

**SPRINGETTSBURY TOWNSHIP  
BUDGET WORK SESSION #1**

**OCTOBER 2, 2013  
APPROVED**

The Board of Supervisors of Springettsbury Township held a Budget Work Session on Wednesday, October 2, 2013 at 7 a.m. at the Offices of Springettsbury Township at 1501 Mt. Zion Road, York, PA.

**MEMBERS IN**

**ATTENDANCE:** Bill Schenck, Chairman  
Don Bishop  
Mike Bowman  
George Dvoryak

**MEMBERS NOT**

**IN ATTENDANCE:** Julie Landis

**ALSO IN**

**ATTENDANCE:** John Holman, Township Manager  
Mark Hodgkinson  
Jack Hadge  
Sandra Ratcliffe  
Jean Abreght, Stenographer

A. Call to Order

**SCHENCK** Chairman Schenck called the meeting to order at 7 a.m. and certified that a Quorum was present with four members.

B. Public Works

**1. Public Works General Fund**

**HOLMAN** Mr. Holman introduced the Agenda for the meeting. He noted that he had presented the board members with a 2014 Supervisors' Budget notebook. In addition, he had presented a smaller report covering the items for discussion this date. He noted that overall the largest increase in the budget to date related to YAUFRR. Additional review by YAUFRR is being done at this time of run calls and how that percentage affects YAUFRR's budget

**SCHENCK** Chairman Schenck stated that during a previous meeting Chief McCoy had presented the criteria he had used to calculate the new funding formula, which brought the formula closer to the original 55/45 split. There may be recommendations to each municipality resulting from this review, which will

be documented by resolution. The review will allow Manchester Township to become part of YAUFRR without upsetting any budgets.

**HOLMAN** Mr. Holman called the board's attention to the smaller binder which included the budget data for Public Works.

**HODGKINSON** Mark Hodgkinson began his presentation with the Public Works General Services. His overall review of the line items revealed that the majority of the items were down slightly from the 2013 budgetary figures. He noted contract services for temporary help were used for leaf pick up.

**BOWMAN** Mr. Bowman questioned whether he could use help from the jail to assist with leaf collection.

**HODGKINSON** Mr. Hodgkinson responded that prisoners were used to help with park maintenance; however, he had not used them for leaf collection. He noted he would pursue that option. He noted that there had been a significant amount of time and effort with storm water problems, which showed a slight increase in the budgetary item. Electricity for the township buildings was less than budgeted, basically due to the negotiated Benchmark contract.

**BISHOP** Mr. Bishop questioned the electricity for the Snowberger house.

**HODGKINSON** Mr. Hodgkinson responded that the electricity is used to run the well for running water to Springettsbury Park.

**BISHOP** Mr. Bishop asked about the electricity that supplies the recreation building or the amphitheatre.

**HOLMAN** Mr. Holman noted the electricity for those buildings is on the police meter.

**SCHENCK** Chairman Schenck questioned the why Park Maintenance Salaries and Wages was high.

**HODGKINSON** Mr. Hodgkinson responded that it related to contracted wages for more hours in the parks. Springettsbury Park takes two people every day of the week, or at least one, during park season.

