

APPROVED

**SPRINGETTSBURY TOWNSHIP
BOARD OF SUPERVISORS
BUDGET WORK SESSION
OCTOBER 18, 2021**

MEMBERS IN

ATTENDANCE: George Dvoryak, Vice Chairman
Don Bishop
Bob Cox
Charles Wurster

NOT PRESENT: Mark Swomley, Chairman

ALSO IN

ATTENDANCE: Mark Hodgkinson, Township Manager
Dori Bowders, Director of Administrative Operations
Terry Hummel, Director of Finance
Randall Heilman, Director of Community Development
Brandy Shope, Director, Parks & Recreation
Dennis Crabill, Director of Public Works/WWT
Nitza Sanchez-Bowser, Director of Human Resources
Abby Gibb, Communications Manager
Sue Sipe, Stenographer

1. CALL TO ORDER

DVORYAK Vice Chairman Dvoryak called the meeting to order at 6:00 PM.

2. PROPOSED BUDGET REVIEW

A. 2022 Preliminary Budget – Capital Improvements Program

HUMMEL Ms. Hummel indicated for the presentation overview, she would describe what a capital improvements plan is, as well as the 5-year plan by department. Next, she will focus on the 2022 capital request for the year. She will review the items currently built into the 2022 budget and also provide funding options for each one as well as recommendations on what should come next with the budget.

Capital Improvements Plan – The Township has a 5-year plan which covers years 2022 through 2026. The total of the 5-year plan is \$34,376,760. This is an internal document used by management which lists potential and proposed capital improvements which can include either construction, renovations, repairs or maintenance or equipment. All the items are requested or presented by department directors and all costs are estimates. This document will change as the needs of the Township changes. The document will provide information for long-term strategic planning and also serves as a guide for future cash requirements. Ms. Hummel indicated for this meeting she will concentrate on the list for 2022, as shown in the distributed document.

- Total of the CIP Township proposal for all items listed is under \$16 million.

- For administration, facilities construction and Davies Drive construction are included.
- The facilities construction is estimated at \$9.5 million based on current activity of pay applications coming from contractors.
- Davies Drive – cost estimate is over \$1 million. This cost was moved from 2020 into 2021 and has been on the capital improvements plan for the previous 3 years.
- Community Development – a total cost of \$243,000
- Water Quality MS4 program – total is \$1,120,438
- Information Technology request – items totaling \$140,730
- Police Department – includes \$233,485
- Parks & Recreation – includes \$150,000 which will be funded by the Recreation Reserve fund.
- Public Works – includes \$1,041,885
- Wastewater Treatment Funds – both Inter-Municipal fund and Springettsbury fund. The inter-municipal group is \$1,230,000
- Springettsbury sewer - \$1,280,000
- Also included for the future is the annual fire contribution for YAUFRR \$192,977.

Request by Department and Funding

- Administration – Construction in progress for the police station and administration building – funded by the General Obligation Bond Series of 2021
- Possible funding application submitted for redevelopment assistance, capital program grant. Do not expect to hear results for the next 3-4 weeks.
- Davies Drive railroad crossing – funded by the General Fund reserves
- York County grant – approximately \$375,000

Community Development

- Comprehensive Plan
- Multi Year Archiving Project
- Both funded in the General Fund built into the 2022 Operating Budget

MS4 – Water Quality Program

- Construction in progress from current permit cycle from 2018-2022
- Additional Funding – several grants – reimbursement due from York County Storm Water Consortium

Management Information Systems

- Improvements include regular updates for computer replacements – on a 3–5 year rotation
- PDU/UPS upgrades
- Network firewall upgrades
- Software upgrades
- All funded in the General Fund

Police Department

- Annual vehicle custom fitting – program is through the Enterprise fleet rental program
- Portable radio replacement – new item – usually funded by York County who are no longer providing funding so it will be built into the Capital Improvements fund.
- Body Camera Server to be upgraded – funding for the vehicle and the server are built into the 2022 General Fund Operating budget.

