	
<b>Storm Sewer Materials</b>	3,000	3,063	3,127	3,193	3,260	260	8.7
<b>Utilities</b>	126,724	129,385	132,102	134,876	137,709	10,985	8.7
<b>Vehicle Expense</b>	35,750	36,462	37,189	37,931	38,689	2,939	8.2
<b>Capital Projects</b>	18,000	18,000	18,000	18,000	18,000	0	0.0
<b>Capital Purchases</b>	8,000	8,000	8,000	8,000	8,000	0	0.0
<b>Debt Service</b>	23,945	23,945	23,945	23,945	23,945	0	0.0
<b>Total Expenditures</b>	<b>\$1,029,393</b>	<b>\$1,058,719</b>	<b>\$1,089,406</b>	<b>\$1,121,538</b>	<b>\$1,155,211</b>	<b>125,818</b>	<b>12.2</b>

Administration

The largest projected growth for administration is in health insurance and salary and wages. Health insurance is anticipated to increase by \$70,772 or 35.6 percent from \$198,906 in 2019 to \$269,678 in 2023, while salary and wages is expected to rise by \$48,286 or 8.9 percent from \$539,531 to \$587,816. As noted previously, miscellaneous expenses decline significantly because of one-time costs for demolition and a comprehensive plan budgeted for 2019. (See Tables 4-14 and 4-15.)

Table 4-14  
 LOCK HAVEN CITY  
Administration Personnel and Non-Personnel Expenditures  
 2019 to 2023

	2019	2020	2021	2022	2023	Change 2019-2023		
	<u>Adjusted</u>	<u>Projected</u>	<u>Projected</u>	<u>Projected</u>	<u>Projected</u>	\$	%	
<b>Personnel</b>	\$893,469	\$923,645	\$955,404	\$988,854	\$1,024,111	130,642	14.6	
<b>Non-Personnel</b>	530,289	449,692	437,411	434,350	435,960	-94,328	-17.8	
<b>Capital Projects</b>	500	500	500	500	0	-500	-100.0	
<b>Total Expenditures</b>	<b>\$1,424,258</b>	<b>\$1,373,837</b>	<b>\$1,393,316</b>	<b>\$1,423,704</b>	<b>\$1,460,072</b>	<b>35,814</b>	<b>2.5</b>	
	Percent of Total Expenditures							
<b>Personnel</b>	62.7	67.2	68.6	69.5	70.1			
<b>Non-Personnel</b>	37.2	32.7	31.4	30.5	29.9			
<b>Capital Projects</b>	0.0	0.0	0.0	0.0	0.0			
<b>Total Expenditures</b>	100.0	100.0	100.0	100.0	100.0			

Table 4-15  
**LOCK HAVEN CITY**  
Administration Expenditures Detail  
 2019 to 2023

	2019	2020	2021	2022	2023	Change 2019-2023	
	<u>Adjusted</u>	<u>Projected</u>	<u>Projected</u>	<u>Projected</u>	<u>Projected</u>	\$	%
<b>Salaries &amp; Wages</b>	\$539,531	\$551,204	\$563,139	\$575,341	\$587,816	48,286	8.9
<b>Comp/Medical</b>	649	649	649	649	649	0	0.0
<b>Overtime</b>	2,540	2,581	2,622	2,665	2,708	168	6.6
<b>FICA</b>	45,231	46,217	47,225	48,256	49,310	4,080	9.0
<b>Health Insurance</b>	198,906	214,612	231,574	249,893	269,678	70,772	35.6
<b>HRA Deductible</b>	17,820	17,820	17,820	17,820	17,820	0	0.0
<b>Dental Insurance</b>	5,419	5,511	5,607	5,710	5,819	400	7.4
<b>Life Insurance</b>	2,886	2,886	2,886	2,886	2,886	0	0.0
<b>Pension</b>	54,491	55,712	56,960	58,235	59,540	5,049	9.3
<b>Uniform Expense</b>	600	600	600	600	600	0	0.0
<b>Workers Comp Insurance</b>	10,697	10,891	11,089	11,291	11,497	800	7.5
<b>Other Employee Expense</b>	14,700	14,964	15,233	15,508	15,788	1,088	7.4
<b>Advertising</b>	6,690	6,766	6,843	6,922	7,002	312	4.7
<b>Automobile Allowance</b>	1,450	1,450	1,450	1,450	1,450	0	0.0
<b>Building Maintenance</b>	38,598	39,408	40,236	41,081	41,944	3,346	8.7
<b>Compliance Testing</b>	500	500	500	500	500	0	0.0
<b>Computer Expense</b>	11,325	11,547	11,774	12,006	12,243	918	8.1
<b>Contract Services</b>	52,150	53,225	54,323	55,444	56,588	4,438	8.5
<b>Contributions</b>	66,400	66,400	66,400	66,400	66,400	0	0.0
<b>Dues/Subscription</b>	9,725	9,904	10,086	10,272	10,462	737	7.6
<b>Duplicating</b>	1,945	1,945	1,945	1,945	1,945	0	0.0
<b>Equipment Maintenance</b>	1,000	1,000	1,000	1,000	1,000	0	0.0
<b>Grant Expense</b>	7,500	7,658	7,818	7,982	8,150	650	8.7
<b>Insurance/Bonds</b>	15,523	15,828	16,139	16,457	16,782	1,259	8.1
<b>Land Fill Fees</b>	1,910	1,950	1,991	2,033	2,076	166	8.7
<b>Legal Expense</b>	13,832	14,103	14,381	14,664	14,953	1,121	8.1
<b>Minor Equipment</b>	800	800	800	800	800	0	0.0
<b>Miscellaneous Expense</b>	125,878	39,513	21,348	12,283	7,768	-118,110	-93.8
<b>Office Supplies</b>	6,055	6,146	6,238	6,333	6,429	374	6.2
<b>Operating Supplies</b>	16,245	16,533	16,826	17,126	17,432	1,187	7.3
<b>Maintenance</b>	999	999	999	999	999	0	0.0
<b>Phone/Internet</b>	4,605	4,702	4,800	4,901	5,004	399	8.7

<b>Postage</b>	5,150	5,182	5,214	5,246	5,280	130	2.5
<b>Professional Fees</b>	42,641	43,537	44,451	45,384	46,337	3,696	8.7
<b>Repairs &amp; Maintenance</b>	2,700	2,753	2,806	2,861	2,917	217	8.0
<b>Shade Tree</b>	2,000	2,000	2,000	2,000	2,000	0	0.0
<b>Tax Collection Expenses</b>	59,302	59,784	60,273	60,767	61,268	1,966	3.3
<b>Tax Refund</b>	2,500	2,523	2,545	2,568	2,591	91	3.6
<b>Utilities</b>	32,866	33,538	34,225	34,925	35,641	2,774	8.4
<b>Capital Projects</b>	500	500	500	500	500	0	0.0
<b>Total Expenditures</b>	<b>\$1,424,258</b>	<b>\$1,373,837</b>	<b>\$1,393,316</b>	<b>\$1,423,704</b>	<b>\$1,460,572</b>	<b>36,314</b>	<b>2.5</b>

## CHAPTER 5 ADMINISTRATION REVIEW

### Introduction

The City's administrative functions are directed by the City manager and are carried out by several departments under the manager's supervision. According to the City's Administrative Code, the City manager is the chief administrative officer of the City and is vested with numerous responsibilities including:

- Acting at the direction of City Council and implementing Council policies on their behalf;
- Supervision of Human Resource (HR) functions, including the appointment of qualified employees and the power to dismiss, suspend and discipline the City's workforce;
- Oversight of all municipal operations, the power to investigate or inquire upon said operations, and the power to promulgate rules and regulations regarding the conduct thereof;
- Establishment of a uniform accounting system, accurately reflecting the financial position of the City and the control of all expenditures through a purchasing encumbrance system;
- Preparation and presentation to Council of the annual budget and monthly financial reports of City revenues and expenditures for all departments and funds.

The City Manager is assisted with these day-to-day responsibilities by the Departments of Administration, Finance, Public Works and Public Safety.

### Department of Administration

The City manager serves as head of the Department of Administration, which the City Code vests with the responsibilities of recording council proceedings, maintaining City records and files, supervising personnel policies and development of budgets and capital improvement programs. The City does not employ a city clerk; indeed, Chapter 7, Article X of the City Code effectively vests city clerk duties upon the City manager position, leaving the manager to prepare council agenda packets, posting legal notices, and other clerk responsibilities.

Department of Administration costs increased 13.5 percent from 2013 to 2017. However, it must be noted that historical Department of Administration expenditure figures include nearly all health insurance expenditures for non-public safety employees, even though the City's chart

of accounts has salary and non-personnel costs broken out into separate departments (e.g. Finance, Engineering, etc.). The City began to allocate these health care expenditures to their respective departments starting with the 2019 budget. Excluding health insurance costs, administration personnel expenditures increased by 8.4 percent between 2013 and 2017, while non-personnel costs fell by over 26 percent. (See Table 5-1.)

Table 5-1  
 LOCK HAVEN CITY  
Department of Administration General Fund Expenditures  
 2013 to 2017

	2013	2014	2015	2016	2017	Change 2013-17	
Category	Actual	Actual	Actual	Actual	Actual	\$	%
Health Insurance*	\$267,314	\$357,942	\$312,100	\$356,005	\$354,916	87,602	32.8
Personnel	131,691	118,560	134,159	128,729	142,803	11,112	8.4
Non-Personnel	111,579	91,179	82,169	79,195	81,910	-29,668	(26.6)
Capital	299	380	65,145	1,564	0	-299	(100.0)
<b>Total</b>	<b>\$510,883</b>	<b>\$568,061</b>	<b>\$593,573</b>	<b>\$565,493</b>	<b>\$579,630</b>	<b>68,747</b>	<b>13.5</b>

The administration of City engineering, planning and community development services is also housed within the Department of Administration. As detailed later in this chapter, the City employs an in-house engineer and an engineering draftsman.

Department of Finance

The City manager oversees the Finance Department, which is managed by a finance director and tasked with general supervision and proper management of all City fiscal concerns; maintenance of records regarding City assets, property, and debt; and financial reporting and day-to-day fiscal operations (e.g., accounts payables and accounts receivables) as furthered detailed in the sections of this chapter.

Similar to the case of health insurance expenditures in the Administration Department, a notable portion of the City’s historical Finance Department expenditures constitute City contributions to the pension system for non-public safety employees. Non-pension personnel costs have increased by \$8,819 (39.5 percent) from 2013 to 2017, with the increases largely attributable to clerical staff costs and the addition of the finance director. Non-personnel costs have declined nearly 25 percent, with most of the reduction due to property damage insurance savings and reduced software maintenance costs. (See Table 5-2.)

Table 5-2  
 LOCK HAVEN CITY  
Department of Finance General Fund Expenditures  
 2013 to 2017

	2013	2014	2015	2016	2017	Change 2013-17	
Category	Actual	Actual	Actual	Actual	Actual	\$	%
Pension*	\$86,957	\$103,387	\$141,149	\$110,577	\$118,809	31,852	36.6
Personnel	22,349	23,088	22,577	26,765	31,169	8,819	39.5
Non-Personnel	89,715	97,954	73,781	67,523	67,892	-21,822	(24.3)
Capital	0	0	0	78	0	0	(100.0)
<b>Total</b>	<b>\$199,021</b>	<b>\$224,429</b>	<b>\$237,507</b>	<b>\$204,943</b>	<b>\$217,870</b>	<b>18,849</b>	<b>9.5</b>

Tax Collection

Current real estate taxes were historically collected by the finance director and City staff at Lock Haven City Hall. However, starting in 2019, current real estate taxes will be collected by Berkheimer and Associates. The Clinton County Treasurer Department collects delinquent taxes on behalf of the City with delinquent payments remitted quarterly to the City. Keystone Central School District provides collection services for earned income and business privilege taxes. Local services taxes are currently collected by the City but collection services will be provided by Keystone Central starting with the fourth quarter of 2018.

Procurement and Accounts Payable

The City manager, as head of the Department of Administration, is responsible for the administration of the City’s centralized purchasing system. The City uses a purchase order system, Microix Workflow, to manage and oversee the purchasing process for the City. The software allows users to create and submit purchase requests, which are reviewed by the City manager; the requestor is notified via email if the purchase order is approved, rejected, or requires revisions identified by the City manager. The Microix system is a trusted third-party software development partner of MIP by Abila, the City’s main financial system. This means that, while not a seamless integration, purchase encumbrances sync with budgetary line item data within the City’s financial system.

Accounts payable is also handled within MIP by Abila, with invoice entry handled by the finance director and a finance clerk. City payments are processed by the Finance Department and reviewed by the City treasurer and City controller. The controller is a part-time elected position

responsible for reviewing all payments against the City budget and approving said payments by signing the check. The treasurer is a part-time elected position vested with the duties of receiving all monies for deposit from all City departments and disbursing all funds in accordance with City payments that have been reviewed and approved by the controller.

### Human Resources and Payroll

The City manager, as head of the Department of Administration, is responsible for the City's human resource (HR) functions. The City's HR functions include announcing open positions, screening applications, on-boarding of new hires, open enrollment and workers compensation processing, all of which is typically handled by the administration clerk. The City currently lacks an employee handbook that collects municipal employment policies, rules, disciplinary and grievance procedures and other HR policy components typically found in such a document. The City does promulgate individual personnel memos to staff that would typically be found in a comprehensive handbook. Policy statements regarding sexual harassment, the use of cell phones while operating City-owned vehicles, and dress code have been distributed by the administration. Starting this year, staff will have to sign memos to acknowledge receipt and understanding of the policies distributed. City officials have noted that some personnel policy memos are decades old and are being updated as they are reviewed.

Payroll was historically performed in-house through the City's financial software. An administration clerk was traditionally in charge of processing the City's payroll and associated liability payments. However, a resignation required these duties to be temporarily filled by the City manager and another clerk position. The City has since signed a contract with Automatic Data Processing, Inc. (ADP) to provide payroll processing services starting in January 2019. The other duties of the resigned clerk (which included backing up the water and sewer billing staff for payment processing) have been divided between two part-time clerks; the City estimates that removal of the full-time position and outsourcing of payroll to ADP will save approximately \$35,000 a year (factoring in wages and benefits and the cost of part-time staff).

### Water and Sewer Billing

The billing and payment apparatus of the City's water and sewer systems operates out of the first floor of City Hall. Actual use water consumption is collected on a quarterly basis by the Water Department's meter reader, mostly by Census Gun with some radio reads, for the approximately 3,200 water accounts and 2,500 sewer accounts in Lock Haven and several neighboring communities. Nearly 1,000 bills are processed and mailed monthly.

Finance Department staff at City Hall also process in-person and mailed payments, late and turnoff notices, water/sewer account management, and handle water/sewer work order processing on a daily basis. In addition to cash and check, the City accepts credit card payments in-person and through the utility billing software's online portal for customers. The City uses Muni-Link software, developed by Link Computer Corporation in Bellwood, Pennsylvania for their utility account billing and payment processing needs. The functionality of the system has allowed the billing staff to extend their billing to all of the City's accounts receivable needs, which include sewer equipment rentals to other municipalities, airport rents, industrial sewer program billings and many more.

### Engineering

The City manager, as head of the Department of Administration, is responsible for the administration of the City's engineering services. The City employs an in-house engineer and an engineering draftsman who provide many engineering functions in support of other departments in the City. The engineer and draftsman support the City's building and zoning functions by providing land development plan review services. The Engineering Department also provides in-house project management and technical specification drafting for road reconstruction, and oversight over wastewater plant equipment purchases. During road construction, the Engineering Department employs a part-time laborer who acts as a paving inspector, keeping contractors to the specifications drafted by the department. Mapping is an important function in the office as well, providing detailed GIS data on the City's water, wastewater and storm water systems. The Engineering Department works with Public Works staff to catalog details on City manholes, catch basins, valves and other key components to these systems.

The City utilizes third-party engineering expertise on a project-by-project basis. Most recently, the City contracted with Gwin, Dobson & Foreman, Inc., an engineering firm based in

Altoona, Pennsylvania, for engineering services related to Tidlow Dam repairs and the installation of a grant-supported utility water system at the City’s wastewater treatment plant.

General Fund costs for the Engineering Department increased from \$47,640 in 2013 to \$55,249 in 2017, a 16 percent increase. Given that the services of this department are predominantly rendered to the water and sewer systems, a majority of its costs are allocated to those funds. Indeed, only 10 percent of the engineer’s personnel costs and 45 percent of the draftsman’s personnel costs are allocated to the General Fund. (See Table 5-3.)

Table 5-3  
 LOCK HAVEN CITY  
 Department of Engineering General Fund Expenditures  
 2013 to 2017

	2013	2014	2015	2016	2017	Change 2013-17	
Category	Actual	Actual	Actual	Actual	Actual	\$	%
<b>Personnel</b>	\$43,447	\$41,595	\$41,608	\$49,980	\$50,034	6,587	15.2
<b>Non-Personnel</b>	3,279	3,771	2,191	2,010	5,216	1,937	59.1
<b>Capital</b>	915	0	0	0	0	-915	(100.0)
<b>Total</b>	<b>\$47,640</b>	<b>\$45,366</b>	<b>\$43,799</b>	<b>\$51,990</b>	<b>\$55,249</b>	<b>7,609</b>	<b>16.0</b>

Information Technology

The City manager is responsible for overseeing the information technology (IT) needs of the City. These technical services are outsourced and currently provided by Intrada Technologies LLC, a firm based in Muncy, PA. In addition to providing general IT support, daily computer image backups are captured remotely off-site and a tape backup is moved off-site monthly. With regards to liability, the City maintains cyber insurance through PennPrime Insurance Trust, which is now a regular component to the company’s liability/property insurance.

The City implemented a new financial system several years ago, deploying the MIP product by Abila (based in Austin, Texas) for financial management (e.g., general ledger, accounts payable, procurement, and capital asset management) and human resources (payroll, employee tracking). The City utilizes Muni-Link for utility billing; miscellaneous accounts receivable processing, work orders and payment processing. Muni-Link includes a public-facing web portal component that allows water and sewer account holders to create an online account, providing paperless billing and online payment processing features.

Parks and Recreation

The Department of Public Works/Streets-Parks Division is responsible for the City’s parks and recreational facilities. The City’s parks and recreation program functions in partnership with the Keystone Central School District, part of a larger consortium of partnerships between Keystone Central and nine municipalities in Clinton County. In this arrangement, Keystone Central provides part-time summer staffing for the eight-week summer programs at four Lock Haven playgrounds between the hours of 9:30 a.m. to noon and 6 p.m. to 8 p.m., Monday through Friday. The four parks at which these programs are held are Hammermill Park, Hoberman Park, Piper-Harmon Park, and the Clinton County Housing Authority’s Bennage Heights Playground. (See Table 5-4.)

Table 5-4  
 LOCK HAVEN CITY  
Historical Parks and Recreation Expenditures  
 2013 to 2017

	2013	2014	2015	2016	2017	Change 2013 - 2017	
	Actual	Actual	Actual	Actual	Actual	\$	%
<b>Personnel</b>	\$91,709	\$96,853	\$86,901	\$84,142	\$62,918	-\$28,791	-31.4
<b>Operating</b>	19,584	18,167	18,713	20,042	29,408	9,824	50.2
<b>Capital and Equipment</b>	55,507	8,457	39,521	5,898	8,415	-47,092	-84.8
<b>Utilities</b>	10,079	7,882	9,035	8,722	8,278	-1,801	-17.9
<b>Parks and Recreation Total</b>	<b>\$176,879</b>	<b>\$131,359</b>	<b>\$154,170</b>	<b>\$118,803</b>	<b>\$109,019</b>	<b>-67,860</b>	<b>-38.4</b>

The City employs a part-time parks and recreation director to oversee programs. The City’s Public Works Department is responsible for maintenance of all City parks, including mowing, restroom and equipment maintenance and winterization of plumbing. The size of these parks and the maintenance requirements are detailed in the table below. (See Table 5-5.)

Table 5-5  
 LOCK HAVEN CITY  
Lock Haven Parks and Recreation Maintenance Responsibilities by Park and Facility  
 2018

Location	Acres	Mowing and Trimming	Rest Room/ Building Maint	Equip. Repair and Maint	Litter Pick-Up	Tree and Shrubbery Maint	Winter Sidewalk Maint	Plumbing Winterization
Hanna Park	8.0	x	x	x	x	x		x
Hoberman Park	5.0	x	x	x	x	x	x	x
Piper-Harmon Playground	1.7	x	x	x	x	x		
Canal Park	2.8	x			x	x	x	
City Beach/Park	0.1	x	x	x	x		x	x
Hammermill Park	2.5	x	x	x	x	x		x
Kistler Playground	1.0	x		x	x		x	
Memorial Park	5.0	x	x	x	x	x		
Taggart Park	6.5	x	x	x	x	x	x	x
Eberhart Playground	1.0	x	x	x	x	x		
Monument Triangle	0.1	x			x	x	x	
Express Triangle	0.0	x			x	x	x	
Triangle Park	0.8	x			x	x	x	x
Bellefonte Ave Mini Park	0.1	x			x	x	x	
Liberty Street Triangle	0.0	x			x			
City Hall		x	x		x	x	x	
Public Works Building		x	x		x	x	x	
Sixth Street Triangle	0.0	x			x			
Jessamine Street Area	0.6	x			x	x	x	
Myrtle Street	1.5	x			x	x		
Peddie Park <sup>1</sup>	10.0	x	x	x	x	x		x
E Bald Eagle & Liberty		x			x		x	
University Park		x			x	x	x	
<b>Total/Count</b>	<b>46.7</b>	<b>23</b>	<b>11</b>	<b>10</b>	<b>23</b>	<b>18</b>	<b>14</b>	<b>7</b>

Code Enforcement, Building and Zoning

The Department of Public Safety/Code Division is responsible for the City’s code enforcement and inspection services. The City’s code enforcement, building and zoning functions are provided by the City’s code enforcement officer and one clerk position. The officer is a Certified Building Official (CBO) and able to provide residential inspection services in-house. Commercial and industrial inspections are outsourced to Code Inspections, Inc., a licensed third-party inspection and plan review agency headquartered in Horsham, PA. The code

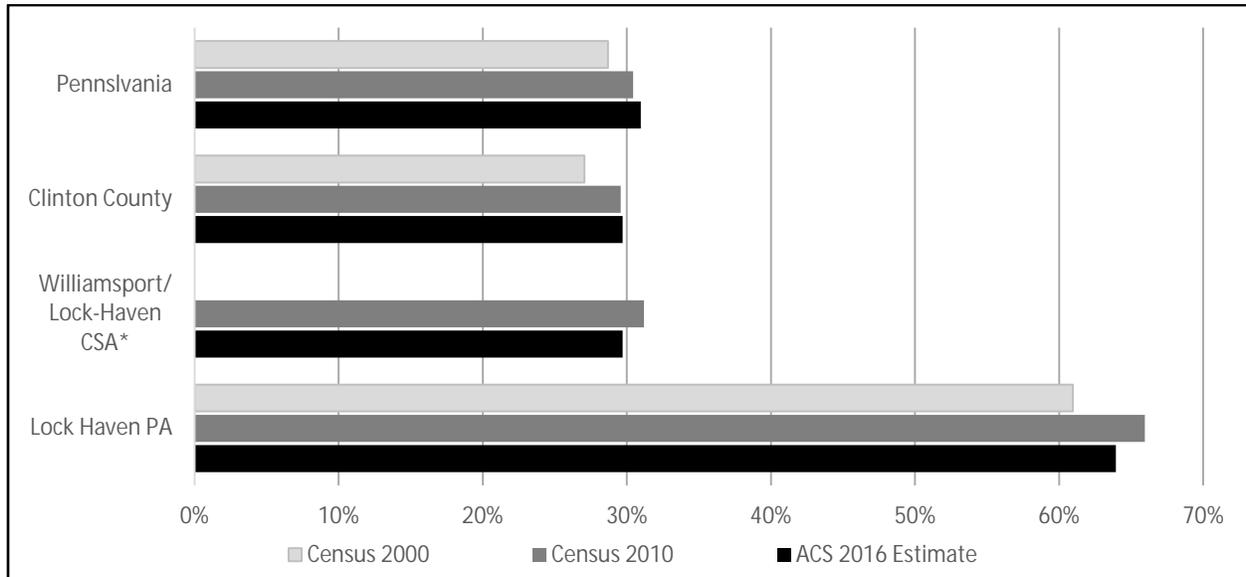
<sup>1</sup> 10 acres maintained out of 70 total acres

enforcement officer estimates the office issues approximately 300 to 350 property maintenance violations and less than ten building code violations a year.

