

The Springettsbury Township Board of Supervisors held a Budget Presentation Meeting on Wednesday, November 13, 2019 at 6:30 p.m. at the offices of Springettsbury Township located at 1501 Mt. Zion Road, York, PA.

MEMBERS IN

ATTENDANCE: Mark Swomley, Chairman
George Dvoryak
Charles Wurster
Robert Cox
Justin Tomevi

ALSO IN

ATTENDANCE: Ben Marchant, Township Manager
Charles Rausch, Solicitor
Dori Bowders, Manager of Administrative Operations
Teresa Hummel, Director of Finance
Jessica Fieldhouse, Director of Community Development
Mark Hodgkinson, Director of Public Works/WWT
Todd King, Chief, Police Department
Andy Hinkle, Manager of Information Systems
Sue Sipe, Stenographer

1. CALL TO ORDER

SWOMLEY Chairman Swomley called the meeting to order.

2. PROPOSED BUDGET REVIEW

A. 2020 Budget Presentation - Township Manager

MARCHANT Mr. Marchant stated this meeting is to present the proposed 2020 budget for fiscal year beginning January 1, 2020 through December 31, 2020. He began with a review of 2019, noting they are projecting to finish better than anticipated based on the fact that the proposed budget for 2019 included an allocation of \$700,000 in fund balance. They anticipate they will not have to use any reserved funds. The property tax revenues are stable coming in as expected. The real estate transfer tax is greater than expected. Building permits were double. He noted there are over 26,000 residents in the Township.

Expenditures:

Mr. Marchant indicated there have been savings due to normal turnover and several retirements. He noted several projects were added to the budget. The paving season was cut short in 2018 and several projects were not completed, consequently they were moved to 2019.

- Wastewater treatment plant upgrades are proceeding.
- Administration building windows - just received the schedule and issued the work. The construction of the new windows will be completed in March 2020, however, the expense was incurred in 2019.
- New sound systems in the amphitheater to provide improved performance without the need for rental equipment for the summer concert series.

Mr. Marchant stated the budget development process was guided by the goal the Board of Supervisors set two years ago during the Strategic Planning Session and the Professional Planning and Management of Strategic Priority which is to maintain a strong fiscal position, to improve the quality scope and efficiency delivering municipal services now and in the future. He noted they are mindful of maintaining high quality services at the lowest cost. As part of that strategy they have developed a 5-year financial plan which is summed up in the Capital Improvements Plan to anticipate big expenditures in the future.

Mr. Marchant stated there are several tools used to meet expenses through fees, taxes and using reserves. They have a minimum policy keeping 10% in reserves and 10% of their annual expenditures as a rainy day fund. Other opportunities for revenues include doing mercantile tax audits to assure higher taxpayers are paying their taxes correctly, grants and reducing operations. Financing is an alternative to reduce the immediate costs of a large expenditure by spreading the costs out over several years. They are anticipating new revenues, i.e., Penn National Hollywood Casino opening before year end in 2020.

Administratively they are looking to ensure all departments are working efficiently in order to provide the highest quality for the least cost and reduce redundancies.

To the extent possible the financial strategy is to keep taxes and fees as low as possible and if needed slight to modest increases from time to time to stay ahead of inflation. For this year they are not proposing to increase fees or taxes in 2020.

Mr. Marchant stated the budget was developed with the expectation they would present a balanced budget for the general fund and sewer fund operations. One external factor was the Clean Water Act mandates pertaining to the National Pollution Discharge system for stormwater. This program is mandated by EPA at the federal level and DEP at the state level. This represents increased costs of \$675,000 to meet the MS4 requirements. They propose to balance that additional expense which is an unfunded mandate with reserves. They will use this time to study the system and develop a thirty year projection for how to manage a new utility to manage water quality throughout the Township. They will be watching to see what changes are on the horizon to the regulations that are passed down to the Township. .

The General Fund Operating Budget in summary for 2020 will have \$15,973,290 in revenues with the same amount in expenditures which represents a balanced budget for Operations. For the Capital Fund they have a total of \$1,799,823 in possible capital investments that are not funded at this time.