- HOLMAN** Mr. Holman noted that prisoners are brought in to assist in the park. The contract allows the township to subcontract as long as it does not impact the number of current positions.
- HODGKINSON** Mr. Hodgkinson clarified that the contract services for the biggest portion of park maintenance related to lawn care and spraying of weeds, and that covers all of the parks, not just Springettsbury Park. In addition under the road maintenance item, some of those funds are used for spraying weeds, in particular on the grass strip on Eastern Boulevard
- HODGKINSON** Mr. Hodgkinson noted that there is a need to replace one of the older mowers that went down, and he had placed \$35,000 in the Capital Budget for that mower. His consideration was for an orange Kubota similar to one purchased during 2012.
- HOLMAN** Mr. Holman noted for the board's consideration that funding may be available for a purchase out of the 2013 budget. This would enable the 2014 proposed budget to balance, and there may be an option for a lower price.
- SCHENCK** Chairman Schenck asked whether they are still selling the interim IT-4.
- HODGKINSON** Mr. Hodgkinson responded that he understood they were cutting off orders for the 2013 models, but anything purchased after that would be Tier 4 compliant.
- SCHENCK** Chairman Schenck commented that saving hundreds makes sense; however, a machine in exit class might necessitate an emission standard repair of between \$3,000 to \$5,000 for each mower.
- HODGKINSON** Mr. Hodgkinson noted that the manufacturer had advised him to figure 15%.
- HOLMAN** Mr. Holman stated that Mr. Hodgkinson could check further and advise the board at the next meeting.
- SCHENCK** Chairman Schenck commented on the success at Stonewood Park.
- HODGKINSON** Mr. Hodgkinson responded that he was very proud of the work done by the crew as they had done an excellent job. He added that it proved that more can be done in-house of that caliber of projects.

**2. Liquid Fuels**

**HODGKINSON** Mr. Hodgkinson reported that a letter was received from the state regarding the township's estimate for deriving income for 2014 and the amount is down to \$529,000. That will raise the use of fund balance. Mr. Hodgkinson reviewed the proposed items for snow and ice removal, traffic signals, street lighting, tools and machinery, highways and bridges and highway construction and resurfacing, and overall the figures remained the same.

Considerable discussion took place with regard to liquid fuels and resurfacing township roads, which is summarized:

- Current overlay program was completed with overlay on Ridgewood Road.
- Liquid Fuels Fund Balance is used for the program.
- Money was borrowed 10 years ago to catch up on road construction. As a result Liquid Fuels funds were built up.
- Average pattern for road construction is approximately \$200,000; maintenance is also \$200,000 for a total of \$400,000.
- Road resurfacing yearly project is on track.
- Liquid fuels funding is less because not as much gas is being used.
- All road resurfacing must be completed by October 15<sup>th</sup> in order to be reimbursed by Liquid Fuels.
- A review of township roads is being done in 2013 to prepare for 2014 road projects. Contract bids will be placed early during 2014 with Kinsley and Stewart and Tate to get on their schedule.
- Township includes approximately 100 miles of streets.
- Liquid fuels funding can be shifted between years without difficult if needed.
- Market Street resurfacing was advanced to June of 2017, and PennDOT is attempting to have the municipality do the work for reimbursement.

### **3. Petitioned Street Light Fund**

**HODGKINSON** Mr. Hodgkinson stated that the Petitioned Street Light Fund remained unchanged.

**HADGE** Mr. Hadge noted that the fund is approximately a \$81,000 program.

**SCHENCK** Chairman Schenck commented that basically it is a flat rate.

**HADGE** Mr. Hadge reported that there are only three unpaid street light taxes for 2012, and they have been liened. Ed Sowers audits the street lights out of Community Development and does a tremendous job. He meets with Mr. Holman and Mr. Hadge quarterly.

**HOLMAN** Mr. Holman noted that because of the electric service contracts and the cost of electricity going down, more funds had been moved into Contract Services for the continuation of moving and replacing wooden poles with aluminum poles.

#### **4. Storm Water Fund**

**HODGKINSON** Mr. Hodgkinson reported that the Storm Water Fund remained basically unchanged.

**HOLMAN** Mr. Holman noted that, after the budgets were put together, a storm water pipe was found to need replacement on Alcott Road.

**HODGKINSON** Mr. Hodgkinson added that the entire pipe had deteriorated. He stated that the work can be done in-house; however, it involves walls, guardrails and other issues and will not be a simple project. Mr. Luciani is working on an estimate.

**SCHENCK** Chairman Schenck commented that the life cycle of all the corrugated metal installed years ago has come to an end.

#### **C. Sewer Budget Review**

##### **1. Sewer Fund**

**HODGKINSON** Mr. Hodgkinson reported that the line items for Contingency and Operating Capital were removed. He stated that the 2013 budget versus the 2014 request is down.