The City is currently party to a consent decree from the 1980s that limits the City's rental inspection program. The consent decree was borne from litigation brought by owners of City rental properties when the City attempted to institute a rental inspection program. The decree established that rental properties must be inspected for adherence to the 2003 International Property Maintenance Code just once every five years. Furthermore, the City code enforcement staff is not allowed to conduct these inspections; rather, the City maintains a list of certified third-party property maintenance inspections that rental property owners can choose from for the service. Once completed, it is the responsibility of the property owner to provide the City with a copy. In addition to residential inspections, owners of rental properties are also required to register their rental structure with the code enforcement office; these registrations must be updated every five years or upon change of ownership.

It is important to note that the five-year cycle for rental inspections is ward-based. Anecdotally, City officials have suggested that this lengthy five-year rental inspection cycle has a noticeable impact on the relative condition of rental properties by wards. The condition of the City's rental housing stock is a very important component to the condition of the City at large. Census data dating back to 2000 shows that over 60 percent of occupied housing units in the City are rental units, which is double the rates seen in the state, Clinton County, or the Williamsport-Lock Haven Combined Statistical Area (CSA). (See Graph 5-1.)

Graph 5-1  
 LOCK HAVEN CITY  
Renter-Occupied Units as a Percentage of Total Housing Units  
 2000 to 2016



\*Combined Statistical Area. CSA housing type data from 2000 Census is not readily available.

Lock Haven University is a sizable source of the City’s renter base population. As such, it is notable that the University’s enrollment has noticeably declined in the last several years. Undergraduate enrollment for the 2014 academic year was approximately 4,400 students, while fall 2018 enrollment stands at 3,425, over a 20 percent decrease.

**Recommendations**

1. **Develop and Promulgate Employee Handbook:** An employee handbook is an essential document to communicate with personnel on workplace expectations, employee rights and responsibilities, and key policies and procedures. Employee handbooks also protect the municipality from litigation by outlining discipline procedures and appropriate procedures to handling personnel issues. The City should prioritize the development of an employee handbook to include a records retention policy, performance evaluation system and other appropriate HR policies and procedures. Additionally, the City should develop a review and update process to maintain the handbook as a “living document,” no less than every other year. A request for proposals (RFP) can be developed to solicit assistance with the drafting of a comprehensive document.

2. **Conduct Cost Allocation Study:** The City charges the water and sewer funds for various tasks done on behalf of the water and sewer operations by City staff, such as billing and collections. However, the City has not conducted a third-party study to determine the proper allocations from those two funds. The City should have a cost allocation study done to ensure that it is being properly reimbursed and to increase transparency amongst the funds.
3. **Review challenge to rental inspection consent decree:** The City's current rental registration and inspection program stems from a 1980s era consent decree that was issued in the wake of litigation brought by a rental property owners group that no longer exists. The decree significantly limits the steps that the City can take to proactively monitor blighted, nuisance properties. For example, rental unit inspections are completed just once every five years and are not done by the City. As a result, the City is nearly powerless in overseeing the efficacy of the initiative with little oversight over the rental inspectors beyond assuring they have proper certification. A \$15 registration fee is also charged every five years or when the property changes hands. The City solicitor should explore measures to overturn the consent decree. Depending on the status of the consent decree, the City should look to institute a more robust rental registration and inspection program with an appropriate fee. Bloomsburg and West Chester have ordinances that could serve as models.
4. **Consider Adoption of other Rental Ordinances:** The City's current rental registration is the mere recognition of a rental property as such. Many boroughs and cities require the occupants of a rental property to be registered with City code enforcement offices. The City should consider an ordinance that requires landlords to report the identity of tenants when occupancy changes. The City should also consider the appropriateness of a property management ordinance to enhance public safety and structure quality. These ordinances commonly take the form of requiring rental property owners residing more than an established distance from municipal boundaries to designate a property manager within that same established distance, as a designated point-of-contact for disruptive conduct, emergencies, and any other occurrence that may be of a time-sensitive nature, and otherwise act as the owner's agent.

5. Create Housing Data Base: The City should investigate creating a data base of each residential structure, potentially using software developed by the Harrisburg Area Community College (HACC) for this purpose. The Google application allows the user to input the condition and a picture of each structure, noting items such as broken windows, missing siding, collapsed roof, etc. The resulting property data base can be expanded to include additional information such as code violations, delinquent taxes or fees, police calls or any other pertinent material. The data base would allow the City to set priorities regarding enforcement activities and take a more proactive approach to controlling blight.

**CHAPTER 6  
PUBLIC WORKS REVIEW**

Introduction

The Department of Public Works is responsible for all matters relating to the construction, maintenance and operation of the City's physical properties. The City's Administrative Code establishes DPW administration, direction, and supervision over street and highway operations; water operations; sanitary sewer and storm sewer operations; parks and recreational facilities; buildings and property; and flood protection. For additional information on the Wastewater and Water Department components of Public Works, please see Chapter 10. Recommendations for public works include staff training, technology upgrades, capital planning, and outsourcing of lawn moving and landscaping.

Staffing

Public Works has 28 employees across administration, water, sewer, levee, street and parks, and the municipal garage. (See Table 6-1.)

Table 6-1  
LOCK HAVEN CITY  
Public Works Department Positions  
2018

<b>Position</b>	<b>DPW Admin</b>	<b>Water</b>	<b>Sewer</b>	<b>Levee</b>	<b>Streets/Parks</b>	<b>Garage</b>	<b>Total</b>
<b>Public Works Director</b>	1						1
<b>Secretary</b>	1						1
<b>Superintendent</b>			1	1			2
<b>Foreman</b>		1	1		1		3
<b>Operator 1</b>					1		1
<b>Operator 2</b>			1				1
<b>Operator 3</b>				1	3		4
<b>Semiskilled Laborer</b>		2	1				3
<b>Pipe Fitter</b>		1					1
<b>Mechanic 1</b>						1	1
<b>Mechanic 2</b>						1	1
<b>Maintenance</b>			1				1
<b>Meter Reader</b>		1					1
<b>Chief Operator</b>			1				1
<b>Plant Operator 3</b>			5				5
<b>Instrument Tech</b>			1				1
<b>Total</b>	2	5	12	2	5	2	28

Streets and Parks

Public Works is responsible for the maintenance of approximately 30 miles of roadway within the City, including 25.4 miles of roadway that are factored into the City’s Act 655 Liquid Fuels state funding allocation. Road maintenance includes paving and patching roads, street salting and snow plowing during winter weather, and seasonal street sweeping. Street rehabilitation and reconstruction projects are outsourced to private contractors through competitive bidding processes, while the drafting and engineering of those projects is performed in-house through the Engineering Department.

Records indicate that the municipality has typically apportioned its Liquid Fuels monies across a number of activities allowed by Pennsylvania Department of Transportation (PennDOT) Act 655 regulations, with a recent rise in road rebuilding expenditures in 2017. (See Table 6-2.)

Table 6-2  
 LOCK HAVEN CITY  
Liquid Fuels MS-965 Actual Use Report Expenditure Summary  
 2014 – 2017

	2014	2015	2016	2017
<b>Highway Construction and Rebuilding Projects</b>	\$39,613	\$24,886	\$30,679	\$143,720
<b>Road and Bridge Maintenance/Repair</b>	59,793	90,825	44,103	34,802
<b>Winter Maintenance Services</b>	71,879	53,374	30,487	40,237
<b>Repair of Tools and Machinery</b>	22,749	27,970	16,255	26,923
<b>Street Cleaning and Gutters</b>	19,474	21,683	27,830	21,147
<b>Storm Sewer and Drains</b>	3,077	7,439	18,300	17,973
<b>Traffic Control Devices</b>	399	4,762	7,649	10,239
<b>Total</b>	<b>\$216,984</b>	<b>\$230,939</b>	<b>\$175,303</b>	<b>\$295,043</b>

A fair amount of day-to-day work involves maintenance of the City’s storm water infrastructure, including street sweeping, seasonal leaf collection, cleaning inlets and replacing storm piping (the rainy 2018 summer has exposed some infrastructure issues compared to drier years). Streets Department staff has been working with the Engineering Department’s GIS draftsman to map the storm water infrastructure, often taking maps out during work events and marking notes about the infrastructure to be coded in the City’s geographic information system (GIS)-enabled database system.

The Public Works director is investigating software solutions that would allow DPW to extend its use of technology to street and related infrastructure in a GIS-enabled system. The

Director hopes the software, following an initial inspection process, will allow the City to score street infrastructure with a pavement condition index (PCI) from 0-100 to prioritize future rehabilitation and reconstruction efforts.

Street sweeping activities are performed four days a week for approximately six hours per day. In the fall, residents rake leaves to the curb and the City collects them using two trucks between midnight and 8 a.m. in areas of the City consistent with the street sweeping schedule. Similarly, a spring cleanup is held once a year providing residents the chance to dispose of tree limbs, brush, and other yard waste.

The Department maintains the various parks and playgrounds owned by the City, an inventory of nearly 50 acres that boast a variety of ball fields, tennis courts, picnic areas, public meeting areas, playgrounds and a beach along the West Branch of the Susquehanna River (park details are available in the Administration Chapter). The majority of these efforts involve mowing and landscaping the properties. The Department is also responsible for restroom maintenance, equipment repair, winterization of plumbing and sidewalk winter maintenance. Playground equipment is present at six parks; officials have noted the City's playground equipment is aging, outdated, and in need of replacement.

### Municipal Garage

The City is in the process of transferring its municipal garage facilities. The current municipal garage is on a tract of land on Walnut Street. The tract includes a main two-bay garage; a large open-air storage structure adjacent to the garage; a second open-air storage structure opposite the garage; an above-ground fuel island; a salt shed; and a single-story modular for office space.

The new municipal garage is on Second Avenue, a 2.4-acre plot of land that was purchased by the City from PennDOT. The property's main structure is the main garage, a masonry construction of approximately 14,000 square feet with office space and a walkout basement. Also on the property are three below-ground fuel storage tanks, a fuel pump structure, and an aging storage shed. The City is currently in the process of renovating the main garage and hopes to be fully operational at the facility in the summer of 2019.

The garage is staffed by two mechanics who manage the City's entire vehicle fleet, providing maintenance and repairs to the City's police and light-duty vehicles, heavy duty

equipment, street sweepers, and other City equipment. The City does not currently deploy any fleet maintenance software; records of vehicle maintenance and repair are kept through manual paper records.

### Water, Sanitary Sewer and Storm Sewer Operations

The Water Department maintains the potable water infrastructure for most of the City and parts of Wayne Township, Castanea Township and Allison Township. This infrastructure includes two water storage tanks (100,000 gallons and 25,000 gallons), two surface water reservoirs (Warren Ohl Reservoir and the Boyd Keller Reservoir), the raw water mains to the Center Clinton County Water Filtration Plant (the plant is owned and operated by the Central Clinton County Water Filtration Authority), and the finished water transmission lines.

The Sewer Department provides sanitary sewer collection, conveyance, and treatment services for the City, Castanea Township, Woodward Township, Flemington Borough, Mill Hall Borough, Bald Eagle Township and several other municipalities via the East Nittany Valley Joint Municipal Authority. The waste water treatment plant is permitted through DEP and meets required effluent goals/limits. In addition to operation and maintenance of the system overall, the Sewer Department maintains a pretreatment permit program with industrial users to ensure effluent standards are met from these customers, who are inspected two times a year and are required to sample discharge daily.

Day-to-day operations in the field focus on preventative maintenance and leak detection of transmission lines and, for the water system specifically, mowing the tracts of land directly surrounding the City-owned surface reservoirs. The Water Department is also tasked with maintaining the land surrounding the water reservoirs.

### Flood Protection/Levee

The Levee Department is responsible for maintaining the levee infrastructure along the West Branch of the Susquehanna River that was constructed in the 1990s. The earth levee spans over six miles and consists of five closure structures, nearly 40 drainage structures, one sanitary pump station, and five ponding areas. The levee also serves as a recreational asset to the City with a walkway along a two-mile stretch of the levee with lighting and benches, a beach and amphitheater, and boating opportunities.

The Levee Department is overseen by the Public Works director and is staffed by a Levee Superintendent and one Operator 3.

#### Department Management and Planning

In 2018, the City created a Public Works Director position. Prior to the director position, the management of Public Works was spread across the foreman and superintendent positions within the respective services areas. In part, the reintroduction of the Public Works director position marks a step towards greater coordination across Public Works service areas. The director has instituted biweekly meetings between himself and the foreman to discuss upcoming work and staffing requirements. Foreman report a bi-weekly schedule of priority work and foreman work between them to occasionally borrow staff from one department to help on coordinated tasks.

Although cross-service area staffing and work has always existed in some form, the operations of Public Works have traditionally been kept in the respective service areas outlined above. City officials have noted a desire to increase cross-service area work and recognize the training needs that come with such a shift. Internal trainings and PennDOT Local Technical Assistance Program (LTAP) training opportunities will be used not only to enhance staff's knowledge of their own services areas but also to provide them with opportunities for cross-function training.

The City has not traditionally developed a multi-year capital planning process for vehicles and major equipment. Furthermore, officials noted that the City has a fair amount of older equipment, some of which has little use throughout the year. The foreman and the director have started a process of cataloging this data in spreadsheets for future inventory and planning uses. As noted above, the City is currently in the process of transitioning between municipal garages. As a part of this transition, the director plans to move much of this equipment to the new facility, test the equipment, and auction functioning equipment that is no longer used. (See Table 6-3.)

Table 6-3  
 LOCK HAVEN CITY  
DPW Equipment Listing Summary by Type and Department  
 2018

Equipment Type	Airport	Fire	Levee	Police	Sewer	Streets	Water	Total
Light Truck	1		3	1	4	5	2	16
Trailer			2	2	2	5		11
Sedan	1			4	1			6
Dump Truck	2				2	1	1	6
Fire Truck		6						6
Police PPT				4				4
Tractor	4							4
Fuel Truck	4							4
Medium Truck						3	1	4
Backhoe					2		1	3
SUV				2	1			3
Sweeper	1					1		2
Van	1			1				2
Heavy Dump Truck						2		2
Heavy Truck					1	1		2
Vacuum Trailer					1			1
Medium Bucket Truck						1		1
<b>Total</b>	<b>14</b>	<b>6</b>	<b>5</b>	<b>14</b>	<b>14</b>	<b>19</b>	<b>5</b>	<b>77</b>

Recommendations

1. Develop Staff Training Programs

The City has made steps towards deploying staff across Public Works services areas. To boost overall department performance, the City should outline the training needs of DPW staff and certification needs of the department, prioritize areas of concern and need, and develop a rotating multi-year training program to supplement in-house knowledge transfer. New hires should be provided with cross-service area training during their probationary period to instill knowledge of overall operations. Furthermore, the City should maximize opportunities for staff to attend PennDOT Local Technical Assistance Program (LTAP) trainings and other regional training opportunities to keep up with state of the art techniques in service area practices.

## 2. Capital Planning

The City has not traditionally developed a multi-year capital planning process for vehicles and major equipment but is in the process of cataloging and testing equipment during the move between municipal garage facilities. The City should continue this progress by developing a multi-year capital planning process that identifies long-term needs of Public Works and the City overall and potential funding sources that can be used in the acquisition of vehicles and equipment.

## 3. Explore Software Investments

Public Works director has expressed interest in increasing the department's use of software and information technology in the regular course of business and to adequately allocate resources. The City should investigate the costs of implementing software such as fleet maintenance, street infrastructure rating and work orders. The City is well positioned to utilize software that incorporates geospatial data given its in-house expertise within the engineering office.

## 4. Uniforms

Article XXVIII of the collective bargaining agreement between the City and Council 86 of the American Federation of State, County, and Municipal Employees (AFSCME) establishes that the City is responsible for furnishing several articles of clothing to Public Works employees that are determined to need such items based on work performed. The clothing items identified include hard hats, rain gear, gloves, coveralls and boots. Furthermore, all Public Works employees must wear approved safety shoes or boots for which the City reimburses each employee up to \$200 per year for their purchase. However, the collective bargaining agreement does not address reflective material or a standard uniform to allow the public to easily identify City staff as such. The City should assess the added cost of providing a standard uniform and promulgate standard procedures for the use of reflective materials when working on city streets.

## 5. Competitively Bid Mowing and Landscaping Services

Officials noted that a fair amount of DPW staff time is taken up by mowing and landscaping activities. In an effort to increase preventative maintenance activities, the City should solicit bids for landscaping and grass cutting services for the City's park, levee, and the land surrounding the City-owned water reservoirs.

## 6. Consider Costs and Benefits of Using Brine

As the new municipal garage is developed, the City should weigh the relative capital costs, maintenance costs, and service outcomes of using liquid brine as a road de-icing mechanism prior to winter events. A 2012 meta-study by the New York State Department of Transportation found brine to be a cost effective anti-icing agent when compared to typical rock salt that can reduce overtime costs, reduce overall chemical load, and may reduce traffic accidents when deployed appropriately. However, brine does not fully eliminate the need for rock salt applications, particularly when rain precedes a snow event.

## CHAPTER 7 LABOR REVIEW

### Introduction

A majority of the City's employees are represented by two labor unions and each union's relationship with the City is governed by separate Collective Bargaining Agreement ("CBA") with the following collective bargaining units: the Lock Haven Police Officers Association ("Police Union") and Council 86 of the American Federation of State, County and municipal Employees, AFL-CIO and Local #2834 ("Hourly Employees"). As a result, many of the cost control strategies recommend in this chapter must be implemented through the collective bargaining process with appropriate union representatives.

The primary employee expenditures that must be the focus of the City are employee compensation and benefits, as well as pension and other post-employment benefits, otherwise referred to as legacy costs. Legacy costs are very difficult to control let alone reduce once an employee retires from municipal service. Thus, the City will need to develop a consistent approach to collective bargaining over the long-term that focuses on these areas as it begins negotiating changes for all CBA's (and to arbitrate such changes, if necessary, with respect to uniformed bargaining units).

### **Analysis of Police Collective Bargaining Agreement with Lock Haven Police Officers Association – Agreement Term January 1, 2018 through December 31, 2021**

#### Article II, Section 2.02. Part-Time Officers

The City does not presently employ any part time police officers. The CBA states that part time police officers will be hired through Civil Service. The City should seek an opinion through its labor counsel as to whether the hiring of part time police officers through Civil Service is necessary. Obviously, a municipal police officer must be certified by MPOTEC and otherwise be eligible to serve as a municipal police officer before the officer can be employed by Lock Haven. This is the necessary certification process for part time police officers.

The CBA presently provides that the number of part time police officers shall not exceed twenty (20) percent of the number of full time police officers. The CBA also provides that part time officers cannot be utilized by the City unless the number of full time officers, including the

Chief and Detective, is at least thirteen (13). These restrictions should be removed from the CBA. Presently, the City only employs ten (10) full time police officers. However, there are three vacancies. The City should be able to decide whether to hire full time or part time police officers, without restrictions in the CBA, in order to maximize manpower in the Police Department in a cost-effective manner. The City is presently experiencing a high amount of overtime as a result of the vacancies in the full-time complement. If the City had part time officers, the part time officers could fill vacancies in order to minimize overtime. The CBA presently provides that the part time officers will be paid seventy-five (75) percent of the rate of a probationary officer. The City should analyze what it needs to pay part time officers in order to be competitive in the region and establish a rate for part time officers comparable to what is being paid in other surrounding communities.

#### Article IX, Section 9.04. Compensatory Time

The CBA provides for compensatory time but does not contain any limit on the amount of compensatory time. It is recommended that compensatory time be limited to a maximum of forty (40) hours of accumulation, which is consistent with present usage of compensatory time.

#### Article XIV, Section 14.01. Salaries.

It is recommended that the starting salary for new police officers be revised as follows:

- A. Probationary police officers – 75% of Patrolman First Class salary
- B. One of Year Service – 80% of Patrolman First Class salary
- C. Two Years of Service – 85% of Patrolman First Class salary
- D. Three Years of Service – 90% of Patrolman First Class salary
- E. Four Years of Service – 95% of Patrolman First Class salary
- F. Five Years of Service – 100% of Patrolman First Class salary

#### Article XV, Section 15.05. Sick Leave Payment at Retirement

The payment for accumulated sick leave at retirement is a very expensive benefit, which must be accounted for and reserved on an ongoing basis. This benefit should be eliminated for new hires. The accumulation of 200 sick days is excessive and should be reduced to 120 days or less.

Article XVI, Section 16.06. Hospitalization and Medical Insurance.