Public Works

- Vehicle replacements
- 2 Lawn mower replacements (held from the 2021 CIP request)
- Garage – vehicle lift request
- Traffic signal improvements (construction in progress)
- Resurfacing in park for tennis, basketball courts as well as hockey rink – these were held from the 2021 CIP request
- Stormwater rehabilitation in miscellaneous locations – annual expenditure
- Funding for these items is included in the capital improvements funds as well as grant funding for the traffic signal improvements

Parks & Recreation

- Update for park signage in Springettsbury Park
- Land study completed for Camp Security
- Both funded by the Recreation Reserve Fund

Wastewater Treatment - Intermunicipal Sewer

- Capacity study
- Mill Creek Interceptor project – realignment/replacement – multi year project starting in 2022
- Equipment replacement
- Items will be funded by the Intermunicipal Sewer Reserve Fund

Wastewater Treatment – Springettsbury Sewer

- Sewer rehabilitation for several neighborhoods
- Grinder pump replacement
- East York pump station valve and force main bypass replacement
- Manhole frames and covers
- Funding provided through the Wastewater Treatment Sewer Fund

Future Requests – (not included in the 2022 CIP)

- Communications – Township Information Sign to post events, scheduling to be funded from the General Fund or Capital Improvements Fund

Finance

- Enterprise Resource Planning Software includes Accounting, Community Development Operations as well as Public Works and Community notifications. Funding from the General Fund or CIP Fund

Funding Options

- Administration – Construction – Grant funding is essential to help with the building project. Most operations will fall in the General Fund or CIP Fund.

Other Funding Sources

- Gaming Revenue
- Grant Funding – Federal, State and County agencies

Recommendations for the General Fund

- Information Technology- moving the desktop and laptop purchases to 2021 – Total \$61,600 (may use 2021 casino revenue)
- Public Works – move new mowers into 2021 using casino revenue - \$28,000
- Public Works – garage lifts expense move to 2021 using casino revenue - \$25,000
- Public Works – Backhoe Vehicle #33 move to 2023 - \$150,000
- These items total \$264,600

- Recreation Reserve Fund – move the land study to 2023 to give township manager and the director to discuss with Friends of Camp Security
- Wastewater Treatment Sewer Fund – move backhoe to 2022 - \$165,000

DVORYAK Mr. Dvoryak asked about the 2021 surplus over the deficit as to how they will finish this year and get an estimate.

HUMMEL Ms. Hummel stated currently the year looks favorable. They are ahead of schedule and have additional revenue which came in both from permits from Community Development and from the real estate transfer taxes.

DVORYAK Mr. Dvoryak referred to the Camp Security study asking if that study is to determine the use for recreational purposes or tied to the ongoing historical project.

HUMMEL Ms. Hummel stated it is for recreation.

HODGKINSON Mr. Hodgkinson noted it is also part of the recreation tie in to history that is found on the walking trails and determined it would be a useful piece of that property. He suggested moving it forward in years to give Friends of Camp Security more time and have dialogue with them of what is the best use for this property from a historical perspective and also have the piece for recreation.

WURSTER Mr. Wurster asked if there an opportunity with Friends of Camp Security and the Township jointly to find grant money for that study.

HODGKINSON Mr. Hodgkinson indicated they will try to find grant money. He noted they finished their study for this year last week. He has not yet heard how successful or not they were.

COX Mr. Cox asked if Mr. Hodgkinson had heard anything from the consultants on the grant money for the police station and construction of the administration building.

HODGKINSON Mr. Hodgkinson indicated it looks favorable but they are not getting what was originally requested. He stated the grant closed in July, however the governor reopened it last week and it expires November 1. They will not hear any results of the grant until after that time.

BISHOP Mr. Bishop asked about the consultant used for IT since it was his understanding they filed for bankruptcy after the contract was signed. He asked how confident the Township was with that consultant.

HODGKINSON Mr. Hodgkinson affirmed the company did file for bankruptcy, but was not certain on the timing. He noted the majority of the time spent with Netrepid they were dealing with Gibraltar a separate IT company. Gibraltar was assigned by the bankruptcy court to be the manager of Netrepid. Gibraltar ended up purchasing through the bankruptcy courts Netrepid. They will combine companies and the name will change to Elevate.

DVORYAK Mr. Dvoryak asked about guidance on how to use the Covid funds received so far and still to come. He asked if they know if any of that will be used to meet the CIP and next year's budget items.

HODGKINSON Mr. Hodgkinson reiterated the Township will receive \$2.8 million and have actually received \$1.4 million with the remainder of 50% in 2022. He noted guidance is still coming in to make the final determination. One of the things that has been in the plan as an allowed expense is stormwater, sewer, water and broadband. Mr. Hodgkinson indicated he would recommend using the funds for the MS4 and stormwater going forward for the aging and failing pipes and stream bank restorations. They will move forward with reimbursements and grants. They have until the end of 2026 to use those funds.