Unfunded obligations and capital projects include in the recreation fund of \$130,000 budgeted for park improvements for Augustus Schaefer Park. This represents the 50% match of a grant they are pursuing from the Department of Conservation and Natural Resources.

Administration projects:

- Construction of a railroad crossing at Davies Drive connecting to Cinema Drive to the south across the Norfolk-Southern railroad line. This will provide a connection between East Market Street and Concord Road. The expense is anticipated for 2020. A settlement agreement was made with Norfolk-Southern to bear the upfront costs at their expense with reimbursement from the Township. The Township is also applying for a PennDOT multi-modal grant to fund the crossing.
- New police station - the existing police station was built during the late 50's – early 60's and is functionally obsolete. They are working to develop preliminary plans and full architectural plans to build a new facility and are working through federal roadblocks to obtain permission to build it.
- Water Quality Management Program to address stormwater – Funding will be through using fund balance as well as pursuing grants and loans to also finance Davies Drive and the Police Station.

Mr. Marchant stated these projects are on hold until the timing is determined. He noted Davies Drive and the police station are not budgeted but they have sufficient reserves to cover those costs if necessary.

Mr. Marchant reported that the staffing composition for this budget proposes 98 full-time employees, balanced between administration, sworn personnel and the teamsters. They have outsourcing arrangements for fire service provided by the York Area United Fire and Rescue. They participate in several inter-municipal cooperatives to get good rates and benefits for insurance, general liability, workers compensation and health benefits. He noted they contract for EMS, engineering and legal services.

- Fire services represent \$3,021,238 for operating expenses.
- There is an allocation for equipment capital of \$140,505.
- Library services - \$37,000 which is the amount the Township has been contributing to the York County Library system for many years. There is a quarterly fee for service to provide a pickup/drop off location at the Township building as well as supporting the general operations of that service for the residents.

Breakdown of revenues in the general fund:

- Taxes account for 74% of revenue to the Township.
- Expenditures – 57.17% - public safety is the largest expense because of the specialized training and number of personnel.
- Sewer fund - \$8,683,000 proposed revenues - \$11,725,839 for expenses. Revenues decreased slightly due to the method of calculating contributions from the other eight municipalities. It is based on the audited results for the prior year. The expenses include the regular increases, contracts and the updates to the wastewater treatment system. The 11 million includes \$3,049,000 for depreciation costs. There is a slight surplus of \$6,161.

WURSTER Mr. Wurster commented about the amounts of the MS4 program for \$675,000.

MARCHANT Mr. Marchant stated it includes \$378,400 for contractual obligations to AKRF to do the pollution reduction requirements of the current permit. \$224,100 is for the Township's contribution to the York County Stormwater Consortium. The balance is operation expenses for administering MS4 programs and operations and maintenance repairs.

SWOMLEY Chairman Swomley asked what goes into the administrative expenses.

MARCHANT Mr. Marchant indicated that is for pipe replacement on Pleasant Valley Road. It includes mapping, surveying, continued professional services for stormwater compliance, the MS4 program and software technology.

Mr. Marchant stated no additional personnel will be needed beyond the internal staff. The FTE count will be the same, with the exception of one additional IT position to be placed in September 2020.

WURSTER Mr. Wurster asked if Davies Drive was budgeted last year.

MARCHANT Mr. Marchant stated a nominal amount for legal services and consulting was budgeted but not for the project itself.

SWOMLEY Mr. Swomley indicated they will advise the community the Board will not be implementing any fees for MS4 this year.

MARCHANT Mr. Marchant agreed and commented it would be appropriate for the Board to communicate this to the community.

3. PUBLIC COMMENT

SWOMLEY Chairman Swomley asked for public comments. There were none.

4. ADJOURNMENT

SWOMLEY Chairman Swomley adjourned the meeting at 6:57 p.m.

Respectfully submitted,

Doreen K. Bowders
Secretary

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