The obligation of the City to reimburse police officers for health-related expenses in the amount of \$900 per year should be eliminated. Employees should be responsible for their own non-covered health related expenses.

Article XVI, Section 16.08.

Police officers contribute six (6) percent of the premium toward their health care. This amount should be increased to twelve (12) percent in the next CBA. It is important for City employees to be vested in health care coverage so that they will cooperate with the City concerning any issues related to health care plans or plan design, similar to other employees in the region.

Article XVII. Post-Retirement Health Care

This benefit should be eliminated in the next CBA for new hires.

Article XXII. Pension

The City Police Department opted out of Social Security. Therefore, neither the police officers nor the City pay any federal Social Security taxes on behalf of the police officers. Police officers contribute only approximately 1.5% of their W-2 salary toward their pension. Given that police officers are not paying into Social Security, their contributions should be increased to at least 4%, so that their Pension Fund will remain actuarially sound.

The City should request a legal opinion from its labor counsel concerning the legality of Section 22.03 of the CBA, which provides for mandatory retirement for police officers at age 65.

Article XXXII. Past Practice

This clause should be eliminated from the CBA. General case law pertaining to past practices should apply without any explicit contractual provision.

**Analysis of Collective Bargaining Agreement with AFSCME Local 2834  
Agreement Term January 1, 2016 through December 31, 2018**

Article VI. Union Security. Section 6.03(d).

The Fair Share Fee should be eliminated as a result of the decision of the United States Supreme Court.

Article X. Call-in Pay.

Four (4) hours minimum at time and a half is excessive for call-in pay. This should be reduced to two (2) hours at time and a half.

Article XI. Holidays. Section 11.01.

Eliminate one (1) personal day. Three (3) is adequate, especially given the vacation schedule.

Article XII. Vacations. Section 12.04.

Eliminate all vacation entitlement in excess of twenty-two (22) days per calendar year. Therefore, after twenty-one (21) years of service, an employee would be entitled to twenty-two (22) days annually and no more.

Article XV. Wages.

The City should negotiate new hire rates whereby new hires receives a percentage of the applicable rate for the position/classification in question, based upon the following:

First year of employment	75 percent
Second year of employment	80 percent
Third year of employment	85 percent
Fourth year of employment	90 percent
Fifth year of employment	95 percent
Sixth year of employment	100 percent

Article XVII. Sick Leave. Section 17.10.

Sick Leave Buy Out at Retirement. This benefit should be eliminated from the CBA, especially for new hires. The accumulation of sick leave under Section 17.02 is excessive and should be reduced to one hundred twenty (120) days. The allowance of accumulation up to a maximum of three hundred (300) days for certain employees should be eliminated. The City should explore offering a short-term disability policy to its employees to further reduce the accumulation of sick leave under Article XVII. If a short-term disability policy is implemented, sick leave accumulation could be reduced to thirty (30) days.

Article XIX. Hospital and Medical Insurance. Section 19.02.

Employee contributions to hospital and medical and dental insurance should be increased, for all employees, to the following percentages of the applicable premium for said health insurance:

2019	12%
2020	13%
2021	14%
2022	15%

The employees need to be invested in health insurance decisions to make appropriate changes to insurance plans and plan design in order to contain health insurance costs for the City, such as the use of generic drugs in plan design.

Article XIX. Hospital and Medical Insurance. Section 19.07.

The City should discontinue any payment for vision care, eye care or prescriptions not covered by insurance. Employees should be responsible for their own miscellaneous medical expenses.

Article XXII. Pensions. Section 22.02.

Any pension reopeners to enhance pension benefits should be eliminated.

Article XXIV. Leave of Absence.

The City should negotiate the Family Medical Leave Act into the CBA in lieu of other forms of leave such as disability leave, maternity leave, or other forms of leave that are covered by FMLA. The FMLA should be the policy of the City on leaves of absence.

Article XXIX. Grievance Procedure. 29.03.

The CBA should be changed so that a list of arbitrators will be obtained from the Pennsylvania Bureau of Mediation rather than the American Arbitration Association. The AAA charges fees to administer arbitrations. The Pennsylvania Bureau of Mediation provides a list of seven local arbitrators. There is no cost to obtain the list of arbitrators from the Pennsylvania Bureau of Mediation.

Article XXXI. Discharge and Discipline. Section 31.02.

Section 31.02 states that a progressive disciplinary policy as defined in the City's Personnel Manual will apply to all employees, including those under this agreement. It is my understanding that the Personnel Policy of the City needs to be updated for all employees including employees covered by the AFSCME Contract. The City should prioritize updating its Personnel Manual.

Non-Union and Management Employees

Non-Union and Management Employees receive the same benefits as provided under the AFSCME Contract. Therefore, the same analysis applies. The City should prioritize updating its Personnel Manual for Non-Union and Management Employees.

## CHAPTER 8 ECONOMIC DEVELOPMENT

### Introduction

The City of Lock Haven has a history of strong economic development projects in partnership with private developers and other stakeholders such as Lock Haven University. While capacity for undertaking large development projects is limited in the City as with most urban third class cities, Lock Haven is fortunate to have a committed administration with a deep experience in municipal issues and a long history with the City and City properties. Led by the City manager and the Planning Department staff, the City stays focused on blighted properties for redevelopment and is the portal for all inquiries and plans for any prospective projects in the City. The City is proactive in addressing properties that may be used for redevelopment and looks at ways to reuse or to assemble land for future projects. This review will highlight areas of focus with suggested action steps. The information is a reflection of the discussion with administration as well as key stakeholders, and their thoughts on the future of the City.

The key to future strategies for the City of Lock Haven is development of a Comprehensive Plan, which will involve the public as well as key stakeholders. This document should be a broad brush living document that expresses the vision for the City, while allowing for flexible actions as opportunities arise. As with every community, there will be a variety of thoughts from many aspects of the public, but it is an exciting process and the final document should be a consensus on the vision for Lock Haven. The planning process will begin next year. The areas of focus for economic development should include but not be limited to the following:

### Downtown Area (Bellefonte Avenue and Water Streets)

The downtown area is experiencing a resurgence of activity and investment due to the location, the small town atmosphere, the proximity to Lock Haven University and new private sector dollars from those who want to preserve the small town atmosphere and quality of life that Lock Haven offers. The accessibility to the river and trails is attracting a new generation of outdoor enthusiasts as well.

The addition of a Main Street manager, who is coordinating businesses, adding events and using more social media and other marketing tools, has been a welcome addition. The City

takes a proactive approach to blighted and underutilized properties for redevelopment, acquisition and addressing emergency needs and reaching out to developers.

### Recommendations

- Continue to support the Main Street Organization. Having one person oversee events, “clean and green” activities, and coordinating businesses is important to the health of a Main Street effort.
- Continue to add and maintain successful events to make Lock Haven a destination.
- The upcoming Comprehensive Plan should focus on a downtown plan with specific property priorities.
- Develop or seek state funding for incentivizing small business development. New businesses could focus on outdoor activities that are promoted throughout the year such as kayaking and running events that occur locally or in neighboring communities. (Frozen Snot run, Hyner Challenge, Boulder Beast)
- Identify buildings for small business incubators. This could be small commercial startup businesses that are either retail as suggested above to support activities or small tech/marketing/data collection businesses.
- Seek state funding for incubator space through Keystone Communities or the Business Development Office. Seek small businesses from surrounding areas to expand in Lock Haven. Work with the Small Business office at Lock Haven for startup businesses and incentives.
- Continue to encourage walkability for the downtown including upper story residential development.
- Identify spaces to satisfy the demand for various needs such as event space (see Masonic Lodge below).
- Re-invigorate the Lock Haven Redevelopment Authority
  - Will allow for more flexibility for acquisition and development of properties
  - Funding can be obtained through a variety of resources such as City funds for seed money
  - CDBG funding if the Authority oversees management of the program
  - Authority can make use of City staff

Table 8-1  
 LOCK HAVEN CITY  
Downtown Development Properties, Action Steps and Potential Funding Sources

Property	Description	Action Steps	Funding
<b>53 Bellefonte Avenue</b>	Vacant property obtained through judicial sale	Prepare RFP including City incentives and vision for reuse. Encourage mixed use with commercial on lower floors and residential on upper floors.	Revitalization Assistance Capital Program (RACP), Opportunity Zone, New Market Tax Credits
<b>47-51 Bellefonte Avenue</b>	Obtained privately and through judicial sale. City will demolish and prepare for development.	Prepare RFP including City incentives and vision for reuse. Encourage mixed use with commercial on lower floors and residential on upper floors.	RACP, Opportunity Zone, New Market Tax Credits
<b>Fallon House, 131 E. Water Street</b>	Key property off Main Street area in the process of a transfer. Historic site that is now blighted	Continue to monitor building condition. Work with new owners for appropriate uses.	RACP, Opportunity Zone, Keystone Communities
<b>Masonic Lodge, 150 E. Main Street</b>	Historic anchor in Downtown. Masons examining preservation/repurposing. Ideal for event space. Accessibility and parking issues.	Examine possibilities for an elevator in back of building. Examine parking needs and possible parking sharing for events.	RACP, Keystone Communities
<b>Elks Lodge, 216 E. Main Street</b>	Could be used for event space.	Examine parking issues in back of building; move wall for additional parking.	Keystone Communities
<b>City Hall</b>	Reviewing whether to renovate or move to a new location (new construction or renovation of an existing building)	Continue to review options and needs.	Limited but potential RACP if placed in a new state Capital Budget itemization bill.

Housing

Given the various housing challenges facing the City including affordability and student housing, the City should conduct a housing study. The study should focus on the existing housing inventory (both single family and multi-unit), housing demand by demographics, future employers (such as Geisinger Health Systems), and special needs group housing.

Action Steps

- Include a housing study in the Comprehensive Planning process
- Examine the zoning code to allow for expansion or redirection of housing types in various zones

- Encourage downtown residential apartments to add to the density within the downtown
- Work with affordable housing developers as needed
- Continue to work with the University on student housing issues
- Work with Geisinger on employee housing needs
- Continue to develop policies that will limit sub-standard housing

### Opportunity Zones

The City received a federal Opportunity Zone designation. While final guidelines have not been approved, it appears that each zone will be individually funded with private funds and the incentives for the investment will be federal tax credits.

### Action Step

Eligibility for each project and project activity should be examined for receipt of these credits as part of an overall financing strategy.

### Piper Airport Industrial Park

The Piper Airport Industrial Park has the potential to open up the City's Southside if developed in an appropriate manner. The property was mentioned in each interview as an important but complex property for the city. Zoning allows for amenities within the park, such as restaurants. Event space and an indoor play areas were the most discussed options in interviews.

### Action Steps

- Examine needs of the community for appropriate use
- Event space, an indoor play and recreational space were discussed as uses
- New small business incubator for larger businesses needing docks

### Economic Development Project Funding Options

The City has a rich history of accessing public and private funds to support economic and community development projects including use of its annual Community Development Block Grant funds. Lock Haven has a variety of local City funding sources that can be used for economic development projects, which allows some flexibility to be proactive when

opportunities present themselves. The City also accesses state funds such as Keystone Communities funding for downtown projects.

The City has several projects that have been placed on the Commonwealth’s Capital Budget Project Itemization and thus are eligible for RACP funding, which is generally allocated on an annual basis. The minimum RACP project amount is \$1 million, with half of that awarded through RACP and the rest provided by a local match. Note: the City is not required to request the full line item amount.

Table 8-2  
 LOCK HAVEN CITY  
 RACP Funding Line Items

Line Item #	Municipality	Sunset Date	Purpose	Available Amount
2702	2010-082 Clinton County	10/19/2020	Acquisition, construction, infrastructure and other related costs for an economic development project within the County	\$2 million
8142	2013-085 Clinton County	11/1/2023	Acquisition, construction, infrastructure and other related costs for an economic development project within the County	\$5 million
8145	2013-085 City of Lock Haven	11/1/2023	Construction and other related costs for renovations of an office building	\$5 million
9260	2017-082 City of Lock Haven	10/30/2027	Acquisition, construction, infrastructure, redevelopment, renovations, machinery and equipment and other related costs for a manufacturing or business space project at the former Piper Aircraft manufacturing project property	\$5 million
9259	2017-052 City of Lock Haven	10/30/2027	Acquisition, construction, infrastructure, redevelopment, renovations, marketing and equipment and other related costs for a county cultural center	\$1.6 million
9269	2017-052 Clinton County	10/30/2027	Acquisition, construction, infrastructure, renovation, abatement, machinery and equipment and other related costs for an economic development project	\$20 million

Economic Development Recommendations Summary

- Undergo Comprehensive Plan
- Complete Housing Study
- Develop Financing Strategies for Projects and City Planning

## CHAPTER 9 AIRPORT REVIEW

### Introduction

The City of Lock Haven owns and operates the William T. Piper Memorial Airport. Many small regional airports like Piper Memorial are finding it difficult to survive as the number of general aviation flight hours across the country has declined in concert with rising fuel prices and an aging pilot population. These airports are increasingly turning to the local governments where they are located for an influx of capital to defray maintenance costs and pay for the improvements necessary to keep the airport viable. This review offers recommendations to improve airport operations and revenue, including non-aviation suggestions, and provides ideas for partnerships that will increase the airport's sustainability.

### Background

The airport, located on the east side of the City, has one paved runway measuring 3,800 feet in length, one turf runway measuring 2,200 ft. in length and one taxiway. The paved runway, the lighting system, and paint markings are in good condition. In addition to the two runways, the airport has office space and two hangars of approximately 10,000 square feet each. The hangars are available for rent for airplane storage or light commercial airport-related uses. The hangar space is not fully utilized and there is no waiting list. There are two employees at the airport that maintain the facilities, one full-time and one part-time.

Active businesses at the airport include Keystone Instruments Inc., Airparts of Lock Haven, Keystone Avionics, and Bailey's Aircraft Services, among others. Vacant office space is available to rent. The airport also has a light sport flight school, AvSport of Lock Haven, based out of Hangar 1 that trains candidates for their FAA Sport Pilot Licenses.

The airport is open for fixed-base operator (FBO) operations including fuel service seven days a week. The fuel prices offered are competitive with current market pricing; however, the fueling service is not self-serve and therefore an attendant needs to be present. The City recently attempted to attract new businesses, but the opportunities are limited due to the small size of the runway. The paved runway could be extended approximately 400 feet, but this would encroach upon a flood zone.

The Piper Aviation Museum is located adjacent to the airport and costs \$6 for adult entry. The museum displays Piper artifacts, Piper family relics, memorabilia, articles, and much more which attract those interested in learning more about the Piper Aircraft Corporation. The largest fly-in event held at the airport annually is the “Sentimental Journey,” where many Piper aircrafts can be seen. The airport also hosts two other smaller fly-in events throughout the year.

This study did not take into consideration the condition of the airport’s assets in any detail such as pavements, fuel farm, airport lighting systems, hangar buildings, etc. It did note the obvious condition of the hangar roofs on the airport.

### Operational Findings and Suggestions

1. Rental fees of \$1.60 per square foot for Hangars 1 and 2 appear to be very low.
2. All tenants who have control of utility use should be paying their own utility costs, e.g. electric and heat.
3. In tee hangars, electric usage can triple, if not quadruple, over the winter months due to tenants’ use of aircraft engine heaters. Consideration should be given to installing individual sub-metering for each tee hangar. This can be accomplished at the main circuit breaker panel and is a great way to increase retained earnings from the tee hangars without instituting a rent increase. Tenants are more apt to be receptive when they have control of the usage and know where the cost is going.
4. Consider installing a self-service fuel island next to the terminal/main apron. This location would be in close proximity to phone connections, existing overhead lighting and these services can be easily maintained by the FBO. A small slave tank (500 gallon) with a card reader will allow tenants and transients easy access to fuel 24 hours per day without incurring costly staff hours.
5. All lease agreements should be negotiated with consumer price increases (CPI). Adding a CPI clause within the agreements will ensure the airport’s ability to increase rates and stay in line with cost of living.

### Non-Aviation Revenue Considerations

Small regional airports across the Commonwealth and the country have all been struggling to operate within the revenues they can generate at their airports. General aviation has been on a

steady decline for the past decade with no change in the foreseeable future. Many times, it can be very beneficial to look outside aviation for opportunities within the airport's control and surroundings to generate much needed funds.

1. Consider building a stone parking lot by the storage hangar area. Offer year-round, outdoor storage along with indoor storage. This would be a good income source with very little investment and ongoing expense.
2. Partner with other civic organizations to develop fly-in breakfasts on a Saturday or Sunday for brunch. Promote the event to your flying and local communities. Buy-in from both is necessary to make it feasible. This may not generate substantial income, but this type of event is more to promote awareness of the airport and for community engagement. Secondary sales can include fuel sales, sightseeing, and introductory flight lessons for potential new pilots.

### Network and Relationship Building

The airport should be considered an asset to the City and overall community. This is important to the longevity and sustainability of the airport. Listed below are ideas to improve and build partnerships with other City departments in order to garner support from City leaders.

1. City officials should be included and invited to every event at the airport.
2. The airport has a great calendar of events throughout the year including EAA, Avsport, Sentimental Journey, and the FAA Safety Team. Outside vendors such as food trucks or local caterers or sandwich shops that supply food for the event should pay a space fee or commission on their sales as a way to capture additional revenue.
3. Over the winter months, hangar dances can be a fun and good way to get the local community out to support the airport. Supply some light refreshments with adult beverages for a per person ticket price. This type of event does not need to take a lot of work and can easily produce thousands of dollars after expenses.

## CHAPTER 10 WASTEWATER AND WATER REVIEW

### Introduction

The City of Lock Haven runs both a Wastewater Department, which includes operation of a wastewater treatment plant that also serves customers outside of the City, and a Water Department, which handles the water conveyance system that also serves customers in adjacent communities. The following review offers various recommendations to improve these services in the areas of equipment, training and succession planning, as well as options to manage the customer base outside of the City and tackle the problem of influent sewage quality from commercial customers.

### Wastewater Department

#### Background

The City Wastewater Department operates under National Pollutant Discharge Elimination System (NPDES) Permit number PA0025933, which was issued by the Pennsylvania Department of Environmental Protection (PA DEP) on October 1, 2016. In 2014, the wastewater treatment plant (WWTP) underwent an upgrade to meet nutrient loads established by PA DEP. During the upgrade design, the existing flow capacity of the WWTP (3.75 million gallons per day (MGD)) was determined to be adequate to accommodate population growth projected over the next 20 years. As part of the upgrade, four sequencing batch reactors (SBR) and four aerobic digesters were added to the WWTP process. The treated effluent is discharged to Bald Eagle Creek which flows into the West Branch of the Susquehanna.

In accordance with the current permit, the WWTP must be capable of at least 85% Biochemical Oxygen Demand (BOD<sub>5</sub>) and total suspended solids (TSS) removal. The system is currently operating at 94% removal on average of BOD<sub>5</sub>. The WWTP is designed to be able to treat up to 19,815 pounds (lbs.) of BOD<sub>5</sub> per day. The permit limit for TSS in the treated effluent is 30 milligrams per liter (mg/L), which is a monthly average. The current operating removal of TSS is 96%. The permit limit for CBOD<sub>5</sub> effluent is 25mg/L, which is a monthly average.

The WWTP services customers located throughout Lock Haven, Castanea, Mill Hall, Flemington and Bald Eagle, Woodward, and Lamar Townships. The WWTP primarily accepts domestic sewage generated by residential, commercial and public institution customers (83.8%),

but also receives wastewater generated at industrial facilities (16%) and hauled in waste (0.2%). Industrial users have told the City that they do not use any cleansers or cleaners that would adversely impact the collection system or WWTP. The hauled waste is generated from septic systems, sewage holding tanks, and portable toilets and is tested extensively before entering the WWTP. The City only intends to accept hauled waste until the WWTP reaches its design capacity of 3.75 MGD.

Over the past four years, the current average daily flow has been 2.4 MGD (current 12 month average 2.88 MGD) and the average organic loading is 4,400 lbs. of BOD<sub>5</sub> per day. The average TSS loading in the influent has varied from 200 to 400 mg/L, but the WWTP has experienced as high as 1,300 mg/L. It is assumed that the spikes of elevated TSS loading are due to the industrial facilities that discharge to the sewer system. The average monthly effluent TSS over the past twelve (12) months is approximately 7 mg/L, so despite the influent TSS spikes, the WWTP is able to continue to meet the permit limit.

The collection and conveyance system includes 18 pumping stations that convey wastewater to the WWTP, located in Mill Hall Borough, ENVJMA and Bald Eagle Township. Due to excessive inflow and infiltration (I/I) into the collection and conveyance system during wet weather events, there is a 4 million gallon equalization tank in Bald Eagle. Each municipality that discharges to the City's WWTP has an independent meter to ensure accurate billing.

The facility has five operators, three maintenance staff, one part-time employee, and two wastewater collection system operators. The facility has one backhoe, two dump trucks, one sewer main televising truck, one flushing truck, and one vacuum truck. This allows the City staff to perform sewer system monitoring, maintenance, repair and rehabilitation on their own rather than contracting the work out to a secondary party.

### Staffing

Currently, there is adequate staff within the department to perform the necessary duties required for satisfactory operation of the wastewater system. However, several staff members are nearing retirement age, indicating that there will be a turnover of employees in the near future. There appears to be a lack of a formal succession planning system to ensure efficient operation during the transition as the longer term employees retired. There also appears to be no formal

program in place to train the succeeding employees to undertake the more complex job assignments or to acquire the needed state certifications for operation of the treatment facility or the collection system. The City would benefit from establishing specific criteria and practices for succession and training to meet the needs of the wastewater system.

### Equipment

The City Wastewater Department appears to have sufficient equipment and tools to adequately operate and maintain the system. The City would benefit from the purchase of a lateral camera to perform inspections, monitoring, and maintenance of service laterals. This would allow sources of infiltration/inflow (I/I) to be more easily identified and repaired. It would also assist in locating damaged service laterals requiring repair thus avoiding sewage backups within buildings.

### Non-Residential Discharge Requirements

According to the operations staff, the greatest challenge at the wastewater treatment facility is the variation of influent sewage quality caused by the industrial dischargers connected to the system. We were advised that an industrial waste pretreatment program was in place which provides guidelines and criteria for the City's industrial customers. Within the program, permits are issued for significant industrial users which cover prohibited discharges and limitations on specific pollutants (local limits), monitoring requirements, reporting requirements, special conditions custom to each discharger and standard compliance conditions. Within the permit criteria are outlined violation and resampling reports, unauthorized discharge reports, hazardous waste discharge reports and penalties for failure to comply with the permit. In addition, the City has surcharges in effect for excessive discharge of BOD, TSS, Total Nitrogen and Total Phosphorous. These surcharges are determined by City sanitary sewer staff. We further have been advised that the City is currently working on the creation of surcharges for excessive COD discharges and flow.