**SCHENCK** Chairman Schenck asked whether that was reflective of the status of the Teamsters.

**HOLMAN** Mr. Holman responded that there was money for the Teamsters.

**HODGKINSON** Mr. Hodgkinson reported that items for social security, materials and supplies, chemical expenses, electric, all are down. However, maintenance and repair is up significantly, which is due to specialized preventative maintenance on the treatment blowers. The Class I service is due in January at \$15,000 per unit times four. In the future, several years from now, Class II will be double that number; very expensive. Mr. Hodgkinson continued the line item review which basically was unchanged.

**SCHENCK** Chairman Schenck asked Mr. Hodgkinson for an update on the composting process.

**HODGKINSON** Mr. Hodgkinson responded that the composting process had been done for many years. The Wastewater Treatment Plant is basically the only one in this area that does composting. However, there were some complications with odors for which the neighbors complained. He had not heard any complaints for three years; however, he had not composted during that time. The composting process is more expensive to do than land apply. In addition, it had become difficult to find wood chips, which was one of the products needed for the composting process. During the last three years more farm fields throughout the county had been permitted, as well as the centrifuges removed more water resulting in less volume to store. No application can be done if the farm field ground is frozen. He noted that one of the newer farms that had been permitted is a very large field, and the material can be stored at the farm field in the event of a bad winter.

**HODGKINSON** Mr. Hodgkinson continued his review of the line items, which again were either unchanged or down slightly.

**DVORYAK** Mr. Dvoryak questioned the depreciation line item in 2013 as to the difference between actual and budget. He noted the actual item at \$1,669,287.27 versus the budgeted amount of \$1,006,000.00.

**HADGE** Mr. Hadge responded that the major reason for that was the waste utility plan improvements.

**DVORYAK** Mr. Dvoryak asked whether that had been anticipated during the 2013 budget preparation.

**HADGE** Mr. Hadge responded that he was correct in that it should have been budgeted at a higher figure; however, within the accounts the accounting will be okay.

He stated it would be an accounting mechanism which related to Mr. Dvoryak's complexity issue of the depreciation matter.

**RATCLIFFE** Ms. Ratcliffe stated that it is placed under 80365, Debt Principle, which is what is being paid in debt. This reduces the liability and documents the depreciation before the plan. All changes will be blended.

**HADGE** Mr. Hadge added that the auditors indicated that was the procedure to settle this within the budget. The General Fund is not depreciated the same as the Sewer Fund so they don't have this issue.

**HODGKINSON** Mr. Hodgkinson continued the review of line items, all of which basically were down. The Meadowlands, as well as a couple other pump station problems experienced, were unique, but Mr. Hodgkinson indicated he was comfortable with \$40,000 a year.

**HOLMAN** Mr. Holman stated that, as soon as a quote is provided for insurance, that will be placed in the budget. During Ike and Lee the plant had to be shut down and some motors were out, and so there is a need for flood insurance. Buchart-Horn and Mr. Hodgkinson had been working on a risk assessment, but this only impacts sewer issues. During 2014 a review will be done of the environmental insurance.

**HADGE** Mr. Hadge noted that 2014 ends a three-year review of the \$300,000, and in 2015 there will be an increase.

**HODGKINSON** Mr. Hodgkinson stated that a big item is the York City Capacity Rental.

**RATCLIFFE** Ms. Ratcliffe stated that an agreement is in place with York City that had so much had to be taken for so many years.

**HOLMAN** Mr. Holman indicated that it would be reduced in 2017/18, and then it is completed in 22/24.

**BOWMAN** Mr. Bowman asked when that had been set up.

**HODGKINSON** Mr. Hodgkinson responded that the pump station was built in 2000.

**HOLMAN** Mr. Holman indicated it had been prior to that, and that it was to settle the need for additional capacity and get the moratorium off.