HUMMEL Ms. Hummel noted the income will sit in the General Fund as reserves until there are projects attached to it. She noted it is counted as revenue in the 2022 operating budget.

WURSTER Mr. Wurster referred to cyber security investment perspective, asking if they are engaged with Netrepid to make sure the right firewalls and securities are in place to prevent ransomware attacks.

HODGKINSON Mr. Hodgkinson indicated they are and explained last year they did not get the information on what is needed capital-wise until the day before the November Board meeting. Therefore, it did not get into the budget and was pushed until this year. Many of the things they are recommending for next year are firewalls.

WURSTER Mr. Wurster asked if the ERP system is different from Tyler software.

HUMMEL Ms. Hummel stated they use a system similar to Tyler. She noted they will need a system which will provide the performance as well as the support. She had several suggestions for different programs to look into. She has not yet researched or demoed the programs. She plans to do that the beginning of 2022, to replace Tyler, however, this is a major project which will take time

WURSTER Mr. Wurster asked Parks & Recreation about the plan for resurfacing the tennis and basketball courts. He asked if resurfacing was on a normal cycle.

HODGKINSON Mr. Hodgkinson stated the courts have the original surface when the park was redone in 2007. The basketball court has significant surface cracks allowing moisture to enter.

SHOPE Ms. Shope reported part of the resurfacing project is to take two of the tennis courts and converting them into eight pickleball courts, since pickleball has become very popular and residents are using the tennis courts for this activity. This will allow four remaining tennis courts.

HUMMEL 2022 Budget Work Session

- Presentation Overview
 - Budget Totals by Fund
 - Identify Budget Reporting Changes
 - Revenue and Expenditure Summary for both general fund and the General Fund history
 - Capital Improvements Plan
 - Next Steps
- General Fund – \$19,290,330

- Liquid Fuels Fund \$789,695
- Subdivision Recreation Reserve Fund \$155,000
- Petitioned Street Light Fund \$96,500
- Capital Improvements Fund \$13,297,369
- Stormwater- Water Quality \$1,405,576
- Sewer Fund \$11,649,459
- Other Funds \$3,900

Reporting updates for the 2022 budget, the General Fund has not yet been balanced. Currently there is a deficit of approximately \$844,000. The budget was built on the current property tax rate of 1.7 mils. There is no tax rate increase. There are two unknowns in the capital improvements plan. They do not know what level of the gaming revenue will be for 2022. They are also waiting on the decision on the Rec P grant.

Capital Improvement Items:

- Debt Service – new from the General Obligation Bond a series of 2021- taken out to finance the construction projects
- Water Quality Program – Fund 065. Also, there are additional grants and funding from the consortium that is supporting projects for water quality.
- Compensation Updates
 - 3% increase for non-union employees
 - Contract increases for union employees
 - 9.5% increase in healthcare benefits - \$140,000
 - 3% increase in Teamster healthcare benefits - \$19,000
 - Fire Department – post retirement health benefits - \$125,000

Revenue – General Fund:

- Total revenue \$18,456,849
- Tax Revenue – 67% of budget – lower than in the past based on intergovernmental revenue which has increased with gaming revenue as well as the Arbor Funds.

Expenditures – General Fund:

- Total Expenditures \$19,290,330
- Public Safety – Police and Fire coverage – 51.28% of budget – This is down based on Administration expenditures which are higher with the addition of debt service and capital improvements.

Budget Notes – General Fund

- Revenue reflects 2019 revenue levels
- General Fund budget deficit - \$844, 481 – there are recommendations to reduce it to get to a balanced budget in the next two weeks

Department changes:

- Administration – increase 5.4% Personnel costs
- Finance – increase 2.9%
- IT – increase 51.1% includes \$121,000 in Capital Improvements
- Community Development – increase 55.5% Personnel costs & Comprehensive Plan
- Police – 9.3% Personnel & Capital equipment
- Fire - increase 2.9%

- Public Works – increase 7.6% Personnel & Repairs and Maintenance
- Parks & Recreation – 41% Personnel costs & Summer Program personnel
- Transfer to Capital – includes 2022 CIP items plus Debt Service

General Fund History 2018–2020 – The Township ended the year with a surplus. For the 2021 budget, the budget was approved to use the fund balance to balance the budget of \$919,399. This was a good year with higher revenues than expected.