Operations staff at the WWTF expressed concern over the variations of the influent sewage quality and indicated the pretreatment program was not strictly enforced or lacked the "teeth" to influence industrial dischargers from sending waste into the system of widely variable quality. The City would benefit financially by strictly enforcing the current non-residential

waste discharge program. Strictly enforcing this program would reduce the risk of a pollutant interfering with the wastewater treatment plant or even damaging equipment within the facility.

The U.S. Environmental Protection Agency (EPA) has identified the need for such enforcement in their public information documents. PA DEP has echoed this need in their publications and permitting requirements. The Commonwealth has accepted primacy for enforcement of discharge criteria. The City should examine the current requirements and undertake modifications to improve both the individual pollutant levels in the industrial discharge, as well as the enforcement criteria.

### Regional Sewer Authority

As noted earlier, the City owns and operates the wastewater treatment plant, which not only services customers located throughout Lock Haven, but also adjoining municipalities. The adjoining municipalities are bulk dischargers. Since these areas are located outside of the City's authority, it is difficult to enforce both I/I monitoring and repair, and non-residential dischargers that send variable pollutants through the bulk services to the City WWTP. Also, user rates and tapping fees vary greatly based upon the financial status of each bulk discharger or service area.

Consideration should be given to the formation of a regional sewer authority to assert better control over the quality and quantity of the discharge, thereby making the treatment facility more efficient, and to operate collection systems uniformly throughout the region. Clearly this is a complex undertaking that includes detailed analysis of current debt load for each service area, billing and operation methodologies, staffing, user rates, board make up and many other issues. Additionally, political considerations and customer views of such an undertaking must be seriously contemplated.

The Municipal Authorities Act allows for the formation of an operating authority that eclipses municipal boundaries without the involvement of the Pennsylvania Public Utility Commission (PA PUC). Operating costs and debt service can be spread over a much larger customer base for each service area, which could lower user rates to select areas.

## Water Department

### Background

The City's Water Department operates under Public Water Supply ID (PWSID) No. 4180048, issued by the Pennsylvania Department of Environmental Protection (PA DEP). The City's water is supplied by the Central Clinton County Water Filtration Authority (CCCWFA) who owns and operates the water treatment plant. The City owns the raw water reservoirs that serve the water treatment plant and operates a water distribution system that has two water storage tanks (400,000 gallons and 80,000 gallons). The maximum capacity of the City's watershed allocation permit is 2.8 million gallons per day (MGD). The City viewed the maximum capacity as 5.0 MGD tied to the ability of the water treatment facility. Average daily flow is currently 2.8 MGD. The system supplies water to customers throughout Lock Haven, McElhattan (Wayne Township), part of Allison Township and Castanea Township. As the customers in the adjoining communities belong to the City, the Pennsylvania Public Utility Commission (PA PUC) regulates rates and service for the system. The largest bulk consumers of water are Suburban Water Authority, Lock Haven University and First Quality, a manufacturing company.

The City operates three (3) pressure zones within the distribution system that utilizes pressure reducing valves to low-lying areas. Two (2) of the pressure zones are serviced by pump stations and tanks within Cummings Village and upper parts of Castanea Township. The third pressure zone services lower parts of Castanea Township, approximately 80 percent of the City as well as the service area in Wayne Township. The system has no disinfectant booster stations within the distribution system, as it is not necessary based on the water age throughout the system. Regular analysis is conducted to ensure the drinking water meets current water quality standards set by PA DEP and EPA. Total residual chlorine testing is completed by City staff on site, while all other required testing and analyses are sent to an accredited laboratory. The water supplied by CCCWFA is hard and therefore, there are no known corrosion issues in the City's distribution system.

Portions of the distribution system were installed in the 1950s, and as such, there are some areas of asbestos cement (AC) piping. As it is considered best practice to remove AC pipe wherever possible, the City is working to replace known areas of AC piping with polyvinyl chloride (PVC) pipe or, in heavily trafficked areas, ductile iron cement lined (DICL) pipe. The

City owns a backhoe and dump truck to allow the staff to perform minor repairs and small quantities of pipe replacements without hiring an outside contractor.

The City is starting a \$21 million to \$26 million refurbishment project on the dams. Funding is anticipated from a Penn Vest loan and grant. The project is expected to be finished in 2023. The City received a \$2.5 million bridge loan in 2018 that it anticipates drawing down in 2019 to begin the Ohl Dam and water well improvements. In addition, the City expects to obtain another \$2.5 million bridge loan in 2020 for the Keller Dam portion of the project.

Due to the age of the infrastructure, it is imperative that the City perform regular maintenance of the system to keep it operational. To do so, the City employs six people and one superintendent, as well as part time employees as necessary. Of those six employees, two are licensed operators. Other employees are working to obtain licensure; however, the City provides no tuition assistance or flexible scheduling to accommodate the process. As a result, employees work on obtaining licensure as they have available time and money.

Part of the annual routine maintenance includes leak detection, which is completed in the winter months, and hydrant flushing, which is completed in the spring months. Flow tests are completed every four years to ensure adequate water flow through pipes and to identify areas that require flushing or other maintenance. The City is currently working to replace all “aged out” water meters throughout the distribution system, as the budget allows.

### Staffing

Currently, there is adequate staff within the department to perform the necessary duties required for satisfactory operation of the water system. However, a formal succession planning system did not appear to be in place that would ensure efficient operation should longer term employees leave the City. The department also did not have a formal program to train succeeding employees on more complex job assignments. As noted previously, the City does not support employees who are attempting to acquire state certifications for operation of the distribution system. The City should develop a formal succession plan that includes assistance to employees seeking state licensure such as tuition assistance and flexible scheduling.

### Equipment

The City Water Department appears to have sufficient equipment and tools to adequately operate and maintain the system.

### Tank Inspection

The storage tanks owned and operated by the City are in need of inspection to identify any problems or complications that might be present such as coating issues, leaks or cracks. The storage facilities are essential for handling peak flows during the day and providing support for local fire protection. This should be completed as soon as possible.

### Valve Exercise Program

The City does not currently have a valve exercise program. This would entail City staff locating and exercising water valves on a rotating schedule to ensure they function and operate properly. This is essential to ensure that portions of the system can be isolated in the event of a main break or a main replacement. It also can help in the event of a catastrophic fire to redirect flow to the area of the emergency. Each valve within the system should be operated regularly to prevent a buildup of tuberculation deposits and to ensure availability when needed.

### Formation of an Operating Authority

Consideration should be given to the City forming an Operating Authority as defined in the Municipal Authorities Act. As noted previously, this Authority can service customers outside of the municipal boundaries of the City without the regulation of the PA PUC. The Authority would be responsible for operating the system and financing any capital improvements. The Authority would not be required to employ staff but through a formal agreement, contract with the City Water Department to perform the day to day tasks. The Authority would be responsible for setting the user fees as well as tapping fees compliant with Act 57.

### User Fees

Based upon our conversation with the City manager, no projection of the impact of the projected debt service on the user fees has been made. The attached Exhibit A provides an estimated projection based upon budget information and current user rates for the system.

### Combined Wastewater and Water Departments Maintenance Group

Another consideration is to create a combined maintenance group for the Wastewater and Water Departments that potentially could be part of the Public Works Department. The goal is to create more efficiency in the use of manpower and equipment.

Currently, water and wastewater operate as two distinct and separate entities. In many ways, this is necessary for proper service to customers. However, each department also purchases and maintains its own equipment and vehicles for operation, maintenance and repair of the respective systems. Many municipalities that have both a public wastewater and water department will utilize select equipment such as backhoes, dump trucks, plow trucks and other heavy construction equipment unilaterally for both systems. This allows more efficient use of the equipment and helps to reduce equipment sitting idle for periods of time. Creating a maintenance group would require cooperation in scheduling and contingency planning should an emergency arise in both systems requiring the use of similar equipment to address the emergency. Sharing equipment amongst departments within a municipality is not unusual. This should be examined more closely to ascertain if the City can reduce capital equipment purchases and idle time for existing heavy equipment.

## CHAPTER 11 OBSERVATIONS AND RECOMMENDATIONS

### Introduction

The City of Lock Haven faces challenges ahead as projections indicate that its General Fund expenditures will outpace General Fund revenues, resulting in increasing annual deficits. Meanwhile, the City's unrestricted Fund Balance for the General Fund would be depleted by at least 2020 if those monies were used exclusively to eliminate the anticipated deficits. The City is also tasked with ensuring that enterprise operations (wastewater, water and the airport) at a minimum break even and do not result in future operating deficits. Most of the City's debt obligations are related to the enterprise activities. Clearly, the City needs to examine appropriate expenditure reductions and potential revenue increases to mitigate these anticipated deficits.

PEL has identified specific areas of concern regarding the enterprise operations and made recommendations designed to increase the rate of return to the City. Recommendations include raising sewer rates, creating operating authorities, and pursuing a more comprehensive airport study, among others. Another area to explore is reimbursement to the General Fund from the enterprise fund for any administrative or public works services that support those operations. While the City is receiving reimbursements, a cost allocation study should be conducted to ensure it is receiving the proper amount.

Considering the high number of rental units and large college student population from Lock Haven University, there are several initiatives designed to reduce blight and improve control over the condition of rental units.

In addition, there are numerous suggested initiatives in terms of labor and collective bargaining that are designed to cut costs long-term in the areas of health care, pension, overtime and more. The report also includes recommendations to strengthen City operations, such as updating and/or creating policies and procedures in the form of an employee manual, and to bolster economic and community development, like crafting a new comprehensive plan.

The Pennsylvania Economy League advises the City to consider the recommended initiatives as outlined in the remainder of this chapter. Recommended target dates for initiatives are immediate, short term (one to two years) and long term (two years or more). Budget impact refers to the General Fund unless otherwise noted. PEL encourages the City to seek Early Intervention Program Phase II funding for initiatives as appropriate.

**RECOMMENDED INITIATIVES**

**FINANCE**

<b>FIN 01:</b>	<b>Consider creation of joint operating authorities for the City’s wastewater and water enterprise businesses. See WW 01 and WATER 01.</b>	
	Target Date:	Short Term
	Responsible Party:	City Manager/Solicitor
	Budget Impact:	N/A

- The City provides numerous municipalities with wastewater and water services; however, the City is currently limited in its ability to effectively and efficiently oversee these enterprise operations because of limitations in exercising control across municipal boundaries. This situation constrains the City’s ability to obtain an appropriate rate of return on the enterprises.
- Joint operating authorities could more easily exercise control across municipal lines on issues such as rate structure and influent sewage quality. Rates could be adjusted as appropriate for the two systems without approval by the Public Utility Commission.
- Creating joint operating authorities would also allow the City and the participating municipalities to operate on a more regional approach.

<b>FIN 02:</b>	<b>Raise sewer rates to appropriate levels</b>	
	Target Date:	Immediate
	Responsible Party:	City Manager/City Council
	Budget Impact:	N/A

- The City constructed a \$32 million wastewater plant in 2014 that was funded by a \$4 million Commonwealth Financing Authority grant and PennVest funds including a \$10 million grant and approximately \$18 million loan. Other communities served by the plant are Flemington and Mill Hall boroughs; and Bald Eagle, Castanea, Lamar, Porter, Walker and Woodward townships
- Debt for the plant is in the City’s name because the partner municipalities were able to obtain a better financial deal (i.e. more grant funds) by using the City’s demographic information. The other municipalities each pay their share of debt service through a reimbursement that is one year after the City’s debt payment.

- Wastewater debt service spikes in 2020 and 2023, which the City will have to advance for the other municipalities.
- The City is seeking a settlement with the engineer that designed the plant because of claimed faulty design issues. The City used \$203,000 of an anticipated settlement to fill a budgeted deficit in the 2019 sewer budget. According to the City manager, settlement funds are targeted for repairs at the plant not for operations.
- The City needs to raise sewer rates both because of higher treatment costs from the new plant and the future debt service increases. The City should consider a rate increase of at least 15 percent or as deemed appropriate in 2020 and another increase of up to 15 percent or as appropriate in 2023 to mitigate costs.

<b>FIN 03:</b>	<b>Consider charging the Central Clinton County Water Filtration Authority for City water</b>	
	Target Date:	Long Term
	Responsible Party:	City Manager/Council/Solicitor
	Budget Impact:	N/A

- The City owns the raw water reservoirs that serve the Central Clinton County Water Filtration Authority. The raw water is supplied to the county authority at no cost; however, the City pays the county authority for treated water.
- The City is poised to start a major, required refurbishment of the dams that supply the raw water, with an estimated cost of \$21 million to \$26 million. A large portion of the funding is expected be borrowed from PennVest, although the City anticipates that some money might be provided as a grant. As a result, the City might have to consider rate increases in its water distribution system to cover the debt service cost if expenditures in line with upgrades continue at the current pace.
- The current City manager is unaware of any provision in the current written agreement that would allow the City to charge the filtration authority for the water it receives at no cost from the City.
- The City should consider consult with the City solicitor on options concerning this situation.

<b>FIN 04:</b>	<b>Pursue delinquent local services taxes</b>	
	Target Date:	Immediate
	Responsible Party:	City Manager/Solicitor
	Budget Impact:	Potential revenue

- Historically, the City collected the total \$52 local services tax, paid by those that work in the City, and remitted the \$5 school district portion to the Keystone Central School District. Starting in 2019, the school district will collect local services taxes for the City. The school district already collects City earned income tax and collects local services taxes for most of Clinton County’s municipalities.
- While the City collected local services taxes, it did not actively seek payments through billing or other means. As a result, there is likely an unknown amount of delinquent local services taxes.
- The City should consult with its solicitor about the potential of pursuing delinquent local services taxes. School district records regarding earned income tax collection could be helpful in determining potential delinquencies.

<b>FIN 05:</b>	<b>Conduct a facilities study</b>	
	Target Date:	Short Term
	Responsible Party:	City Manager
	Budget Impact:	N/A

- The City owns numerous properties including the municipal building, which also houses the Lock Haven Police Department, a public works garage, the Hope Hose Fire Company building, and seven municipal parking lots.
- The municipal building is oversized compared to the City’s needs, which leads to larger utility and preventative maintenance costs than would be needed in a right-sized facility. and inadequate for the needs of the police. The City should explore ways to reduce the impact of the tax-exempt property by right-sizing the municipal building or exploring options for the construction/purchase of another facility to adequately meet needs.

- The City should conduct a facilities study to determine options for meeting its needs. This study should review all City properties with an eye towards selling unneeded properties and maximizing the use of others.

<b>FIN 06:</b>	<b>Consider home rule</b>	
	Target Date:	Long Term
	Responsible Party:	City Council/City Manager
	Budget Impact:	Potential revenue

- Due to statutory limits, the City is currently unable to increase revenue by raising the rates of earned income tax or real estate transfer tax, which allows the City to benefit from property transactions. As a result, Lock Haven is forced to rely on property tax increases as a way to raise revenue.
- The situation limits the City’s ability to take a more balanced approach by using a mixture of increases on the three tax levies so that no one tax paying group is impacted disproportionately. For example, retired individuals might pay property taxes but do not pay earned income taxes. Wage earners pay the earned income tax and might also pay property taxes. Commercial and business entities are more likely affected by property tax and real estate transfer tax increases since their property values and transactions tend to be on a larger scale.
- The City could consider becoming a home rule community so that it is not bound by caps on property, earned income and real estate transfer taxes. Under home rule, the basic authority to act in municipal affairs is transferred from state law, as set forth by the General Assembly, to a local charter, adopted and amended by the voters. Home rule would still subject the City to certain state restrictions that are applicable to home rule municipalities.
- Home rule charters are prohibited from placing limits on the rate of real estate millage, earned income or real estate transfer taxes. However, the charter could limit the increase of total revenue year over year, if officials believe such oversight is necessary.
- The development of a home rule charter involves several steps. A government study commission question must be placed on the ballot either through a City ordinance or by a petition of registered City voters. If the study commission is approved and recommends a

home rule form of government, the commission is charged with drafting a home rule charter that is then subject to a public vote.

- Detailed information on the home rule process is available from the Pennsylvania Governor’s Center for Local Government Services. The center’s website, [www.newpa.com](http://www.newpa.com), includes a publication on the home rule process under the Local Government section.

<b>FIN 07:</b>	<b>Take advantage of PML training and other assistance for EIP communities</b>	
	Target Date:	Short Term
	Responsible Party:	City Manager/Finance Director
	Budget Impact:	Improve budget process

- The Pennsylvania Municipal League provides a 20-week, webinar based training in the areas of Communications, Finance, Labor Relations, Planning and Technology. The course fee is reimbursed upon completion for municipalities that undergo an EIP study. Information is available here: [www.pamatc.org](http://www.pamatc.org)
- PML also has a municipal internship program that gives preference to EIP municipalities. Information is available here: [www.pamip.org](http://www.pamip.org)

**ADMINISTRATION**

<b>ADMIN 01:</b>	<b>Develop and Promulgate Employee Handbook</b>	
	Target Date:	Short Term
	Responsible Party:	City Manager
	Budget Impact:	N/A

- An employee handbook is an essential document to communicate with personnel on workplace expectations, employee rights and responsibilities, and key policies and procedures. Employee handbooks also protect the City from litigation by outlining discipline procedures and other appropriate procedures to handle personnel issues.
- The City should prioritize the development of an employee handbook to include a records retention policy, performance evaluation system and other appropriate HR policies and

procedures. Additionally, the City should develop a review and update process to maintain the handbook as a “living document,” no less than every other year.

- A request for proposals (RFP) can be developed to solicit assistance from a consulting firm for the drafting of a comprehensive document.

<b>ADMIN 02:</b>	<b>Conduct a cost allocation study for the water and wastewater funds</b>	
	Target Date:	Short Term
	Responsible Party:	City Manager
	Budget Impact:	Potential revenue

- The City charges the water and sewer funds for various tasks done on behalf of the water and sewer operations by Borough staff, such as billing and collections. However, the City has not conducted a third-party study to determine the proper allocations from those two funds.
- The City should have a cost allocation study done to ensure that it is being properly reimbursed and to increase transparency amongst the funds.

<b>ADMIN 03:</b>	<b>Review challenge to rental inspection consent decree</b>	
	Target Date:	Short Term
	Responsible Party:	City Solicitor
	Budget Impact:	N/A

- The City’s current rental registration and inspection program stems from a 1980s era consent decree that was issued in the wake of litigation brought by a rental property owners group that no longer exists.
- The decree significantly limits the steps that the City can take to proactively monitor blighted, nuisance properties. For example, rental unit inspections are completed just once every five years and are not done by the City.
- As a result, the City is nearly powerless in overseeing the efficacy of the initiative with little oversight over the rental inspectors beyond assuring they have proper certification. A \$15 registration fee is also charged every five years or when the property changes hands.

- The City solicitor should explore measures to overturn the consent decree. Depending on the status of the consent decree, the City should look to institute a more robust rental registration and inspection program with an appropriate fee (See ADMIN 04). The town of Bloomsburg and West Chester borough have ordinances that could serve as models.

<b>ADMIN 04:</b>	<b>Consider adoption of other rental ordinances</b>	
	Target Date:	Short Term
	Responsible Party:	City Solicitor/City Manager
	Budget Impact:	N/A

- The City’s current rental registration is the mere recognition of a rental property as such. Many boroughs and cities require the occupants of a rental property to be registered with City code enforcement offices.
- The City should consider an ordinance that requires landlords to report the identity of tenants when occupancy changes. The City should also consider the appropriateness of a property management ordinance to enhance public safety and structure quality.
- These ordinances commonly take the form of requiring rental property owners residing more than an established distance from municipal boundaries to designate a property manager within that same established distance, as a designated point-of-contact for disruptive conduct, emergencies, and any other occurrence that may be of a time-sensitive nature, and otherwise act as the owner’s agent.

<b>ADMIN 05:</b>	<b>Create housing data base</b>	
	Target Date:	Long Term
	Responsible Party:	City Manager/Planner
	Budget Impact:	N/A

- The City should investigate creating a data base of each residential structure, potentially using software developed by the Harrisburg Area Community College (HACC) for this purpose.
- The HACC application allows the user to input the condition and a picture of each structure, noting items such as broken windows, missing siding, collapsed roof, etc. The

resulting property data base can be expanded to include additional information such as code violations, delinquent taxes or fees, police calls or any other pertinent material.

- The data base would allow the City to set priorities regarding enforcement activities and take a more proactive approach to controlling blight.

**PUBLIC WORKS**

<b>PW 01:</b>	<b>Develop staff training programs</b>	
	Target Date:	Short Term
	Responsible Party:	Public Works Director
	Budget Impact:	N/A

- To boost overall department performance, the City should outline the training needs of DPW staff and certification needs of the department, prioritize areas of concern and need, and develop a rotating multi-year training program to supplement in-house knowledge transfer.
- New hires should be provided with cross-service area training during their probationary period to instill knowledge of overall operations.
- Furthermore, the City should maximize opportunities for staff to attend PennDOT Local Technical Assistance Program (LTAP) trainings and other regional training opportunities to keep up with state of the art techniques in service area practices.

<b>PW 02:</b>	<b>Develop capital planning</b>	
	Target Date:	Short Term
	Responsible Party:	City Manager/Public Works Director
	Budget Impact:	Relieve pressure on General Fund

- The City has not traditionally developed a multi-year capital planning process for vehicles and major equipment but is in the process of cataloging and testing equipment during the move between municipal garage facilities.
- The City should continue this progress by developing a multi-year capital planning process that identifies long-term needs of Public Works and the City overall and potential funding sources that can be used in the acquisition of vehicles and equipment.

<b>PW 03:</b>	<b>Explore software investments</b>	
	Target Date:	Short Term
	Responsible Party:	City Manager/Public Works Director
	Budget Impact:	N/A

- The Public Works director has expressed interest in increasing the department’s use of software and information technology in the regular course of business and to adequately allocate resources.
- The City should investigate the costs of implementing software such as fleet maintenance, street infrastructure rating and work orders. The City is well positioned to utilize software that incorporates geospatial data given its in-house expertise within the engineering office.

<b>PW 04:</b>	<b>Update uniform standards</b>	
	Target Date:	Short Term
	Responsible Party:	Public Works Director
	Budget Impact:	N/A

- Article XXVIII of the collective bargaining agreement between the City and Council 86 of the American Federation of State, County, and Municipal Employees (AFSCME) establishes that the City is responsible for furnishing several articles of clothing to Public Works employees that are determined to need such items based on work performed.
- The clothing items identified include hard hats, rain gear, gloves, coveralls and boots. Furthermore, all Public Works employees must wear approved safety shoes or boots for which the City reimburses each employee up to \$200 per year for their purchase.
- However, the collective bargaining agreement does not address reflective material or a standard uniform to allow the public to easily identify City staff as such.
- The City should assess the added cost of providing a standard uniform and promulgate standard procedures for the use of reflective materials when working on city streets.