**BISHOP** Mr. Bishop asked if the capacity would not be needed after the contract expired.

**HODGKINSON** Mr. Hodgkinson responded no because Springettsbury had paid for it.

**BISHOP** Mr. Bishop asked whether Springettsbury could still use it.

**HODGKINSON** Mr. Hodgkinson responded that 8 million gallons per day can be used. All that capacity was paid for over that stretch of time.

**RATCLIFFE** Ms. Ratcliffe noted that they send a small amount every week to be sure the line is working, and about once a quarter they send a million gallons to the township plant.

**HODGKINSON** Mr. Hodgkinson noted that the pump station is turned on if there is a three to four-inch rain event, and they probably only used it once or twice in 2013; about 30,000 to 40,000 gallons every week.

#### **Legal Services**

**HODGKINSON** Mr. Hodgkinson noted that legal services basically cover all of the liens for sewer rent for attorney and court costs.

**SCHENCK** Chairman Schenck asked if they recover any of those costs.

**HADGE** Mr. Hadge indicated that the Teamsters contract is being negotiated.

**HOLMAN** Mr. Holman noted some issues that had been handled during 2013, such as the Bupp agreement, York Butterfly Plant, Harley project. All those legal issues the Solicitor handled, but it's billed to the sewer fund because they were sewer-related expenses and not General Fund expenses.

**HODGKINSON** Mr. Hodgkinson reviewed the remaining line items in the expenditures, all of which basically were down with the exception of Maintenance Repairs which were up \$500.

**HADGE** Mr. Hadge commented that would finish the expenditure side.

**HODGKINSON** Mr. Hodgkinson noted that the Discharge Permits remain unchanged. That is when they do a septage charge, the annual permit charged to them.

**SCHENCK** Chairman Schenck asked about the underlying rate of Build America Bonds.

**HADGE** Mr. Hadge responded it s about 3.3%

**SCHENCK** Chairman Schenck asked what the rate was at the time it was taken.

**HADGE** Mr. Hadge responded it was about 3.7%

**SCHENCK** Chairman Schenck noted that the reimbursements are the icing on the cake.

**HADGE** Mr. Hadge noted he was sorry Supervisor Landis was not present as she had raised the concern at a previous meeting. He added that the township is still ahead and that the Manager will provide documentation to Supervisor Landis at the next meeting.

**BISHOP** Mr. Bishop commented that the reduction in the subsidy had been relatively minor also.

**HADGE** Mr. Hadge responded that he was correct; one of their files for the November payment was to be a -7% and the other was a -8%. Mr. Hadge added that the township lost approximately \$25,000 in 2013.

**HOLMAN** Mr. Holman noted that and based on the reports he received from the bond counsel, they do not see that there will be any change at this point as the budget hadn't been adopted. They do see that the township will be receiving the subsidies going forward, and so does the Association of Bond Attorneys in Washington. The subsidy is part of the Defense Administrative Bill. He intended to provide documentation to the board for the next meeting.

**HODGKINSON** Mr. Hodgkinson pointed out the \$10,000 item, which is for the septage drawing permit.

**HADGE** Mr. Hadge pointed out the charges for legal costs. A review of the charges for legal services, he pointed out that Ms. Ratcliffe had concentrated on the liens and had brought in \$60,000 so the charges for legal services are well worth it.

**HODGKINSON** Mr. Hodgkinson pointed out the line item for septage haulers, which is the charge for served treatment. The year-to-date is \$726,672.34, and the projected level is \$910,000.00. Mr. Hodgkinson noted that he would not be surprised if that figure went to the \$1 million mark.

**SCHENCK** Chairman Schenck stated that he and Mr. Hodgkinson had discussed the potential for getting into the grease trap disposal business. Some equipment would be required. He wondered if that would be something to explore/appropriate within the budget.

**HODGKINSON** Mr. Hodgkinson responded that the item would be included under the capital budget and it was something worth exploring. He was not certain of any disposal sites in Maryland, but the closest site in Pennsylvania is Derry Township.

**BISHOP** Mr. Bishop noted that would be within the Derry Township Sewage Treatment Plant and Buchart-Horn would be familiar with the process.