Capital Improvements Plans – 2022 list of all items requested. Total is under \$16 million and all items are built into the budget.

2022 Budget Savings Recommendations

- Capital Improvements – items to move into 2021 – as a result of additional revenue and casino revenue.
 - Computer Replacement \$61,600
 - PW Mowers \$28,000
 - PW Garage Lifts \$25,000
- Move to 2023
 - PW Backhoe \$150,000
- Operating Budget – Delaying start dates for the personnel vacancies
 - Police \$54,000 savings to move start date back to April 1
 - Community Development – \$21,000 - 1 staffing position moving back to April 1
 - Public Works adjustment in Account #12114 \$60,000 savings
 - General Fund savings total \$399,600

Forecast – Potential Variables

- Revenue – changes in economy and inflation
- Revenue opportunities – gaming revenue, grant funding, corporate sponsorships
- Expenditures
 - Healthcare Costs Included in 2022 budget
 - Post Retirement Medical Costs – Police \$170,000 Budget
 - Post Retirement Medical Costs – Fire \$125,000 Budget
 - Repairs and Maintenance – Police Station (TBD)
 - Unfunded State Mandates (TBD)
 - Catastrophic Event (TBD)

DVORYAK Mr. Dvoryak asked about Department 41% increase.

HUMMEL Ms. Hummel stated there are significant increases in the summer program personnel and a proposal for a new full-time position for recreation to start June or July.

HODGKINSON Mr. Hodgkinson stated the role of that position would be to focus on bookings for the community room as well as advertised, marketed, plus other duties within the department. For the summer park leaders the Board granted a pay raise 2 years ago that was not in the budget last year. This is accounted for in the budget for 2022. It went from \$9.00/hour to \$13.00/hour for summer park leaders.

Discussion was held regarding the Community Room in the new administration building.

SHOPE Ms. Shope provided background information indicating they have talked to other municipalities with a similar room to determine expected usage. Ms. Shope indicated she

is involved with the York Area Recreational Director's group and obtained feedback from them as to their recommendations. From that discussion she noted there are numerous ways to use the Community room, indicating the room will also be used in some capacity as a library due to the funding. She noted currently Central York High School rents space for events, i.e., vendor events, craft shows, home based business events, local career fairs. Also, classes for small businesses – self-defense, CPR, safe sitter classes, etc. The YARD group indicated out of 52 weeks the Township can expect between 40-45 weekends a year with usage. Ms. Shope also indicated they had ideas in regards to revenue. Their main concern of all the recreation centers is making sure there is a high security deposit to deter vandalism and misuse of the building.

It was noted there will be wi-fi in the building as well as a warming kitchen in the Community Room to serve food.

DVORYAK Mr. Dvoryak referred to the \$19 million spending plan prospective, noting if the casino spending is eliminated - the transfer in the capital fund, what is the year over year spending increase for the 2021 budget vs. 2022 budget on a percentage basis.

HUMMEL Ms. Hummel indicated she would need to research that number. She noted the big difference is coming into the capital improvements. The gaming revenue is reported in the general fund and then transferred out to the capital improvements. There is a significant difference with the amount of construction which is \$9.5 million reported in construction for next year to be completed on the police station and building renovation. All those numbers are part of that \$13 million in capital improvements that flows through the general fund.

DVORYAK Mr. Dvoryak referred to the grease program, asking how much revenue was put into the 2022 budget for that program.

HODGKINSON Mr. Hodgkinson stated that program is up and running, and is now a marketing venture. He indicated when doing the background information on who is interested, the largest grease vendor in this area has now found a farmer in Lancaster who is taking it for free. He is hoping that something changes the regulatory which will prohibit them from doing that. He noted they are slowly getting more from other vendors.

HUMMEL Ms. Hummel reported the revenue is \$60,000 for 2022. This is lower than their original projections.

DVORYAK Mr. Dvoryak stated he took notice of the 9.5% increase in healthcare costs and asked if there have been any conversations about how to mitigate that cost.

HODGKINSON Mr. Hodgkinson stated there have been no direct conversations in that regard. He noted they can obtain that information for the Board as to the long-term effect.

WURSTER Mr. Wurster asked about the YAUFRR budget number and the percentage increase.

HUMMEL Ms. Hummel stated the total fire expenditure for 2022 is \$3,154,017 which includes the retirees insurance allocation, the contribution for the volunteer fire relief fund and the contract services. The allocation for fire equipment is \$192,000 which flows through capital improvements plan.