<b>PW 05:</b>	<b>Competitively bid mowing and landscaping services</b>	
	Target Date:	Immediate
	Responsible Party:	City Manager/Public Works Director
	Budget Impact:	Potential expenditure

- Officials noted that a fair amount of DPW staff time is taken up by mowing and landscaping activities. In an effort to increase preventative maintenance activities, the City should solicit bids for landscaping and grass cutting services for the City’s park, levee, and the land surrounding the City-owned water reservoirs.

<b>PW 06:</b>	<b>Consider costs and benefits of using brine</b>	
	Target Date:	Short Term
	Responsible Party:	City Manager/Public Works Director
	Budget Impact:	Expenditure reduction

- As the new municipal garage is developed, the City should weigh the relative capital costs, maintenance costs, and service outcomes of using liquid brine as a road de-icing mechanism prior to winter events.
- A 2012 meta-study by the New York State Department of Transportation found brine to be a cost effective anti-icing agent when compared to typical rock salt that can reduce overtime costs, reduce overall chemical load, and may reduce traffic accidents when deployed appropriately. However, brine does not fully eliminate the need for rock salt applications, particularly when rain precedes a snow event.

**LABOR**

<b>LABOR 01:</b>	<b>Use of part-time police officers</b>	
	Target Date:	In Conjunction with Collective Bargaining
	Responsible Party:	City Manager/Labor Attorney
	Budget Impact:	Expenditure control

- The City is currently experiencing a high amount of police overtime due to full-time vacancies. The City could reduce overtime through the use of part-time officers if certain language was removed from the collective bargaining agreement.

- The Collective Bargaining Agreement (CBA) states that part-time officers will be hired through Civil Service. The City should seek an opinion through labor counsel as to whether it is necessary to hire part-time police officers using Civil Service.
- Seek to remove the 20 percent restriction on part-time officers from the CBA.
- The City should analyze what it needs to pay part time officers in order to be competitive in the region and establish a rate for part time officers comparable to what is being paid in other surrounding communities.

<b>LABOR 02:</b>	<b>Seek limits on police officer compensatory time</b>	
	Target Date:	In Conjunction with Collective Bargaining
	Responsible Party:	City Manager/Labor Attorney
	Budget Impact:	N/A

- The CBA provides for compensatory time but does not contain any limit on the amount of compensatory time. It is recommended that compensatory time be limited to a maximum of 40 hours of accumulation, which is consistent with present usage of compensatory time.

<b>LABOR 03:</b>	<b>Adjust police officer starting salary</b>	
	Target Date:	In Conjunction with Collective Bargaining
	Responsible Party:	City Manager/Labor Attorney
	Budget Impact:	Potential expenditure reduction

- It is recommended that the starting salary for new police officers be revised as follows:
  - Probationary police officers – 75% of Patrolman First Class salary
  - One Year of Service – 80% of Patrolman First Class salary
  - Two Years of Service – 85% of Patrolman First Class salary
  - Three Years of Service – 90% of Patrolman First Class salary
  - Four Years of Service – 95% of Patrolman First Class salary
  - Five Years of Service – 100% of Patrolman First Class salary

<b>LABOR 04:</b>	<b>Reduce police officer sick leave accumulation</b>	
	Target Date:	In Conjunction with Collective Bargaining
	Responsible Party:	City Manager/Labor Attorney
	Budget Impact:	Potential expenditure reduction

- The payment for accumulated sick leave at retirement is a very expensive benefit, which must be accounted for and reserved on an ongoing basis. This benefit should be eliminated for new hires. The accumulation of 200 sick days is excessive and should be reduced to 120 days or less.

<b>LABOR 05:</b>	<b>Health care benefit adjustments for police officers</b>	
	Target Date:	In Conjunction with Collective Bargaining
	Responsible Party:	City Manager/Labor Attorney
	Budget Impact:	Potential expenditure reduction

- The obligation of the City to reimburse police officers for health-related expenses in the amount of \$900 per year should be eliminated. Employees should be responsible for their own non-covered health related expenses.
- Police officers contribute six (6) percent of the insurance premium toward their health care. This amount should be increased to twelve (12) percent in the next CBA. It is important for City employees to be vested in health care coverage so that they will cooperate with the City concerning any issues related to health care plans or plan design, similar to other employees in the region.
- Post-retirement health care should be eliminated in the next CBA for new hires.

<b>LABOR 06:</b>	<b>Police officer pension recommendations</b>	
	Target Date:	In Conjunction with Collective Bargaining
	Responsible Party:	City Manager/Labor Attorney
	Budget Impact:	Potential expenditure reduction

- The City Police Department opted out of Social Security. Therefore, neither the police officers nor the City pay any federal Social Security taxes on behalf of the police officers. Police officers contribute only approximately 1.5 percent of their W-2 salary toward their

pension. Given that police officers are not paying into Social Security, their contributions should be increased to at least 4 percent, so that their pension fund will remain actuarially sound.

- The City should request a legal opinion from its labor counsel concerning the legality of Section 22.03 of the CBA, which provides for mandatory retirement for police officers at age 65.

<b>LABOR 07:</b>	<b>Eliminate past practice language from police CBA</b>	
	Target Date:	In Conjunction with Collective Bargaining
	Responsible Party:	City Manager/Labor Attorney
	Budget Impact:	N/A

- The past practice clause should be eliminated from the CBA. General case law pertaining to past practices should apply without any explicit contractual provision.

<b>LABOR 08:</b>	<b>Eliminate Fair Share language from AFSCME CBA</b>	
	Target Date:	Immediate
	Responsible Party:	City Manager/Labor Attorney
	Budget Impact:	N/A

- The Fair Share Fee should be eliminated as a result of the decision of the United States Supreme Court.

<b>LABOR 09:</b>	<b>Reduce holiday and vacation time for AFSCME employees</b>	
	Target Date:	In Conjunction with Collective Bargaining
	Responsible Party:	City Manager/Labor Attorney
	Budget Impact:	Expenditure reduction

- Eliminate one personal day. Three is adequate, especially given the vacation schedule.
- Eliminate all vacation entitlement in excess of 22 days per calendar year. Therefore, after 21 years of service, an employee would be entitled to 22 days annually and no more.

<b>LABOR 10:</b>	<b>Wage and call-in recommendations for AFSCME</b>	
	Target Date:	In Conjunction with Collective Bargaining
	Responsible Party:	City Manager/Labor Attorney
	Budget Impact:	Expenditure reduction

- The City should negotiate new hire rates whereby new hires receives a percentage of the applicable rate for the position/classification in question, based upon the following:
  - First year of employment                      75 percent
  - Second year of employment                      80 percent
  - Third year of employment                      85 percent
  - Fourth year of employment                      90 percent
  - Fifth year of employment                      95 percent
  - Sixth year of employment                      100 percent
- Four hours minimum at time and a half is excessive for call-in pay. This should be reduced to two hours at time and a half.

<b>LABOR 11:</b>	<b>Health insurance and sick leave recommendations for AFSCME</b>	
	Target Date:	In Conjunction with Collective Bargaining
	Responsible Party:	City Manager/Labor Attorney
	Budget Impact:	Expenditure reduction

- Sick leave buy out at retirement should be eliminated from the CBA, especially for new hires. The accumulation of sick leave under Section 17.02 is excessive and should be reduced to 120 days. The allowance of accumulation up to a maximum of 300 days for certain employees should be eliminated. The City should explore offering a short-term disability policy to its employees to further reduce the accumulation of sick leave under Article XVII. If a short-term disability policy is implemented, sick leave accumulation could be reduced to thirty days.
- Employee contributions to hospital and medical and dental insurance should be increased, for all employees, to the following percentages of the applicable premium for said health insurance:
  - 2019    12%

- 2020 13%
- 2021 14%
- 2022 15%
- The employees need to be invested in health insurance decisions to make appropriate changes to insurance plans and plan design in order to contain health insurance costs for the City, such as the use of generic drugs in plan design.
- The City should discontinue any payment for vision care, eye care or prescriptions not covered by insurance. Employees should be responsible for their own miscellaneous medical expenses.

<b>LABOR 12:</b>	<b>Pension reopener for AFSCME</b>	
	Target Date:	In Conjunction with Collective Bargaining
	Responsible Party:	City Manager/Labor Attorney
	Budget Impact:	Expenditure reduction

- Any pension reopeners to enhance pension benefits should be eliminated.

<b>LABOR 13:</b>	<b>Leave of absences for AFSCME</b>	
	Target Date:	In Conjunction with Collective Bargaining
	Responsible Party:	City Manager/Labor Attorney
	Budget Impact:	Expenditure reduction

- The City should negotiate the Family Medical Leave Act into the CBA in lieu of other forms of leave such as disability leave, maternity leave, or other forms of leave that are covered by FMLA. The FMLA should be the policy of the City on leaves of absence.

<b>LABOR 14:</b>	<b>AFSCME grievance procedure</b>	
	Target Date:	In Conjunction with Collective Bargaining
	Responsible Party:	City Manager/Labor Attorney
	Budget Impact:	Expenditure reduction

- The CBA should be changed so that a list of arbitrators will be obtained from the Pennsylvania Bureau of Mediation rather than the American Arbitration Association. The

AAA charges fees to administer arbitrations. The Pennsylvania Bureau of Mediation provides a list of seven local arbitrators. There is no cost to obtain the list of arbitrators from the Pennsylvania Bureau of Mediation.

<b>LABOR 15:</b>	<b>AFSCME discharge and discipline</b>	
	Target Date:	In Conjunction with Collective Bargaining
	Responsible Party:	City Manager/Labor Attorney
	Budget Impact:	N/A

- Section 31.02 of the CBA states that a progressive disciplinary policy as defined in the City’s personnel manual will apply to all employees, including those under this agreement. The City’s personnel policy needs to be updated for all employees including employees covered by the AFSCME Contract. The City should prioritize updating its personnel manual.

<b>LABOR 16:</b>	<b>Non-union and management recommendations</b>	
	Target Date:	In Conjunction with Collective Bargaining
	Responsible Party:	City Manager/Labor Attorney
	Budget Impact:	Expenditure reduction

- Non-union and management employees receive the same benefits as provided under the AFSCME Contract. Therefore, the same analysis applies. The City should prioritize updating its personnel manual for non-union and management employees.

**ECONOMIC DEVELOPMENT**

<b>ED 01:</b>	<b>Develop a comprehensive plan</b>	
	Target Date:	Immediate
	Responsible Party:	City Manager/Planning Department
	Budget Impact:	N/A

- Develop a comprehensive plan with input from the public and key stakeholders. The document should express the community’s vision for the City and allow for flexibility as the situation changes.

- The plan should focus on downtown and outline priorities for properties that the City is targeting for development. The list of targeted properties, along with detailed action steps and funding options for each, are listed in Chapter 8.
- The plan should also include a housing study. Housing challenges facing the City include affordability and the need for student housing.
- The housing study should focus on the existing housing inventory (both single family and multi-unit), housing demand by demographics, future employers (such as the Geisinger Health System), and special needs group housing.

<b>ED 02:</b>	<b>Support development of appropriate housing</b>	
	Target Date:	Short Term
	Responsible Party:	City Manager/Planning Department
	Budget Impact:	N/A

- Examine the zoning code to allow for expansion or redirection of housing types in various zones.
- Encourage downtown residential apartments to add to the density within the downtown.
- Work with affordable housing developers as needed.
- Continue to work with Lock Haven University on student housing issues.
- Work with Geisinger on employee housing needs.
- Continue to develop policies that will limit sub-standard housing.

<b>ED 03:</b>	<b>Support Main Street type activities and events</b>	
	Target Date:	Short Term
	Responsible Party:	City Manager/Planning Department
	Budget Impact:	N/A

- Continue to support the Main Street Organization. Having one person oversee events, “clean and green” activities, and coordinating businesses is important to the health of a Main Street effort.
- Continue to add and maintain successful events to make Lock Haven a destination.

- Continue to encourage walkability for the downtown including upper story residential development.
- Identify spaces to satisfy the demand for various needs such as event space.

<b>ED 04:</b>	<b>Support Small Business Development</b>	
	Target Date:	Short Term
	Responsible Party:	City Manager/Planning Department
	Budget Impact:	N/A

- Develop or seek state funding for incentivizing small business development. New businesses could focus on outdoor activities that are promoted throughout the year such as kayaking and running events that occur locally or in neighboring communities. (Frozen Snot run, Hyner Challenge, Boulder Beast)
- Identify buildings for small business incubators. This could be small commercial startup businesses that are either retail as suggested above to support activities or small tech/marketing/data collection businesses.
- Seek state funding for incubator space through Keystone Communities or the Business Development Office. Seek small businesses from surrounding areas to expand in Lock Haven. Work with the Small Business office at Lock Haven for startup businesses and incentives.

<b>ED 05:</b>	<b>Reinvigorate the Lock Haven Redevelopment Authority</b>	
	Target Date:	Short Term
	Responsible Party:	City Manager/Planning Department
	Budget Impact:	N/A

- Using the authority would allow for more flexibility for acquisition and development of properties.
- Funding for the authority can be obtained through a variety of resources such as City funds for seed money
- CDBG funding can be included if the Authority oversees management of the program.
- The authority could make use of City staff.

<b>ED 06:</b>	<b>Leverage opportunity zones</b>	
	Target Date:	Short Term
	Responsible Party:	City Manager/Planning Department
	Budget Impact:	N/A

- PEL can advise the City and its local partners on productive strategies that can be used to compete for these project investments including recommending methods to expedite processes, such as potential zoning changes that could make the parcels more attractive, and options to fund the local efforts.
- PEL staff has specific expertise in the area of opportunity zones, having worked closely with the two lead congressional sponsors of the program, along with governors, mayors, and dozens of other community leaders, on the development of the program and, ultimately, the designation of zones in several states.
- Since the census tract designation of opportunity zones, PEL staff has begun working with a small group of cities and states around the country in order to develop implementation strategies that will not only help set their zones apart from the other 8,700 spread across the country, but meet rigorous inclusive development standards, create good jobs, and engage "side-lined" local individual and corporate capital.

<b>ED 07:</b>	<b>Develop funding strategies for economic development</b>	
	Target Date:	Short Term
	Responsible Party:	City Manager/Planning Department
	Budget Impact:	N/A

- The City has several projects that are on the Commonwealth’s Capital Budget Project Itemization and thus are eligible for RACP funding, which is generally allocated on an annual basis. The minimum RACP project amount is \$1 million, with half of that awarded through RACP and the rest provided by a local match. (See Chapter 8 for RACP funding list)
- The City should seek Commonwealth funds through RACP, the Keystone Communities Program and similar sources as appropriate.

**AIRPORT**

<b>AIRPORT 01:</b>	<b>Conduct a comprehensive study of the William T. Piper Memorial Airport</b>	
	Target Date:	Immediate
	Responsible Party:	City Manager
	Budget Impact:	Revenue enhancement and/or expenditure control

- Although the airport is considered an asset, the City is struggling to maintain the facility given the national decline in general aviation flight hours, which comes as the result of rising fuel costs and an aging pilot population.
- The airport is in need of capital improvements and the City was forced to reduce the number of staff hours as a cost consideration. The General Fund is currently paying for airport employees. Hangar rentals are decreasing, and the City cannot simply just keep raising rents to make up the difference.
- If the airport was sold, the City would be required to reimburse the Federal Aviation Authority for past improvements. In addition, although the facility has both vacant land and empty building space, there are restrictions on its use since it is an operating airport.
- The EIP high-level review identified some recommendations; however, the City is in need of a more comprehensive review by a consultant that specializes in enterprise business strategies for the aviation industry. The goal is to reduce expenditures or raise revenues so that the airport is not a drain on the General Fund.

<b>AIRPORT 02:</b>	<b>Update tenant rents and agreements</b>	
	Target Date:	Short Term
	Responsible Party:	City Manager
	Budget Impact:	N/A

- Rental fees of \$1.60 per square foot for Hangar 1 and Hangar 2 appear to be very low.
- All tenants who have control of utility use should be paying their own utility costs, e.g. electric and heat.

- All lease agreements should be negotiated with consumer price increases (CPI). Adding a CPI clause within the agreements will ensure the airport’s ability to increase rates and stay in line with cost of living.

<b>AIRPORT 03:</b>	<b>Consider installing individual sub meters for each tee hangar</b>	
	Target Date:	Long Term
	Responsible Party:	Airport Director
	Budget Impact:	Potential revenue

- In tee hangars, electric usage can triple, if not quadruple, over the winter months due to tenants’ use of aircraft engine heaters.
- Consideration should be given to installing individual sub-metering for each tee hangar. This can be accomplished at the main circuit breaker panel and is a great way to increase retained earnings from the tee hangars without instituting a rent increase.
- Tenants are more apt to be receptive to expense management when they have control of the usage and know where the cost is going.

<b>AIRPORT 04:</b>	<b>Consider installing a self-fuel island</b>	
	Target Date:	
	Responsible Party:	
	Budget Impact:	

- Consider installing a self-service fuel island next to the terminal/main apron. This location would be in close proximity to phone connections, existing overhead lighting and these services can be easily maintained by the FBO. A small slave tank (500 gallon) with a card reader will allow tenants and transients easy access to fuel 24 hours per day without incurring costly staff hours.

<b>AIRPORT 05:</b>	<b>Non-aviation recommendations</b>	
	Target Date:	Short Term
	Responsible Party:	City Manager/HR Administrative Assistant
	Budget Impact:	N/A

- Consider building a stone parking lot by the storage hangar area. Offer year-round, outdoor storage along with indoor storage. This would be a good income source with very little investment and ongoing expense.
- Partner with other civic organizations to develop fly-in breakfasts on a Saturday or Sunday for brunch. Promote the event to your flying and local communities. Buy-in from both is necessary to make it feasible. This may not generate substantial income, but this type of event is more to promote awareness of the airport and for community engagement. Secondary sales can include fuel sales, sightseeing, and introductory flight lessons for potential new pilots.
- The airport has a substantial calendar of events throughout the year including EAA, Avsport, Sentimental Journey, and the FAA Safety Team. Outside vendors such as food trucks or local caterers or sandwich shops that supply food for the event should pay a space fee or commission on their sales as a way to capture additional revenue.
- Over the winter months, hangar dances can be a fun and good way to get the local community out to support the airport. Supply some light refreshments with adult beverages for a per person ticket price. This type of event does not need to take a lot of work and can easily produce thousands of dollars after expenses.

**WASTEWATER**

<b>WW 01:</b>	<b>Consider creating a joint operating authority for wastewater</b>	
	Target Date:	
	Responsible Party:	
	Budget Impact:	

- The City’s wastewater partner municipalities and Lock Haven University are bulk dischargers. Since these areas are located outside of the City’s authority, it is difficult to enforce both I/I monitoring and repair, as well as non-residential dischargers that send

variable pollutants through the bulk services to the Wastewater Treatment Plant. Also, user rates and tapping fees vary greatly based upon the financial status of each bulk discharger or service area.

- The City should consider creating a regional joint sewer authority to assert better control over the quality and quantity of the discharge, thereby making the treatment facility more efficient, and to operate collection systems uniformly throughout the region.
- The Municipal Authorities Act allows for the formation of an operating authority that eclipses municipal boundaries without the involvement of the Pennsylvania Public Utility Commission. Operating costs and debt service can be spread over a much larger customer base for each service area, which could lower user rates to select areas.

<b>WW 02:</b>	<b>Create and enforce a strict non-residential waste discharge program</b>	
	Target Date:	
	Responsible Party:	
	Budget Impact:	

- The greatest challenge at the wastewater treatment facility is the variation of influent sewage quality caused by the industrial dischargers connected to the system, according to staff. Industrial waste criteria exists to alleviate the variations but were apparently not enforced. The City would benefit financially by creating and enforcing a strict non-residential waste discharge program.
- A non-residential waste discharge program reduces unwanted pollutants such as high organic loads of BOD<sub>5</sub> from industrial users by instating permit limits where a fine is administrated, if violated. A program of this sort would also reduce the risk of a pollutant interfering with the wastewater treatment plant or even damaging equipment within the facility.
- The Commonwealth has accepted primacy for enforcement of discharge criteria. The City should examine the current requirements and undertake modifications to improve both the individual pollutant levels in the industrial discharge, as well as the enforcement criteria. For suggested language, see Chapter 10.

<b>WW 03:</b>	<b>Undertake formal succession planning</b>	
	Target Date:	
	Responsible Party:	
	Budget Impact:	

- Several staff members are nearing retirement age, indicating that there will be a turnover of employees in the near future. There appears to be a lack of a formal succession planning system to ensure efficient operation during the transition as the longer term employees retired.
- There also appears to be no formal program in place to train the succeeding employees to undertake the more complex job assignments or to acquire the needed state certifications for operation of the treatment facility or the collection system.
- The City would benefit from establishing specific criteria and practices for succession and training to meet the needs of the wastewater system.

<b>WW 04:</b>	<b>Consider purchasing a lateral camera</b>	
	Target Date:	Short Term
	Responsible Party:	City Manager
	Budget Impact:	Potential expenditure

- The City would benefit from the purchase of a lateral camera to perform inspections, monitoring, and maintenance of service laterals. A camera would allow sources of infiltration/inflow (I/I) to be more easily identified and repaired.
- It would also assist in locating damaged service laterals requiring repair thus avoiding sewage backups within buildings.

<b>WW 05:</b>	<b>Create a combined maintenance group for the Wastewater and Water Departments. See also WATER 05.</b>	
	Target Date:	
	Responsible Party:	
	Budget Impact:	

Create a combined maintenance group for the Wastewater and Water Departments that potentially could be part of the Public Works Department. The goal is to create more efficiency in the use of manpower and equipment.

**WATER**

<b>WATER 01:</b>	<b>Consider creating a joint operating authority for wastewater</b>	
	Target Date:	Long Term
	Responsible Party:	City Manager
	Budget Impact:	Potential expenditure

- The City should consider forming a joint operating authority as defined in the Municipal Authorities Act. As noted previously in WW 02, the authority could service customers outside of the municipal boundaries of the City without the regulation of the PA PUC. The authority would be responsible for operating the system and financing any capital improvements. The authority could contract with the City Water Department to perform daily tasks. The authority would be responsible for setting the user fees as well as tapping fees compliant with Act 57.