**Penalties/Fees**

**RATCLIFFE** Ms. Ratcliffe noted that the item for penalties and fees related to the sewer bills.

**SCHENCK** Chairman Schenck asked whether there had been a change in some postal regulations surrounding sending bills in postcard format, and whether the township is compliant with the regulations.

**RATCLIFFE** Ms. Ratcliffe responded there had been an item called the Red Flag rules and it was a concern with putting personal information on postcards. She had checked with the post office and there is nothing personal on the township's sewer bills. There's nothing on there that isn't already public information so he said we're fine. Some attorneys they just took the general website rules and said they had to put them in envelopes.

**HADGE** Mr. Hadge noted that the Use of Fund Balance had gone down considerably. The total budget has gone down \$200,000 from the current year.

**DVORYAK** Mr. Dvoryak noted that all of the \$1,256,500 would not be used.

**RATCLIFFE** Ms. Ratcliffe responded that they are currently looking at \$85,000.

**2. Springettsbury Sewer Capital Fund**

**SCHENCK** Chairman Schenck noted there were no issues with the first page of 2014-2018 Capital Improvement Program.

**HODGKINSON** Mr. Hodgkinson indicated the second sheet identified the I83 Exit 18 Sewer Realignments, which is shared capital; \$4.5 million to realign the Mill Creek Interceptor from behind Nello Tire to the York Water Co. distribution building. He stated that there is no PennDOT reimbursement agreement in hand; however, they have verbally advised that they are up in the mid-90% of reimbursement. PennDOT wants this done before the interchange project construction starts, March 2015.

**SCHENCK** Chairman Schenck wondered if that could be designed and built in a year.

**HODGKINSON** Mr. Hodgkinson responded that it could be done, but it needed to begin soon.

**HOLMAN** Mr. Holman stated that the agreement would need to be received by June/July, 2014. He indicated that the engineering alone would be \$1/2 million.

**HODGKINSON** Mr. Hodgkinson reported that PennDOT had verbally advised him that they would not have any involvement as far as day-to-day activities. Every 120 days the township would receive a reimbursement based on that. The township would have to provide all the up-front costs and then request a reimbursement at the end. He added that the line to be installed is a 42-inch line. He had discussed this with Mr. Crabill of Buchart-Horn, and the line should be increased to a 48-inch line. PennDOT considered that to be a betterment, which they won't pay for. It would be a board decision to pay X dollars out of pocket to make it a 48-inch line, which would be good for a long time. This included going under I-83 and under Mt. Rose Avenue. The bores are 72 inches, at least \$1 million. PennDOT conceptually agreed to this.

**DVORYAK** Mr. Dvoryak asked whether the \$4.5 million identified would not reflect any reimbursement. He thought he had seen an item in the Manager's Report that the township's share was \$1/2 million.

**HOLMAN** Mr. Holman responded that at this point, including the betterment, our share is \$1/2 million going from the 42-inch to the 48- inch pipe, the betterment. Mr. Holman thought it would be a \$5 million project with the township paying

\$500,000 and the state paying the other \$4.5. He reiterated that was why the contribution/reimbursement agreement was necessary.

**Budget Meeting – 10/9/13**

**HOLMAN** Mr. Holman reported that the next meeting on the 9<sup>th</sup> would include administration, finance, community development and recreation.

D. Public Comment: Budget

**SCHENCK** Chairman Schenck called for public comment. However, there were none.

**HOLMAN** Mr. Holman reported he had authorized an emergency purchase for Mr. Hodgkinson's department.

**HODGKINSON** Mr. Hodgkinson responded that one of the three VFD's, the ventrifugal pumps in East York pump station failed. This pump was one of the original pumps. One had been replaced several years ago. The second of the three failed and needed replacement. The quote was \$22,000. The pumps are not an on-the-shelf item, but they do not have a long lead time.

**SCHENCK** Chairman Schenck adjourned the meeting at 8:40 a.m.

Respectfully submitted,

John Holman  
Secretary