HODGKINSON Liquid Fuels

Mr. Hodgkinson reported on the revenue received from the State based on gas usage in more fuel-efficient vehicles. He noted until the State changes their funding formula to help local municipalities, he anticipates their number to go down over time. He indicated this past year they received slightly more than the original amount. The majority of the budgeted \$789,695 is for annual pavings. This also includes traffic signals, street lights, salt and cinders. He noted if the funding formula does not change to their benefit, this would be a reason to support restricting the gain in revenue to the capital fund to help stay on track with the annual paving.

WURSTER Mr. Wurster indicated there was an update from the 10,000 and Over Township Population Size Committee indicating there is an initiative underway to have legislature consider alternatives that have numerous plans and ideas submitted to replace liquid fuels.

HUMMEL Recreation Subdivision Fund

- Total \$155,000 in revenue/expenditures. The majority of expenditures are coming from recommendation for the land study at \$84,000. Improvement for the park signage – Springettsbury Park \$66,000
- \$5,000 for additional trees and benches. All expenditures come out of the reserve.

HODGKINSON Mr. Hodgkinson stated the Springettsbury Park signage is for the internal and external signage along the roads and along the park which are in poor condition. He noted Mr. Heilman contacted YSM to obtain a budgetary price to replace and refresh those signs.

HUMMEL Petition Street Light Fund – Bond 23

- Revenue coming from a Petition Street Light tax – all expenditures are for the electric and contract services for repairs and maintenance of the utility lights
- Total \$960,500.

Capital Improvements Fund

- Revenue coming in to this fund includes the grants – Arly Grants, Green Light Go
- Donation from the library fund of \$200,300 for the building fund.
- Transfers from the gaming revenue, the note for the bond, the funding to support the construction progress for 2022.
- Police equipment - \$160,000 (radios) - They are hoping for additional funding.
- Fire equipment - \$192,977
- Regular contract services - \$50,000 (used for sidewalks and curbs)
- Park improvements - \$113,000 (resurfacing of the courts)
- Debt service – both bonds with principal interest - \$13,297,369.74

HODGKINSON Mr. Hodgkinson noted in regard to the police radios, Ms. Hummel explained the County told the police chief they were no longer going to support the radios and each municipality would have to take care of them. He noted the County has now indicated they may use some of their Arbor funds to supply the radios for all the agencies in the county.

HUMMEL Stormwater Reserve Fund – this is a separate fund – possible interest accrued during the interest income at \$200.

Library Fund – also an interest income record of \$500

Stormwater Water Quality Fund – MS4 – total of \$1,405,576

- Includes EMP construction - \$1,700,438
- Consortium Fees - \$224,000
- Contract Services – repairs and maintenance - \$105,000
- Miscellaneous materials
- Income – Grant revenue - \$262,000
- Foundation grant
- Consortium reimbursement - \$787,000
 - Transfer from the General Fund supporting this fund at \$156,126 which is the lowest amount in the last 3 years

Sewer Fund – the revenue was calculated based on current sewer rates. There may be a sewer rate increase in January 2022.

Development Authority Fund - \$3300

DVORYAK Mr. Dvorak asked about the administrative fees which the general fund charges the sewer fund, as to determining if there are any opportunities for revenue next year.

HUMMEL Ms. Hummel stated they do an analysis on it every year and will update it again. At this time, it is \$335,000 which she noted is accurate based on salary increases over the last two years.

COX Mr. Cox commented last year the Galleria Mall filed for a large decrease in their tax assessment due to the vacancies at Sears, Penney’s and Bon-Ton. He noted the casino alone has raised the value of the property to more than it originally was when they asked for the reduction. He asked if this can be checked with the County Tax Assessor’s office to determine if they will reassess the mall since it is now occupied.

HUMMEL Ms. Hummel indicated the mall had appealed the re-assessment. She noted they were waiting to hear in 2021 on the appeal but have not yet heard the result.

It was noted the next budget session will be held on November 1 and November 3 as needed. The Board complimented Ms. Hummel for a great job on her work composing the budget.

3. PUBLIC COMMENT

There was no public comment.

4. ADJOURNMENT

VICE CHAIRMAN DVORYAK ADJOURNED THE MEETING AT 7:38 P.M.

Respectfully submitted,

Doreen K. Bowders, Secretary

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