<b>WATER 02:</b>	<b>Undertake formal succession planning and implement training</b>	
	Target Date:	
	Responsible Party:	
	Budget Impact:	

- A formal succession planning system does not appear to be in place that would ensure efficient operation should longer term employees leave the City.
- The department also did not have a formal program to train succeeding employees on more complex job assignments, and the City does not support employees who are attempting to acquire state certifications for operation of the distribution system.
- The City should develop a formal succession plan that includes assistance to employees seeking state licensure such as tuition assistance and flexible scheduling.

<b>WATER 03:</b>	<b>Conduct tank inspection</b>	
	Target Date:	Immediate
	Responsible Party:	
	Budget Impact:	

- The storage tanks owned and operated by the City are in need of inspection to identify any problems or complications that might be present such as coating issues, leaks or cracks.
- The storage facilities are essential for handling peak flows during the day and providing support for local fire protection. The inspection should be completed as soon as possible.

<b>WATER 04:</b>	<b>Implement a valve exercise program</b>	
	Target Date:	Immediate
	Responsible Party:	
	Budget Impact:	

- The City does not currently have a valve exercise program, which entails locating and exercising water valves on a rotating schedule to ensure they function and operate properly.
- This process is essential to ensure that portions of the system can be isolated in the event of a main break or a main replacement. It also can help in the event of a catastrophic fire to redirect flow to the area of the emergency.
- Each valve within the system should be operated regularly to prevent a buildup of tuberculation deposits and to ensure availability when needed.

<b>WATER 05:</b>	<b>Create a combined maintenance group for the Wastewater and Water Departments (See also WW 06)</b>	
	Target Date:	Short Term
	Responsible Party:	City Manager/IT Provider
	Budget Impact:	N/A

- Create a combined maintenance group for the Wastewater and Water Departments that potentially could be part of the Public Works Department. The goal is to create more efficiency in the use of manpower and equipment.

**POLICE**

The following is a summary of recommendations found in the Police Report located in the Appendix. Please see the Police Report for complete details concerning these recommendations.

<b>POLICE 01:</b>	<b>Current organization and staffing</b>	
	Target Date:	Short Term
	Responsible Party:	Police Chief
	Budget Impact:	N/A

- Replace the averages used in Step 4 of the IACP Manpower Formula with actual data from LHCPD records on average days off, vacation, holidays, etc. to calculate the recommended manpower formula.
- Verify that the actual number of LHCPD reported incidents is accurate. Recalculate the manpower formula as necessary with any revised number.
- Due to the size of the LHCPD, administrative duties involved and the need to provide 24/7 supervision, no reduction in the number of corporal positions is recommended.
- Continue with the promotion process of an additional corporal, and change the corporal rank to sergeant in order to be consistent with professionally accepted standards.
- Prioritize filling vacant police officer positions.
- Consider using incentives to increase the applicant pool and hiring of police officers. For example, offer payment of Act 120 training tuition cost reimbursement after three years of satisfactory employment with the Lock Haven City Police Department, or consider reimbursement of a certain amount for relocation costs and other incentives that will reduce the difficulties in recruiting police officers.
- Revisit the methodology and practice of Uniform Crime Reporting for clearance of crimes. The City is reporting fewer clearances than the County.
- Study and analyze the factors that may be causing the lower than average clearance rates in the Criminal Investigation (Detective) Unit. Institute the changes necessary to improve clearance rates including training if/where necessary.
- Research, develop, prepare and implement policy covering the assignment and investigation of crime to the detective. Policy should include the supervision of the

detective by the sergeant and the detective’s reporting of investigative work to the police chief. It is suggested that reports be submitted bi-weekly.

- Continue to routinely inspect policy and rules and regulations manuals for completeness and accuracy.
- Add a table of contents and alphabetical indexing section to the manuals for easier access to various policy and procedure areas.

<b>POLICE 02:</b>	<b>Evaluate Department effectiveness in field operations</b>	
	Target Date:	Short Term
	Responsible Party:	Police
	Budget Impact:	N/A

- Continue traffic enforcement strategies to maintain the impressive Accident Enforcement Index (AEI) and lower the injury accidents within the City.
- Collect, compile and analyze conviction data on criminal prosecutions.
- Include statistical information on crimes being investigated (followed up by the detective) on monthly and annual reports.
- Review the current methodology, practice and policy of investigating and UCR reporting of Part I and Part II crime in the City. Attempt to bring the City clearance rates more in line with County averages.

<b>POLICE 03:</b>	<b>Management, technical and support services</b>	
	Target Date:	Short Term
	Responsible Party:	Police Chief
	Budget Impact:	N/A

- Become familiar with and practice the Principles of Quality Leadership as outlined in the Police Report.
- Provide internal affairs training for the police chief.
- Publish a summary of the number, type and disposition of complaints against officers in the department’s annual report.

<b>POLICE 04:</b>	<b>Personnel and training</b>	
	Target Date:	Short Term
	Responsible Party:	Police Chief
	Budget Impact:	N/A

- Design a career development program even though the promotional opportunities are somewhat limited due to the Department’s size.
- Develop policy that is in concert with the civil service promotional guidelines and incorporate it into the Department’s policy manual.
- The promotional system should allow the chief input after the rule of three or similar system has been established.
- Adopt and practice succession planning as discussed in the Police Report.
- Research, develop and utilize a performance evaluation system for all sworn and civilian employees including probationary employees.
- Utilize the full range of training areas as described in the Police Report.
- Supervisors that have not attended POSIT and POLEX training at Penn State should be scheduled to attend as soon as possible.

<b>POLICE 05:</b>	<b>Facilities, vehicles and equipment</b>	
	Target Date:	Short Term
	Responsible Party:	Police Chief
	Budget Impact:	N/A

- Consider remodeling and rearranging the Department’s facilities.
- Gather and analyze cost/mileage/repair, insurance, and equipment statistics for the entire fleet.
- After analyzing the above information, develop a capital purchasing plan for replacement of vehicles. Consider budgeting portions of costs annually (half each year if two are purchased every other year) in such a manner that when a vehicle is purchased it will not cause a spike in that year’s budget.
- Conduct annual inspections to create and maintain an up-to-date inventory.

<b>POLICE 06:</b>	<b>Governing body – Police Department relationship</b>	
	Target Date:	Short Term
	Responsible Party:	City Manager/Police Chief/Elected officials
	Budget Impact:	N/A

- Create a Communications Committee with participation/representation of the City Council, the manager, mayor, chief and police officer representative to maintain healthy relationships.
- Work jointly to develop a plan to meet the future financial and operational challenges facing the City and Police Department.

## **APPENDIX**

A STUDY OF THE MANAGEMENT AND OPERATIONS OF  
THE LOCK HAVEN CITY POLICE DEPARTMENT

Conducted and Prepared by

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Fall 2018

## INTRODUCTION

The purpose of this study was to conduct a management review of the Lock Haven Police Department (LHCPD) in conjunction with the Pennsylvania Economy League (PEL). PEL was retained to conduct an overall in-depth Management Review of City Departments. The review was to develop strategies to improve overall management effectiveness and efficiencies and to recommend ways to improve the City's long-term financial outlook. The review and recommendations were to explore the possibilities for the provision of inter-municipal services, regional cooperation, and inter-municipal cost sharing.

On Friday, August 10, and Monday September 24, 2018, W. R. Smeal, Police Management Consultant, met with the Lock Haven City Police Chief Kristen Smith. The meeting involved a discussion about police operations and gathering of data and information necessary to conduct the police portion of the study.

The Lock Haven Police Department is authorized for 14 sworn police officers. Currently, the LHCPD is three officers short and operating with a staff of 11 sworn officers. In addition, there are four non-uniform civilian employees. The sworn officers are:

- 1 Chief
- 1 Sergeant
- 1 Detective
- 2 Corporals
- 6 Police Officers

The four civilian employees are:

- 2 Administrative Support Staff Employees(full-time)
- 2 Parking Enforcement Employees (part-time)

An evaluation of the policies, practices, problems, issues and operations of the LHCPD was conducted as relate to the following principles:

Management: goals and objectives setting and evaluation; policy development; written directives; communications and coordinating mechanisms; and supervision.

Management Controls: internal affairs.

Organization: grouping of functions; chain of command; span of control; duplication and fragmentation of responsibilities.

Personnel Management: promotion and performance evaluation.

Education and Training: educational requirements for the appointment and promotion of members; educational incentives; and recruit, field, specialized, advanced, refresher, and remedial training.

Patrol Operations; patrol methods and procedures; supervision; communications; vehicles; equipment; preliminary investigations; report preparation and review; shift structure and organization; and special enforcement operations.

Criminal and Special Investigations: case screening; case management; workload distribution; crime scene policies and procedures; shift structures; investigation policies and practices.

Records: report review; records controls; storage, maintenance, retrieval and retention; information security; privacy and access guidelines; and compliance with Uniform Crime Reporting (UCR) and auditing requirements.

Data Processing: scope and nature of applications and reports; use and utility of reports; command and staff input to selection and design of applications and reports; information security; computer-literacy levels; and equipment adequacy and redundancy.

Property Management and Evidence Control: issuing, accounting, and controlling agency-issued property; accountability for care and replacement; fleet management; marking, labeling, packaging, receipting, storing, accounting for and withdrawing found, recovered and evidentiary property; analysis of evidence.

The study also examined factors that contribute to the environment in which the LHCPD now operates and is likely to operate in the near future including the incidence of crime, workload trends and the population growth.

## **I. CURRENT ORGANIZATION AND STAFFING**

The Lock Haven City Police Department provides 24-hour service seven days a week. The LHCPD works eight hour rotating shifts. Practice dictates minimum staffing of one officer on day shift (7 a.m. to 3 p.m.), two officers on middle shift (3 p.m. to 11 p.m.) and two officers on midnight shift (11 p.m. to 7 a.m.). The sergeant and detective work day shift.

Two corporals supervise the three patrol shifts. Consideration is being given to promoting an officer to another corporal position. In addition, the City is contemplating changing the corporal rank to sergeant.

Sergeant duties involve administrative tasks, while detective duties involve investigative work. However, due to the shortage of three patrol officers, both are currently performing patrol duties. The Criminal Investigation Unit will be discussed later in this report.

The two administrative support staff personnel perform a variety of functions involving transcription and typing of incident reports, filing, operating the CODY Records Management System, receiving walk in citizen requests, and a variety of support functions.

The two parking enforcement employees work part-time enforcing City parking regulations. One works 25 hours a week and the other works 20 hours a week.

The LHCPD meets professionally accepted standards of educational achievement, recruitment and selection procedures, written and oral examinations, psychological, medical and drug screening, background investigation, basic and field training requirements, along with in-service training.

The LHCPD has the following specialty positions/skills:

- 1 Detective
- 2 Firearms Instructors
- 1 Blood Control Instructor
- 2 Wire-Tap “Class A” Instructors
- 1 SFST Instructor
- 2 Handcuff Instructors
- 1 Verbal De-escalation Instructors
- 1 Evidence Custodian
- 1 Back-up Evidence Custodian
- 2 Armorers
- 1 Breath Test Supervisor Operator
- 7 Breath Test Operators
- All officer certified in CPR, First Aid, and AED

Five municipalities border the City. Flemington Borough, and Bald Eagle and Allison Townships receive service from the Pennsylvania State Police. Woodward Township provides its own part-time police service, and Castenia Borough contracts with Mill Hall Borough for ten hours of police service per week. In addition, Lock Haven University provides its own police service and is located within the geographical boundary of the City.

Patrol officers perform some of the specialty duties (follow-up on investigations) if the investigation can be concluded with one follow-up. In addition to numerous other duties, the civilian employees function as the records section coordinator, dispatcher, clerical support, and receptionist. All employees report directly to the sergeant.

**INSERT ORG CHART**

## **A. PROJECTED MANPOWER NEEDS AND SERVICE LEVELS**

The International Association of Chiefs of Police developed the manpower formula used to determine police personnel needs. The formula has been used and applied extensively throughout the Commonwealth and found to be reliable. However, like most situations where an overall standard is used to determine a factor, it is subject to error and should not be considered infallible.

The IACP formula assumes that forty-five minutes is the average time necessary to handle the average police incident. Furthermore, one-third of an officer's duty time should be utilized for responding to and handling incidents. A police officer is actually available for duty approximately 1,760 hours a year when all vacation, training, holidays, sick leave, bereavement leave, court time, etc. is considered. This calculation determines only the manpower needs for patrol officers "on the street" handling calls and does not include administrators, supervisors and/or specialists. In order for the formula to be accurate, it is extremely important that the information regarding the number of incidents reported is accurate.

While conducting studies over the past thirty-three years, the Consultant has found that the reporting of data on incidents has been less than accurate. Due to the lack of a standardized reporting network in the Commonwealth of Pennsylvania, the lack of standardized training of police personnel and the administrative prerogative of individual municipal departments, there appears to be inconsistency in reporting. Therefore, the Consultant finds that the realistic incident data lies somewhere between amounts reported by departments and what would be expected if utilizing the average of 0.55 incidents per thousand populations. This report was prepared by considering the incidents/calls reported and the population average. Of all calls answered, 20% will be criminal in nature and 80% will be service in nature, according to experts. Consideration of these methods to determine incident workload allows for increased reliability of the calculation. The IACP formula is summarized as follows:

### **Determining Patrol Force Manpower Needs**

**Step 1** Determine the number of complaints or incidents received and responded to by the LHCPD. Complaints and incidents include all forms of police activity where an officer responded and/or took an official action. Incidents do not include situations where advice was given over the telephone, delivering messages, handling internal police department matters, etc.

If the actual number of incidents is unknown, sound estimates may be made based upon the assumption that, on the average in any community, 550 complaints or incidents will occur for every thousand residents, or 0.55 per resident.

**Step 2** Multiply the total complaints or incidents by 0.75 (45 minutes). It is generally assumed that 45 minutes is the average time required to handle a complaint or incident.

**Step 3** Multiply by three to add a buffer factor and time for preventive patrol. General experience has shown that about one-third of an officer's time should be spent handling requests for services. Other requirements for servicing police vehicles, personal relief, eating, and supervision must also be taken into consideration. Multiplying by three to add a buffer factor makes up for the unknown.

**Step 4** Divide the product by 2,920, which is the total number of hours necessary to staff a basic one-officer patrol unit for one year (365 days x 8 hours = 2,920 hours). The IACP formula results establish the number of patrol elements necessary to police the community. This is not the number of officers, but the number of patrol elements.

To establish the number of officers required to staff each patrol element, the assignment/availability factor must be determined. To accomplish this, calculate how many hours each year the average police officer is not available for duty on the street and subtracting that time from the patrol element hours of 2,920. The formula is summarized below.

**8-HOUR SHIFT**

<u>Average Factors</u>	<u>Man Hours</u>
Regular Days off (2 days per week)	832
Vacation (15 days per year)	120
Holidays (10 days per year)	80
Court Days (5 per year)	40
Training (5 days per year)	40
Sick and injury (5 days per year)	40
Miscellaneous leave (1 day per year)	<u>8</u>
Total	1,160

(2,920 hours minus 1,160 Non-Available hours equals 1,760 Available Hours)

**Step 5** Once the total available hours of the average patrol officer is established, the assignment/availability factor is determined by dividing the available hours into the patrol element requirement of 2,920 hours. This results in a factor of 1.66 for an 8-hour shift. In other words, it takes 1.66 police officers to staff each patrol element required to police the community. This includes only patrol personnel and does not include administrators, supervisors or specialists.

Chart 2 follows and demonstrates the application of the manpower formula (8 hour shift) that is incident based. The column marked +A/S/I includes the number of fixed positions in the City:

- 1 Chief
- 1 Sergeant
- 1 Detective

- 2 Corporals

These positions are authorized to staff administration, supervision and investigation positions when working eight-hour shifts. The number five is represented in the column marked A/S/I. The Chart also represents a total manpower need of 11.84 using population averages and 10.98 when using expert's suggestion of Crime and Service percentages of incidents. These figures do not take officer safety into consideration.

**CHART 2**  
**Manpower Needs – 8-Hour Shift**  
**Lock Haven City Police Department**  
**Based upon IACP Population Averages**  
**Lock Haven Police Reported Incidents and**  
**Estimates of Crime/Service Incidents by Experts**  
**2017**

# INCIDENTS	X.75	X3	DIVIDE BY 2920	X 1.66	+A/S/ I	TOTAL MANPOWER NEEDS
Average # Incidents by Population <b>9,725 x 0.55 = 5,349</b>	4,011.75	12,035.25	4.12166	6.84	5	11.84
# City Reported Incidents= <b>4,677</b>	3,507.75	10,523.25	3.60385	5.98	5	10.98
20% Crime/80% Service Incidents= <b>3,480</b>	<b>2,610</b>	<b>7,830</b>	<b>2.681506</b>	<b>4.45</b>	<b>6</b>	<b>10.45</b>

**Findings:**

1. Calculations are based upon IACP population averages of 0.55 incidents per thousand populations, LHCPD reported incidents and experts suggestions for calculating 2017 reportable incidents as described below. Time did not provide for verification of the 4,677 incidents reported by the Lock Haven City Police Department. Pennsylvania Municipal Police Departments generally report fewer incidents per year than the IACP population average of 0.55 per thousand.
2. During 2017, the LHCPD reported 696 crimes to the Pennsylvania Uniform Crime Reporting System, which be discussed later in this report. As noted earlier, experts report that of all calls answered, 20% will be criminal in nature and 80% will be service in nature. If so, the LHCPD would have handled 3,480 incidents (696 crime incidents and 2,784 service incidents). Therefore, the LHCPD is more than likely handling less than the IACP average of 0.55 per thousand population and greater incidents than experts suggest if non-criminal/service incidents are 80% of the total.
3. It should be noted that the corporals, and in some cases the sergeant and detective, are responding to calls and handling incidents that are normally within the job description of an officer. The IACP Formula considers supervision as not performing patrol officer duties i.e.: handling calls or incidents.

Span of Control is an organizational-level factor detailing how many officers a supervisor can be expected to effectively control. While there is no definite figure, experts tend to agree on a ratio of roughly eight officers per supervisor. It is highly unlikely that a single supervisor could effectively supervise more than eight patrol officers. A larger ratio would more than likely result in too many officers to effectively supervise, while too small a ratio would not be an optimal use of supervisory resources.<sup>1</sup>

### **Succession Planning**

Succession planning is a process through which many organizations, both public and private, prepare for the eventual departure of key leaders<sup>2</sup>. Through this process, organizations engage in a variety of strategies to identify individuals who might eventually assume a primary leadership role, generally taking steps along the way to prepare these individuals for transition. This can be important from a strategic perspective because, “during a leadership change, a succession plan maintains the continuity of the agency’s mission and reduces uncertainty.” Organizational leadership involves identification of potential talent within the organization. Training should be provided to those individuals identified. Individuals who show promise should be monitored. Staff should be empowered to make key decisions within an agency.

### **Recommendations:**

1. Replace the averages used in Step 4 of the IACP Manpower Formula with actual data from LHCPD records on average days off, vacation, holidays, etc. to calculate the recommended manpower formula.
2. Verify that the actual number of LHCPD reported incidents is accurate. Recalculate the manpower formula as necessary with any revised number.
3. Due to the size of the LHCPD, administrative duties involved and the need to provide 24/7 supervision, no reduction in the number of corporal positions is recommended.
4. Continue with the promotion process of an additional corporal and change the corporal rank to sergeant in order to be consistent with professionally accepted standards.

## **B. PATROL**

The basic mission of uniformed patrol is to prevent crime, protect life and property, preserve, enforce, detect, apprehend and arrest violators of law. In addition, there are a variety of additional tasks and functions given in a police officer’s job description.

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<sup>1</sup> Sam Walker, Professor Emeritus of Criminal Justice Institute at the University of Nebraska at Omaha, in his article, Current Issues and Research Need

<sup>2</sup> Mitchell P. Weinzetl, Chief of Police, Buffalo Minnesota Police Department discussed the concept of succession planning in the Police Chief Magazine, November, 2012, page 46.

## **Current Conditions in the Lock Haven City Police Department:**

The LHCPD schedules police patrol service with seven officers working eight hour shifts. There is an attempt to have a minimum of one patrol officer on the street during day shift and two officers on the street during evening and night shifts. The officers rotate evening and night shifts, and the corporals rotate through all three shifts every 28 days. Two corporals supervise most, but not all shifts, and not unlike patrol officers, answer calls for service. The LHCPD is down three officers, which causes the sergeant and detective to work patrol when necessary to cover the schedule. The City is contemplating a promotional process to fill the vacant corporal position. There is also consideration to eliminating the corporal rank and making the position a sergeant rank. There are times when a supervisor is not working.

Patrol officers respond to incidents and record reports of initial investigations. The sergeant and/or detective review the accuracy and content of crime reports that are entered into the CODY Records Management System by a clerk. Corporals review all other (non-crime) reports. The sergeant selects the incidents that are forwarded to the Criminal Investigations Unit for follow up by the detective.

### **C. INVESTIGATIONS/DETECTIVE BUREAU**

The investigation of crime is a basic responsibility of law enforcement officers. However, it should not be viewed as the sole responsibility of the criminal investigator. To be successful, the investigative effort requires the cooperation of all personnel, but in particular the uniformed patrol officer and the investigator. The effectiveness of a patrol unit's proactive strategies, the speed with which it responds to crimes in progress and the quality of its preliminary investigations all have a major impact on whether or not an offender is ultimately apprehended.

When a call on a criminal matter results in an arrest by a patrol officer, the detective's role is usually limited to assisting. The detective assists with filing complaints, recovering property when appropriate, and determining whether arrestees are responsible for other unsolved crimes. When a call on a criminal matter does not result in an arrest by a patrol officer, identity of offenders is not known, and apprehension of an offender is not imminent, criminal investigators begin follow-up investigations. The responsibility of a patrol officer in these instances is to conduct a thorough preliminary investigation and gather as much information about the nature of the crime and physical evidence as is available and practical. Departments must promote the effectiveness of the preliminary investigation process. This is accomplished by providing field report forms that are structured to ensure that essential information and evidence are sought and by having expert crime scene criminal investigators, evidence specialists, or both.

The detective analyzes all reports and information supplied by the patrol officer, integrating them with the knowledge and experience gained by investigating other similar crimes. The detective employs the latest criminality techniques, as well as interview and interrogation skills, to solve a case. The detective must be capable, dedicated and well-trained. He/She must develop a close working relationship with the uniformed patrol personnel. This partnership should lead to a continuing exchange of case information and intelligence. If kept informed about current investigations, the patrol officer can focus efforts on the most productive areas.

The investigative supervisor (usually a sergeant) must coordinate and manage the entire follow-up process to ensure that a department's limited manpower is used in the most productive manner. To maximize investigation productivity, which is measured by case clearances, criminal investigation units should use solvability factors to determine which cases have a reasonable potential for clearance and will, therefore, be followed up. Cases that do not have a potential for clearance should not be followed up. When cases are not followed up, complainants should be so notified and told why the case is not being investigated further. Supervisors must distribute workload equitably, establish guidelines for the amount of time that can be committed to individual investigations, authorize investment of exceptional time on investigations, and ensure that the case clearances and closures comply with UCR standards. Supervisors must evaluate the performance of the entire unit and the performance of the individual investigators.

Investigators must be selected carefully. Selection techniques, both written and oral, should emphasize analytical abilities and interpersonal skills. Tests used for the selection process must be based on job analysis. Investigators should be well trained in interviewing and interrogation; information development and retrieval; planning, organizing and conducting searches; forensics; arrest; case preparation and testimony. Upon appointment, new criminal investigators should undergo 80 or more hours of intensive, specialized training. Like other field personnel, investigators need periodic in-service training to remain up-to-date on evolving legal issues and court decisions and to become proficient in the use of new procedures and technology. Because of the significance of the preliminary investigation to the ultimate success of the follow-up investigations, field patrol officers must also be trained in the same subject areas, though not as in depth as full-time criminal investigators.

Departments should have investigators available or on call 24 hours per day, or should establish other flexible arrangements to accommodate investigative requirements at crime scenes. The varying schedules of citizen witnesses and other demands of the investigations process necessitate availability. The authority, responsibilities, policies and procedures of criminal investigation units should be covered by written directive. It is particularly important to establish clear written directives for areas of greater sensitivity. This includes the use of informants; use of departmental funds, drugs, evidence, and other resources for investigative purposes; confidentiality of information; and especially information that pertains to youth and sexual abuse victims.

### **Current Conditions in the Lock Haven City Police Department:**

The Lock Haven Criminal Investigation Unit functions on a full-time basis. There is one detective assigned to the unit. Except for emergency call out, the detective works day shift, Monday through Friday. As the reports come in from the Patrol Bureau, the sergeant and detective review all crime reports to determine whether or not the incident requires follow-up investigation by the detective. A general rule is that if the incident is going to require more than one follow-up, the detective is assigned to the case. If it can be completed with one follow-up, the patrol officer handles the case. The detective assists patrol officers if and when necessary. The detective handles Child Line reports on a frequent basis.

The sergeant informally supervises follow-up cases. The average clearance rate of Part I Crimes for the Lock Haven City Police Department was 28.66% from 2013 through 2017. During the same time period, Clinton County's average clearance rate was 36.59%. LHCPD's statistics are part of the county figures. Lock Haven's Part I clearance rate is somewhat (7.93 or 21.67%) less than the county as a whole.

The average clearance rate of Part II Crimes for the Lock Haven City Police Department was 59.09% from 2013 through 2017. During the same time period, the County's clearance rate was 63.78%. The LHCPD's statistics are part of the County figures.

The LHCPD does not have a professional policy, methodology, and procedure regarding the manner in which cases are selected for follow-up investigation.

### **Evaluation:**

The current basic organizational scheme appears to produce less than desirable results. Formal policies and procedures appear inadequate, and solvability factors are not formally considered throughout the investigative process. The LHCPD's clearance rates fall below Clinton County averages.

### **Recommendations:**

To strengthen patrol, investigations, and improve crime clearance rates, the LHCPD should consider the following actions:

1. Prioritize the employment of vacant police officer positions.
2. Consider using incentives to increase the applicant pool and hiring of police officers. For example, promote the benefit of insurance currently paid by the City after officers retire; offer payment of Act 120 Training tuition cost reimbursement after three years of satisfactory employment with the Lock Haven City Police Department; consider reimbursement of a certain amount for relocation costs and other outside the box incentives that will reduce the difficulties in recruiting police officers.
3. Revisit the methodology and practice of Uniform Crime Reporting for clearance of crimes. The City is reporting fewer clearances compared with the County.
4. Study and analyze the factors that may be causing the lower than average clearance rates in the Criminal Investigation (Detective) Unit. Institute the changes necessary to improve clearance rates including training if/where necessary.
5. Research, develop, prepare and implement policy covering the assignment and investigation of crime to the detective. Policy should include the supervision of

the detective by the sergeant and the detective's reporting of investigative work to the police chief. It is suggested that reports be submitted bi-weekly.

#### **D. POLICY**

Policy refers to a course or courses of action adopted and pursued to achieve agency objectives in acceptable ways, to establish the directions in which an agency will proceed, to establish required modes of institutional behavior and to encourage uniform operational action. Policy specifies principles to be observed rather than procedures or rules to be followed to actualize principles. Formulating policy is the responsibility of the chief of police. It is one of the most important responsibilities a chief has to perform.

A police department should have a standing policy in every area of significance as to its role and operations. Consensus on even the approximate number of areas, which are significant and the nature of the areas does not exist. A contemporary, high-quality manual that the IACP uses as a model contains 151 individual policy statements. Policy must be definitive, clear and comprehensive. It must be written so that it can be uniformly communicated and understood. Having policy in writing is a major defense in liability situations, assuming that policy is also appropriate and constitutional. Although the policy positions of a department are ultimately those chosen by the chief of police, members of a department should be relied upon to help identify areas in which new policy is needed, areas in which current policy must be modified and to help formulate policy. Staff involvement enriches the policy identification and formulation process and gives staff an investment in the product. Policy development and modification should be ongoing. A department's entire body of policy should be comprehensively reviewed at least biannually. The review should focus on the need to change existing policy and to establish new policy. Special attention should be directed toward eliminating conflicts and redundancy.

#### **Current Conditions in the Lock Haven City Police Department:**

The policies of the Lock Haven City Police Department are contained and distributed in a department manual.

#### **Evaluation:**

The current system is adequate and in compliance with established professional standards. It appears that policy development and updating have received considerable attention.

#### **Recommendation:**

1. Continue to routinely inspect policy and rules and regulations manuals for completeness and accuracy.
2. Add a table of contents and alphabetical indexing section to the manual for easier access to various policy and procedure areas.

## **E. RECORDS**

A police records system must be complete and accurate in its information gathering capability, swift in its ability to deliver needed information and operated at a minimal cost. With such a system, a police department may keep a watchful eye on the criminal activities in the community and monitor its own success in suppressing these criminal activities. Without high-quality information, no police department can hope to provide the kind of service that the taxpayers deserve.

The basic tool of the modern police officer is the police report. In this report, the officer forms the groundwork for an active and successful prosecution of the criminal offender. It also records information that the officer has taken action on a complaint and documents reasons for acting or not acting on the complaint. The report also assists the police department by providing accurate proof of police activities.

In a larger perspective, the individual police report becomes part of a larger tool used by the department's record system. This system is the informational base of any police department.

It is here that the individual officers deposit their findings in a common pool that all other officers may draw from when necessary. In order for this system and the police department to be effective, the system must have the ability to accurately record information and hold it, and conversely, to quickly give out information when necessary.

### **Current Conditions in the Lock Haven City Police Department:**

The records section receives day-to-day attention and functions under standard operating procedures. The records are maintained in the central records area under adequate security. This section provides support services for the entire LHCPD operations. The records section provides officers with information not routed through the Clinton County Emergency Operations Center. In addition, the unit provides records maintenance, data entry into the CODY records management system and Uniform Crime Reporting system, completing and maintaining statistics used for preparation of the monthly and annual reports, receptionist duties and a myriad of duties too numerous to list. The records section is staffed with two full-time civilian employees.

### **Evaluation:**

The LHCPD has developed a records section that appears to be in compliance with established professional standards.

## **F. DISPATCHING**

Dispatching service is constant – 24/7 through the Clinton County Emergency Operations Center. The CCEOC call sheet is used to compare the Department's completed incidents to ensure that reports are being prepared on dispatched calls. The police clerk handles and schedules walk-in complaints, citizens requesting fingerprint services, and general information.

## **G. PRINCIPLES OF ORGANIZATION**

The current organization of the LHCPD appears to reflect consideration of the majority of principles of organization. The most important are:

- Responsibility must be clearly fixed to ensure that every function that a police agency should provide is performed.
- Responsibility for every function that a police agency performs must be clearly assigned to one person.
- Functions that are similar or related in purpose, process, method, or clientele should be grouped together in one or more units.
- Responsibilities, duties and authority of units should be clearly defined and delineated so that accountability can be fixed and duplication of effort and non-performance of duties due to failure to assign can be prevented.
- Responsibilities, duties and authority of units should be known to all members of a department through written directives.
- Only one person should control each unit and each individual, thus achieving the principle of unity of command and avoiding the friction that results from duplication of direction and supervision.
- Names of organizational units should reflect purpose.
- Specialized units should exist only if they significantly increase overall departmental capability.
- Control channels should exist to enable information to flow up and down, and to enable management to delegate authority, place responsibility, supervise work and coordinate efforts. These channels should be well understood by all members of a department to ensure that they know to whom they are responsible and who is responsible to them.
- Span of control must be broad enough for economical management and supervision, but not so broad that managers and supervisors cannot manage or supervise effectively.
- Each assignment or duty must be paralleled by commensurate authority to fulfill the responsibility.
- Persons to whom authority is delegated should be held accountable for the use of the authority or the failure to use it.

Most problems that confront police departments cannot be resolved or prevented simply by observing principles of organization. Observing principles of organization cannot overcome innate weaknesses in the motivation or capabilities of personnel, eliminate inertia, or generate the initiative required for effective direction and control. Observing the principles will produce an organizational structure, however, that will positively influence the efficiency of a police department when capable personnel, motivation and other essential factors are present.

**Recommendations:**

1. Maintain the LHCPD in accordance with the above principles of organization.

## II. TOOLS FOR EVALUATING DEPARTMENT EFFECTIVENESS IN FIELD OPERATIONS

The effectiveness of a police department is determined by many factors. The police department and the citizens of the community look upon crime and the relative feeling of safety that exists within the jurisdiction as a primary role of the police. There is some question concerning how much impact the police really have on crime. However, we must look at the crime rate, the ability of the police to respond in a timely fashion, the amount of violent crimes (Part I offenses), and the less serious crimes (Part II offenses) occurring in the community as effectiveness measures.

Another important factor is the ability of police to solve a crime once it is brought to their attention. This deals with a police department’s arrest rate and clearance rate. Yet another factor can be examined by looking at the conviction rate – those cases in which an arrest was made and whether or not a court conviction was achieved.

Patrol is the backbone of any law enforcement agency. The philosophy held by officers on patrol has very serious ramifications toward accomplishment of the police mission. Studies indicate that police departments employing an aggressive patrol strategy experience higher arrest rates and lower crime rates for robberies than jurisdictions with a passive patrol strategy. Making frequent street stops or issuing an above-average number of traffic citations accomplishes this. Generally, if a criminal knows that police are actively stopping suspicious persons and making field checks, or if the criminal sees more police on patrol, he may not commit a crime because he perceives that his chances of being caught are greater. This perception will often lower the crime rate in a given jurisdiction.

The Accident Enforcement Index is another measure of effectiveness that can be drawn through an examination of data. The Northwestern Traffic Command Institute reports that for every injury accident, twenty citations should be issued for optimum enforcement. Optimum enforcement is desirable in an effort to reduce injury accidents.

The LHCPD Reports indicate the number of traffic citations and accident information as follows:

**TABLE 1  
LOCK HAVEN CITY POLICE DEPARTMENT  
ACCIDENT ENFORCEMENT INDEX  
2014 TO AUGUST 2018**

Year	Citations Issued	Injury Accidents	Enforcement Index
2014	673	6	112.16
2015	612	13	47.07
2016	765	19	40.26
2017	779	12	64.91
2018	502	11	45.63

Source: Lock Haven City Police Department Records Section

**Findings:**

1. The table indicates that LHCPD’s traffic enforcement index exceeds optimum enforcement during the time period.
2. From 2014 to 2017, citations increased by 106 or 15.8%, rising from 673 in 2014 to 779 in 2017. At an average of approximately 71.7 per month, citations could total 861 in 2018.
3. The total enforcement record over the period (3,331 divided by 61 = 54.6) suggests a patrol mission that subscribes to an aggressive patrol strategy.
4. Injury accidents averaged 13 per year.

**Recommendation:**

1. Continue traffic enforcement strategies to maintain the impressive AEI and lower the injury accidents within the City.

**Reported Part I Index Crimes**

The table below summarizes the number of serious crimes reported to the LHCPD from 2013 through 2017. Index crimes are commonly used to portray the level and nature of serious crime in a jurisdiction. Part I crimes include the offenses of homicide, rape, robbery, aggravated assault, burglary, larceny, motor vehicle theft, and arson.

**TABLE 2  
LOCK HAVEN CITY POLICE DEPARTMENT  
REPORTED PART I INDEX CRIMES  
2013-2017**

Year	Murder	Rape	Robbery	Assault	Burglary	Larceny Theft	Motor Vehicle Theft	Arson	Total
2013	0	4	6	8	38	181	5	3	245
2014	0	7	4	10	39	180	5	0	245
2015	0	2	5	12	30	147	2	1	199
2016	0	3	3	9	17	134	1	2	170
2017	0	5	4	15	25	99	2	3	153
TOTAL	0	22	22	54	149	741	15	9	1,012

Source: Uniform Crime Report, compiled by the Pennsylvania State Police, Bureau of Research and Development.

\*A table showing Clinton County statistics was not provided due to the sheer volume of information.

**Findings:**

1. Lock Haven’s Index crimes remained at 245 during 2013 and 2014, and then steadily decreased to 153 in 2017. Overall, index crimes decreased by 92 or 37.6% compared to five years earlier.
2. During that same time period, index crimes across the entire county decreased from 708 in 2013 to 489 in 2017. Overall, index crimes decreased by 219 or 31% compared to five years earlier.
3. Larceny-theft (741) was the crime category most frequently reported by the LHCPD and (2,151) in Clinton County. Burglaries and assault followed as the number two and three top crime categories in the City and across the entire County.
4. LHCPD’s five year average clearance rate was 28.7%. The County average was 36.6%.

**Crime Rate**

A review was conducted of the reported crime in the LHCPD jurisdiction over the past five years from 2013 through 2017 as reported in the Uniform Crime Report as compiled by the Pennsylvania State Police, Bureau of Research and Development. For comparison purposes, the same review for the same time period was conducted for Clinton County. LCPD statistics are included in the County statistics.

Crime Rate information follows and provides a formula to indicate a municipalities’ crime rate in numerical terms. The rate is determined by dividing 100,000 by a municipalities population, times the Part I reported Crimes as follows:

**TABLE 3  
CRIME RATE COMPARISONS  
2013-2017**

MUNICIPALITY	POPULATION CALCULATION	PART 1 CRIMES	CRIME RATE	YEAR	CLEARANCE RATE
LCPD	10.28	245	2,518.60	2013	25.30%
		245	2,518.60	2014	27.75%
		199	2,045.72	2015	28.14%
		170	1,747.60	2016	29.41%
		153	1,572.84	2017	32.68%
Clinton County	2.55	708	1,805.40	2013	33.89%
		752	1,917.60	2014	38.16%
		659	1,680.45	2015	32.17%
		X 575	1,466.25	2016	37.86%
		X 489	1,246.95	2017	40.90

Source: Pennsylvania Uniform Crime Reporting System

## **Findings:**

1. The data suggests that LHCPD, over a five year period from 2013 to 2017, has experienced a decrease of 945.8 or 37.6% in the crime rate, down from 2,518.6 in 2013 to 1,572.8 in 2017.
2. Clinton County over the same time period experienced a decrease of 558.5 or 30.9% in the crime rate, down from 1,805.4 in 2013 to 1,247 in 2017.
3. Lock Haven City's average crime rate (2,080.67) is 457.3 or 28.2% greater than the County's average (1,623.33).
4. From the data examined, LHCPD's clearance rate (28.7%) is 7.9% lower than the County's clearance rate (36.6%) of serious crime. At the same time, the County crime rate average is lower than the City crime rate average. Part 1 crime is decreasing at a greater rate across the County than crime reported in the City.

## **Conviction Rate**

Another measure of effectiveness can be gleaned from a department's conviction rate. A conviction is the successful prosecution of an offender arrested, charged and prosecuted and convicted for committing a crime.

## **Evaluation:**

LHCPD does not specifically track conviction rate information regarding the disposition of offenders charged with committing crimes within its jurisdiction.

## **Recommendations:**

1. Collect, compile and analyze conviction data on criminal prosecutions.
2. Include statistical information on crimes being investigated (followed up by the detective) on the monthly and annual reports.

## Reported Part II Index Crime

Table 4, Reported Part II Index Crimes, summarizes the less serious crimes reported by the LHCPD from 2013 through 2017.

**TABLE 4**  
**LOCK HAVEN CITY POLICE DEPARTMENT**  
**REPORTED PART II INDEX CRIMES**  
**2013-2017**

Crime	2013	2014	2015	2016	2017	TOTAL
Other Assault	20	32	25	26	41	144
Forgery	8	12	11	14	9	54
Fraud	30	44	45	41	37	197
Embezzlement	1	3	0	0	1	5
Stolen Property	1	1	2	1	1	6
Vandalism	151	136	108	104	105	604
Weapons	1	1	1	0	1	4
Prostitution	0	0	0	0	0	0
Sex Offenses	3	9	9	3	17	41
Narcotics	40	43	64	42	51	240
Gambling	0	0	0	0	0	0
Family Offenses	0	2	3	2	6	13
DUI	31	44	50	45	44	214
Liquor Laws	17	32	26	21	18	114
Drunkenness	13	15	19	20	23	90
Disorderly Conduct	61	93	140	103	135	532
Vagrancy	0	0	0	0	0	0
All Others	30	25	39	40	54	188
<b>Total</b>	<b>407</b>	<b>492</b>	<b>542</b>	<b>462</b>	<b>543</b>	<b>2,446</b>

Source: Uniform Crime Report, compiled by the Pennsylvania State Police, Bureau of Research and Development

### Findings:

1. Part II crimes increased by 136 or 33.4% in the LHCPD, from 407 in 2013 to 543 in 2017.
2. During the same time period, Clinton County Part II crimes increased 32 or 0.02%, growing from 1,337 in 2013 to 1,369 in 2017.
3. During the five year period, vandalism (604), disorderly conduct (532), narcotics (240) and driving under the influence (214), were the top four Part II crimes reported by the LHCPD.

4. The top four Part II crimes reported across the entire County from 2013 to 2017 were vandalism (1,179), disorderly conduct (1,105), other assault (956) and narcotics (852). Again, the County statistics include Part II crimes reported by the LCPD.
5. The LHCPD's five-year Part II clearance rate was 59.1% and was 4.7% less than Clinton County's average of 63.8%.
6. Lock Haven City is experiencing a greater increase (33.4%) in reported crime compared to the County's (0.02%) reported increase.

**Total Crime Statistics Notes:**

1. There were 3,458 total crimes (1,012 Part I and 2,446 Part II) reported to the LHCD during the study period.
2. Serious crimes accounted for 29.2% of the total.
3. Less serious crimes accounted for 70.7% of the total.
4. Larceny theft was the most frequently reported crime and accounted for 73.2% of the Part I serious crimes in the City.
5. In comparison, for that same period of time across Clinton County, larceny theft accounted for 68.9%.

**Recommendation:**

1. Review the current methodology, practice and policy of investigating and UCR reporting of Part I and Part II crime in the City. Attempt to bring the City clearance rates more in line with County averages.

### **III. MANAGEMENT, TECHNICAL AND SUPPORT SERVICES**

Management is the process of organizing and using personnel and material resources to accomplish objectives. The management process comprises a comprehensive and diverse array of functions. Among the most essential are setting organizational objectives; organizing programs to achieve objectives; assembling staff and other resources required to conduct programs; establishing policies and procedures to govern programs; directing programs through written directives, internal communications and supervision; and controlling programs to ensure compliance with policies and procedures.

The police chief bears ultimate responsibility for achieving objectives and for the effectiveness of the management process. Because the chief cannot be omnipresent nor conduct the management process by him/herself, responsibility must be delegated to division and section commanders and supervisors. To manage the department effectively, the chief and his/her delegates must have the support of a number of executive or administrative services, principally research and planning, legal counsel, public information and fiscal management.

#### **A. SUPERVISION**

First-line supervisors are critical links in the direction process. It is the first-line supervisors who must ensure on a day-to-day basis that objectives are being met and that policies and procedures are being carried out as intended. To do so, supervisors must be thoroughly conversant with departmental objectives, and policies and procedures that pertain to their areas of supervision, and with the jobs to be performed by those supervised. They must monitor and evaluate the performance of personnel and must correct and teach when personnel do not perform as required. The most influential supervisor in a police agency is the patrol supervisor, usually a field sergeant. The patrol supervisor normally has more personnel to manage than other supervisors. He or she controls the actions of those police employees who are most often and most directly involved in the delivery of police services.

To produce supervisors who can direct effectively, a police department must administer promotional examinations and employ selection procedures that provide valid and accurate measurements of supervisory skills and potential. The procedures include the following: provide extensive training to those appointed to supervisory positions; make clear that supervisors are part of the management structure and will be held accountable for exercising the authority granted to them; use formal, structured, evaluation methods to measure and assess supervisory performance; give supervisors the tools they need to systematically diagnose and evaluate the performance and needs of their subordinates; correct inadequate performance (this should be accomplished through a formal, structured system of performance evaluation); and supervisors must be provided time to evaluate subordinates and correct deficiencies through training. When supervisors must spend most or all of a shift on emergencies, other duties, effective direction, evaluation and training cannot occur. For supervisors to train effectively, officers must have sufficient free time to be trained.

## **Findings:**

There are three supervisory positions in the department including a sergeant and two patrol corporals. Supervision within the entire department is a limited aspect of the department's management process. This is primarily due to the department's size.

## **Recommendations:**

1. Become familiar with and practice the Principles of Quality Leadership:
  - Believe in, foster and support TEAMWORK.
  - Be committed to the PROBLEM-SOLVING process; use it and let DATA, not emotions, drive decisions.
  - Seek employees' INPUT before making key decisions.
  - Believe that the best way to improve the quality of work or service is to ASK and LISTEN to employees who are doing the work.
  - Strive to develop mutual RESPECT and TRUST among employees.
  - Have a CUSTOMER orientation with focus toward employees and citizens.
  - Manage on the BEHAVIOR of 95 percent of employees and not on the 5 percent who cause problems. Deal with the 5 percent.
  - Improve SYSTEMS and examine PROCESSES before placing blame on people.
  - Avoid "top-down" POWER ORIENTED decision making when possible.
  - Encourage CREATIVITY through RISK TAKING, and be TOLERANT of honest MISTAKES.
  - Be a FACILITATOR and COACH. Develop an OPEN atmosphere that encourages providing and accepting FEEDBACK.
  - With TEAMWORK, develop with employees the agreed upon GOALS and a PLAN to achieve them.
  
2. Subscribe to journals and publications such as, but not limited to, the Penna Chief's Bulletin, Police Beat, International Chiefs of Police Bulletin, etc. These publications should be made available to all department members.

## **B. INTERNAL AFFAIRS**

A police department cannot be successful for very long without public belief in its integrity. Integrity is demonstrated and protected through a strong, fair and responsive internal affairs process. This gives notice to both the community and members of the department that an agency is willing to police its own. It is management's way of demonstrating that officers and civilian employees will be held accountable for complying with sanctioned forms of behavior and punished for violating them.

A police department should have a central internal affairs unit or officer. The unit or officer reports directly to the chief when practical. Principal functions of the unit or officer should be to receive, record, process, investigate and control complaints against employees. Adequate resources must be devoted to the internal affairs function. Internal affairs must have a positive

emphasis. Management should view internal affairs as a proactive tool to achieve positive results. Police officers, normally skeptical about internal affairs procedures, usually respond in a highly professional manner to an affirmative process as long as the rules are clear, fair and applied consistently. Too often, the function is managed in a way that reduces morale and motivation and strains community relations. In many agencies, it is mysterious and burdensome, appearing deliberately designed to discourage complaints. Citizens have also traditionally been suspicious of the internal affairs process. When an informed public believes that the police department will investigate all allegations of misconduct against its members honestly and fairly, it will be less likely to become prematurely indignant or seek redress elsewhere.

A police department should have a simple and efficient system for receiving and processing complaints. Once a complaint has been received, from either inside or outside the agency, it must be investigated thoroughly and impartially and in a timely manner. Anonymous complaints should be handled in the same manner as any other. Frivolous allegations should be screened out during the preliminary investigation. Minor complaints should be referred to an employee's supervisor.

The internal affairs unit should handle serious allegations. Internal affairs should maintain staff control over all investigations, even when complaints have been referred. The department must take positive steps to be sure that the public understands how the internal affairs process works. Citizens should be notified when complaints are being investigated and advised of the outcome. The investigative phase is the most critical part of the internal affairs process. Both the public and the employee must be satisfied that the investigation is thorough and fair.

An officer should be advised promptly when a complaint of misconduct is received, except in those cases where it would jeopardize the investigation. A department must have a procedure for temporarily relieving employees from duty when charges dictate such action. This form of supervision is to be distinguished from one imposed as punishment following a final determination of misconduct. Neither officers nor civilian employees have a constitutional right to counsel during an internal investigation, although departmental policy or labor contracts often establish the privilege. Officers can be ordered to answer questions and submit to a polygraph test. When criminal prosecution is contemplated, Miranda guidelines apply. A search warrant or voluntary agreement is required to search an officer's home or personal vehicle. Search of a locker or department office requires neither.

When an internal investigation sustains an allegation of misconduct, formal charges should be filed. Filing officially notifies officers that they are being charged with violations of departmental rules, explains the nature of the charges and advises what procedural steps can be taken to answer them. Police misconduct may constitute violation of both criminal law and departmental policy. In most jurisdictions, criminal and administrative procedures are entirely separate and distinct. An acquittal on criminal charges does not prevent a department from taking disciplinary action against an officer based on the same conduct.

The laws of most states, as well as federal due process standards, require that an officer be allowed a hearing on disciplinary charges at some point before discipline becomes final. A court reviewing an appeal of a department's disciplinary action will only examine a written record.

Generally, a court will not consider new evidence. As a result, although adherence to strict rules of evidence is not required in an administrative hearing, a verbatim record should be kept with the hearing board clearly stating the evidence on which its decision is based. As with any important administrative decision, a chief is well advised to consult with various levels of his staff before imposing penalties.

Internal affairs policies and procedures and the functioning of the internal affairs unit or officer should be formalized in a written directive.

### **Current Conditions in the Lock Haven City Police Department:**

Responsibility for internal affairs remains vested with the chief's office. Depending upon the nature of the complaint, a sergeant or corporal may conduct the investigation and report findings to the chief. The department has policy covering the internal affairs process; no one has received training on conducting such investigations. The chief advises the city manager regarding internal affairs complaints. The department is a civil service organization.

### **Finding:**

The department has written policy on the internal affairs process and appears to be in compliance with professional personnel management practices with the exception of training.

### **Recommendations:**

To strengthen the internal affairs function, the department should consider the following action:

1. Provide internal affairs training for the police chief.
2. Publish a summary of the number, type and disposition of complaints against officers in the department's annual report.

#### **IV. PERSONNEL AND TRAINING**

The quality of the service provided by a police department depends directly upon the quality of the personnel employed. The current quality and level of service provided by the LHCPD rests largely with the competence and capabilities of the personnel presently employed. Future achievements and effectiveness will depend on the competence and capabilities of the men and women now being hired, those remaining in the department and those hired in the future.

The personnel administrator for a police agency has complex and demanding functional responsibilities. Personnel administrators must be sensitive to validity issues in selection and promotion, affirmative action requirements, collective bargaining procedures and potential challenges to the city's selection, promotion or retirement systems. These concerns cause many personnel administrators to approach their work defensively and in so doing, lose sight of the overall goal of molding a quality workforce well suited to careers in police service.

To guarantee that the workforce is of the highest professional quality, an agency must have a comprehensive personnel program. It must maximize the effectiveness of its recruiting, selection, promotional and performance evaluation practices. Of utmost importance, it must be competitive in the labor market. Once quality personnel are employed, their abilities must be developed to their maximum potential through career-long education and training.

#### **Current Conditions in Lock Haven City Police Department:**

The primary responsibility for personnel matters for the Department, including recruiting, selection, and personnel records rests with the police chief. The City will soon move and manage the police personnel files currently handled by the chief. Disciplinary procedures are ultimately the responsibility of the chief. The internal affairs function was discussed earlier in this report. The Department does not have a formal career development program. The Department does have a promotional process but does not exactly follow the City's civil service regulations. The chief performs employee personnel actions and the records are currently maintained in the chief's office.

#### **Finding:**

The Department's personnel program is not in compliance with established professional standards.

#### **Recommendations:**

To strengthen the personnel function, the Department should consider:

1. Design a career development program even though the promotional opportunities are somewhat limited due to the Department's size.
2. Develop policy that is in concert with the civil service promotional guidelines and incorporate it into the Policy Manual.

## A. PROMOTION

Leadership qualities, intelligence, mastery of law enforcement procedures and supervisory or management skills are requisites for promotion to positions of higher responsibility. It is especially important that these characteristics be present in those promoted to the rank of sergeant since they form the group from which future command officers and administrators will be selected.

All aspects of the promotion process must be based on a detailed job description. Written notices that describe qualifications, testing procedures and other essential data should be posted prominently well in advance of the closing date for applications. Three years in grade as a police officer should be required for promotion to sergeant and at least one year in grade should be required for promotion to ranks above sergeant. Recommended times in grade are considered a good compromise between limiting promotional opportunities to personnel with sufficient experience for advancement and creating a broad competitive base.

Testing should include a written examination, an oral examination and a medical examination for those who pass the written and oral examination. Performance evaluations should also be completed to determine eligibility. Study materials should either be identified for applicants or provided to them. The promotional process, in its entirety and in each of its elements, must meet requirements of validity and utility and minimize adverse impact. If assessment centers are used to examine candidates for promotion, a team of assessors should be used, a battery of assessment techniques should be employed, and the appraisals of assessors should be pooled to form recommendations and to rank candidates. Candidates should be ranked on eligibility lists in order of total scores of the various elements of the testing process.

A chief should be able to recommend individuals for promotion from among the first three qualified or presented to an examining board (the rule of three). This gives the chief some latitude in the actual promotion of successful candidates. It is unfair to hold the chief responsible for the performance of the agency, while at the same time withholding from the chief some discretionary power in the appointment of supervisory and command personnel from among qualified applicants. The rule of three recognizes imperfections inherent in any examination process and provides the chief with an opportunity to exercise professional judgment in selecting staff. At the same time, however, the rule limits the chief's discretion to acceptable bounds. To exploit the value of rule of three, the chief should know about the capabilities of the individuals, the demands of the position to be filled, and the personal attributes necessary for successful performance on the job.

The performance of new supervisors, normally new sergeants, should be evaluated every three months during a one-year probationary period. Findings should be discussed with them. Supervisors should counsel probationers, and corrective measures should be taken to assist those who fall short of expectations. The chief should give the probationer permanent status only after successful completion of the probationary period and after certification. Probationers who cannot adjust to the responsibilities of higher rank should be returned to their previous grade without prejudice.

Succession planning is a process through which many organizations – public and private – prepare for the eventual departure of key leaders<sup>3</sup>. Through this process, organizations engage in a variety of strategies to identify individuals who might eventually assume a primary leadership role, generally taking steps along the way to prepare these individuals for transition. This can be important from a strategic perspective because “during a leadership change, a succession plan maintains the continuity of the agency’s mission and reduces uncertainty.”

Organizational leadership involves identification of potential talent within the organization. Training should be provided to those individuals identified. Individuals who show promise should be mentored. Staff should be empowered to make key decisions within an agency.

### **Current Conditions in the Lock Haven City Police Department:**

The Department has a written policy and procedure on the civil service promotional process. There is a written and oral examination for corporal and sergeant positions. The corporal weighting is 75% for the written exam and 25% for the oral examination. The sergeant weighting is 50% for the written and 50% for the oral examination.

### **Recommendations:**

1. The promotional system should allow the chief input after the rule of three or similar system has been established.
2. Adopt and practice succession planning as discussed above.

## **B. PERFORMANCE EVALUATION**

Performance evaluation is the measurement and analysis of on-the-job performance of police employees. It focuses on the manner and effectiveness by which prescribed duties are carried out. Performance evaluation serves valuable purposes to administrators, supervisors and employees. Performance evaluations provide information to enable officers to maintain acceptable performance and improve unacceptable performance; reveal training needs, individual and collective; provide the basis for decisions including assignment, promotion, discipline and termination; and provide a medium for supervisor-subordinate discussion and counseling. Performance evaluations promote job satisfaction for officers who are performing well and provide incentive to improve for those who are not performing well.

Every police agency should have a formal performance evaluation system. Each officer in the agency should be evaluated at least annually, preferably semi-annually. Probationary employees should be evaluated at least bi-monthly, preferably monthly. The entire evaluation process must meet standards of validity. The evaluation period must be specified on evaluation instruments or otherwise recorded. Evaluations are to be done by the immediate supervisor or supervisors of the

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<sup>3</sup> Mitchell P. Weinzetl, Chief of Police, Buffalo, Minnesota Police Department, Police Chief Magazine, November 2012, page 46

employee being rated and reviewed by the supervisor or the rater/raters. The work of all raters should be evaluated for quality and consistency.

Employees must have the opportunity to review evaluations and should be required to sign evaluations to validate that they have been read. A signature should neither state nor imply agreement or disagreement with an evaluation. Raters and employees should discuss the contents of evaluations, even positive evaluations. Unsatisfactory ratings must be explained both orally and in writing. Employees should have the right to contest ratings and seek formal review. A copy of each evaluation should be provided to the employee. The operation of the performance evaluation system should be evaluated annually.

### **Current Conditions in the Lock Haven City Police Department:**

The Department does not utilize a performance evaluation system.

### **Finding:**

The Department's lack of a performance evaluation system is not in compliance with recommended standards of professional personnel management.

### **Recommendations:**

The Department should consider developing specific, identifiable criteria to better quantify and identify acceptable and unacceptable performance and then take the following actions:

1. Research, develop and utilize a probationary sworn officer, supervisor and command officer performance evaluation system.
2. Research, develop and utilize the sworn officer, supervisor and command performance evaluation system.
3. Research, develop and utilize a non-sworn civilian member performance evaluation system.

## **C. EDUCATION AND TRAINING**

Improvements in the police service will parallel advancements in the level and quality of the education and training of the police officer. Education provides a broader understanding of the social problems with which an officer comes into contact and provides alternative resolutions to a problem or situation. It enables officers to cope more effectively with citizens and makes them more receptive to social and organizational change, and to new ideas and concepts. Training improves the ability of police officers to make correct decisions and take appropriate action at the right time. It prepares officers to act decisively and correctly, makes them more productive, and instills a personal sense of competence and worth. Obviously, both education and training are needed for contemporary police work. While a Department should approach education and training positively and emphasize their contributions to police service, it is no longer possible to

ignore the value of strong programs of education and particularly, training as essential defenses in failure to train liability situations.

For decades it has been recommended that a police agency should establish college education, preferably a degree, as a minimum entrance requirement for employment. The national educational level of police officers has increased to 13.5 years. Working officers without degrees should be required to earn them. An agency should strive to have a uniformed force composed entirely of officers with degrees.

A police agency should provide six types of training: basic, field, specialized, advanced, refresher and remedial.

- **Basic Recruit Training:** Recruit training prepares new recruits to function as police officers. Its purpose is to develop fundamental operational skills, to impart the department's philosophy, and to familiarize recruits with departmental policies and procedures. Recruit training is the most intensive training an officer receives and in many ways the most important. It helps form attitudes, philosophies and habits that influence officers throughout their careers. Every sworn member of a department must go through recruit training. Recruit training is classroom based, though it should also include field exercises. The Municipal Police Officers' Education and Training Act requires that officers receive a minimum of 919 hours of basic instruction. Instruction must include the vehicles code, the crimes code, rules of criminal procedure, legal issues, investigative techniques, interviews, interrogation, surveillance, firearms, first-aid, collection and preservation of evidence and a variety of other topics important to the recruit.
- **Field Training:** Field training is an extension or continuation of recruit training. Assigning a recruit to work in the field with an experienced patrol officer or number of patrol officers is the central feature of field training. It is on-the-job training in the truest sense. Field training must be designed to enable recruits to apply and practice in the field what is taught in the classroom.

Field training officers must be selected very carefully since the success of field training depends, ultimately, upon the ability of field training officers to instruct and guide. The following factors should govern selection:

- a. **Desire to Serve:** Only enthusiastic volunteers should be considered. Half-hearted instruction is inadequate.
- b. **Ability:** The training officer should be able to properly demonstrate approved techniques for conducting both routine and non-routine duties. The training officer must have mastered all tasks of the uniformed patrol officer.
- c. **Attitude:** A field training officer must have a positive attitude toward top management, command and supervisory officers and the policies of the organization. The attitude conveyed to the recruit must consistently be one of a professional police officer dedicated to public service. The recruit will look to the training officer for

interpretation of policy, will begin to internalize attitudes toward the public, and will learn intangibles of police service that can never be completely transmitted in the classroom. Therefore, the examples shown to the recruit must be exceptional.

Neither age nor seniority should be given any great weight in the selection of a field-training officer, since ability and attitude are not related to age. Field training officers should be instructed on how to conduct field training. They should have field-training guides and lesson plans. The guides should state training objectives and describe preferred training methods. Lesson plans should familiarize field-training officers with what recruits are to have learned during recruit training. The field training itself should cover a majority of the situations the trainee will encounter when he or she performs independently.

It is essential to formally evaluate the performance of recruits. Weekly evaluations are counseling sessions to discuss evaluations and permit recruits to ask questions. Sessions should be private and confidential. At the end of the training period, field-training officers should recommend retention, termination, or retention with additional training and/or monitoring. All recommendations must be justified and documented. A recruit whose termination is recommended should be entitled to basic due process protections. Field training should last at least three months.

- **Specialized Training:** Specialized training prepares those who serve on special assignments or conduct special activities, either managerial or technical, to function more effectively. It is designed to develop skills, abilities and attitudes in areas not dealt with during recruit and field training. Executive development, supervision, crime analysis, data processing, juvenile investigations and records management exemplify this class of training. Training to provide new skills and information to those in patrol, investigations, or other basic departmental assignments also qualifies as specialized training.

Whenever possible, every sworn and non-sworn individual who functions in a specialized job should be trained for that job prior to assignment. This is especially essential for new patrol and other supervisors who command large groups of personnel. A police agency should maintain an inventory of jobs requiring specialized training, the amount and kinds of training required, and determine whether incumbents of the jobs have the requisite training.

- **Advanced Training:** Advanced training is a form of specialized training. The term is reserved, however, for training designed to impart the skills, knowledge and attitudes required for the highest executive and leadership positions in an agency. Advanced training is mainly available from outside providers. The FBI National Academy, the Southern Police Institute, the Northwestern University Traffic Institute, and the International Association of Chiefs of Police are the best-known providers of advanced training. A department should ensure that all personnel serving in leadership and executive capacities, or being groomed for leadership, receive advanced training.

- **Refresher Training:** Refresher training is designed to reinforce, update and review aspects of the basic training curriculum. Duration can vary from a few minutes during roll call to a week or more in a classroom or academy setting. Departments should use roll call to provide refresher training. Patrol officers should have a 40-hour refresher session every year. Curriculum should be geared to areas of critical significance and to problem areas. Arrest procedures, officer safety, report writing and community relations are examples of refresher training. The MPOETC annual mandatory training meets this requirement for the most part; however, police chiefs have continued to lobby for improvement in the selection of topic areas.
- **Remedial Training:** Remedial training is designed to correct specific deficiencies of individual officers. Supervisors normally discover deficiencies during the course of work, by instructors during training sessions, through preparation of evaluations, or during testing. A department should insist on remedial training for all officers who exhibit continuing deficiency in important aspects of job performance.

To maximize the quality of training, a Department must ensure that all courses are taught by certified or otherwise qualified instructors. Instructors must be supervised and evaluated by a department's training director and trainees. Trainees should be tested and evaluated frequently to ensure the course material is being absorbed effectively and at expected rates. Course design is critical. Every course must have performance objectives. Performance objectives specify what course participants are expected to learn and provide a basis for evaluating participant achievement, as well as the content of a course itself. There must be a lesson plan for each course, consisting of performance objectives, an outline of course content, required sequence of presentation, recommended instructional techniques, references, instructor and student work materials, and evaluation materials. Most courses should provide material geared to job tasks. This requires that job analysis precede course design. These criteria should be used to select courses provided by outside providers, as well as to guide development of courses.

Large police departments should have a full-time training unit. The unit should identify training needs of every member of the department; ensure that training needs of every member of the Department are met; plan, develop, present, and/or arrange for presentation of training courses; select instructors; schedule training courses and attendance of personnel; ensure that personnel attend courses; evaluate courses and instructors; and maintain training files. Small departments should have a training coordinator. Responsibilities; authority; functions and duties of training units; training goals; policies and procedures; and the training obligations of department personnel should be covered in a written directive. The directive should also declare a department's commitment to the highest level of education and training attainable.

### **Current Conditions in the Lock Haven City Police Department**

The department requires a high school diploma for the position of police officer. The national average is 13.5 years of education across the police profession.

**Evaluation:**

The department's training program does not appear to be in conformance with professionally accepted standards. The department has members trained as instructors in some areas but should be improved in others.

**Recommendations:**

To strengthen the training function, the department should consider the following actions:

1. Utilize the full range of training areas as described above.
2. Supervisors that have not attended POSIT and POLEX training at Penn State should be scheduled to attend as soon as possible.

## V. FACILITIES, VEHICLES AND EQUIPMENT

### A. FACILITIES

#### Current Conditions in the Lock Haven City Police Department

The LHCPD headquarters is located on the ground and basement floors of the municipal building. The Department is located behind the City offices at the end of a hallway. There is a front public lobby/waiting area, and a secure doorway to enter the police facility. The police facility includes:

- a. Patrol room
- b. Sergeant and detective offices
- c. Restrooms for men and women
- d. Booking/prisoner and kitchen in one multipurpose room
- e. Chief's office
- f. Parking enforcement room (downstairs)
- g. Evidence room (downstairs)

#### Finding:

The facility is clean and minimally adequate for the purpose.

#### Recommendation:

1. Consider remodeling and rearranging the Department's facilities.

### B. VEHICLES

The LHCPD operates with a fleet of six vehicles, with one assigned to parking enforcement. The fleet is serviced and maintained by/at the City garage. Two vehicles are replaced annually. Retired vehicles are sold to other departments or put up for public bid. The following information was current as August 19, 2018.

**TABLE 5  
VEHICLES INFORMATION  
LOCK HAVEN CITY POLICE DEPARTMENT**

Equipment #	Year/Make	Description	Mileage	MO/Average	Condition
3	2011 Ford	Expedition, Unmarked	81,182	unknown	Good
4	2009 Ford	Crown Vic, Marked	160,000	unknown	Poor
5	2014 Ford	Explorer, Unmarked	87,809	unknown	Good
6	2014 Ford	Taurus, Interceptor	80,363	unknown	Good
7	2018 Ford	Explorer, Marked	0	N/A	Excellent
11	1999 Chev	Tahoe, Parking Enforce	60,090	unknown	Good

## **Evaluation**

The current vehicle fleet appears satisfactory.

## **Recommendations:**

1. Gather and analyze cost/mileage/repair, insurance, and equipment statistics for the entire fleet.
2. After analyzing the above information, develop a capital purchasing plan for replacement of vehicles. Consider budgeting portions of costs annually (half each year if two are purchased every other year) in such a manner that when a vehicle is purchased it will not cause a spike in that year's budget.

## **C. EQUIPMENT**

There is so much equipment involved in police work that a complete review was not conducted. The Department quartermaster is tasked with conducting and maintaining an inventory of property and equipment.

## **Recommendation:**

1. Conduct annual inspections to create and maintain an up-to-date inventory.

## **VI. GOVERNING BODY – POLICE DEPARTMENT RELATIONSHIP**

There is no specific person/position on the City Council assigned with authority and responsibility to govern the City Police Department. The Chief handles personnel matters and reports to the City Manager as she fulfills her responsibilities. The Chief attempts to also keep the Manager well informed on matters of mutual concern and/or interest.

### **Current Conditions in the Lock Haven City Police Department:**

The relationship between the Department and the City is healthy.

### **Recommendation:**

To further strengthen the City/Police Department relationship, the City should consider:

1. Creating a Communications Committee with participation/representation of the City Council (avoiding a quorum), the manager, mayor, chief and police officer representative to maintain healthy relationships.
2. Work jointly to develop a plan to meet the future financial and operational challenges facing the City and Police Department.