

**SPRINGETTSBURY TOWNSHIP
BUDGET MEETING**

**OCTOBER 21, 2019
APPROVED**

The Springettsbury Township Board of Supervisors held a 2020 Budget Work Session Meeting on Monday, October 21, 2019 at 6:00 p.m. at the offices of Springettsbury Township located at 1501 Mt. Zion Road, York, PA.

MEMBERS IN

ATTENDANCE: George Dvoryak, Vice Chairman
Charles Wurster
Justin Tomevi

MEMBERS NOT

IN ATTENDANCE: Mark Swomley, Chairman
Robert Cox

ALSO IN

ATTENDANCE: Benjamin Marchant, Township Manager (via phone)
Dori Bowders, Manager of Administrative Operations
Teresa Hummel, Finance Director
Jessica Fieldhouse, Director of Community Development
Mark Hodgkinson, Director of Public Works/WWT
Nitza Sanchez-Bowser, Director of Human Resources
Colin Lacey, Director of Parks and Recreation
Todd King, Chief, Police Department
Andy Hinkle, Manager of Information Systems
Sue Sipe, Stenographer

1. CALL TO ORDER

DVORYAK Vice Chairman Dvoryak called the Budget Work Session to order.

2. PROPOSED BUDGET REVIEW

A. 2020 Budget Work Session

HUMMEL Finance Director, Teresa Hummel provided a packet detailing the specifics of the preliminary budget as well as a PowerPoint overview. She noted this session includes a review of budget totals by fund, with the budget reporting changes identified, as well as the revenue summary for 2020, the expenditure summary, a review of the general fund history and the capital improvement plan which was presented on August 7, 2019.

She provided a list of the funds which were included in the packet noting the General Fund is balanced at \$15,362.500. Ms. Hummel provided reporting updates for the 2020 budget, noting the balancing of the general fund was accomplished without using reserve funds. Updates were provided for capital improvement items. Water quality program is

classified under Fund 65 for both revenue and expenses. She also outlined compensation updates.

Ms. Hummel reported on the revenue for the General Fund, explaining where it came from in the strategic planning session in August. She noted the tax revenue accounts for 77% of the budget. She outlined the list of real estate taxes and other taxes.

Ms. Hummel provided a list of the expenditures by department for the General Fund. The expenditures for the Township for public safety accounts for less than 60% of the budget.

Ms. Hummel gave an overview of the Budget notes for the General Fund – she stated the revenue was adjusted based on a 3 year average.

In regards to the General Fund history, Ms. Hummel noted for 2019 they budgeted to use the fund balance at the end of 2019 in the amount of \$729,463. Currently, revenue is slightly above expenses - \$140,000, however, it is anticipated as a result of a check run coming up this amount will decrease.

A five year outlook of the General Fund was provided via a graph. Ms. Hummel noted the graph was updated, taking out the MS4 revenue and expenses from the General Fund. She calculated the municipal tax rate for the next five years at 1.7 mils. She looked at revenue increase at 3% and expenditures increase of 2% through 2021 through 2024 and also added gaming revenues starting in 2021 at a conservative \$500,000.

For the Capital Improvement Summary there are items included in the budget and the 2020 capital which is included in the General Fund announced over \$83,000 included by department. The capital reserves included a dump truck for Public Works as well as the fire equipment part of YAUFR budget. Also included are the Sewer Fund and Intermunicipal Sewer, the Recreation Reserve Fund and the MS4/Water Quality Program. Total 2020 Capital is \$7,854,532.

Ms. Hummel reviewed items not included in the 2020 budget.

Ms. Hummel provided an overview of 2019 Staffing. She noted there are 95 employees which include 33 personnel, 32 sworn officers and 30 teamsters. They are currently looking for staffing replacements for recent retirees. For outsourcing they continue to use regional services with YAUFR, also with several cooperatives and contracting for outside services relating to EMS, engineering and legal.

She reviewed the 2020 Staffing proposed changes which include a total of 98 employees. There are two individuals proposed for the water quality program – one full time in Community Development and one part time in Finance. The third person would be a full time position in IT with a start date of September 2020.

Forecast – Potential Variables – Ms. Hummel reviewed several updates since this was presented in August. For review opportunities she included gaming revenue, grant

funding and fund raising. For expenditures she noted the budget for post-retirement medical costs for the police is budgeted at \$190,000 based on activity from the past year.

DVORYAK Mr. Dvoryak asked how the budget amount was determined for the gaming revenue at \$500,000.

HUMMEL Ms. Hummel stated it was a conservative estimate.

WURSTER Mr. Wurster asked about the timing of the Davies Drive resolution.

MARCHANT Mr. Marchant indicated he is waiting to hear from the attorneys about a final settlement date with the PAC. Mr. Marchant stated there would be engineering fees that are not covered by the grant. It was noted there are four separate grants for Green Light Go and each grant is a separate amount.

HODGKINSON Mr. Hodgkinson stated the grant amounts range from \$6,000 and other grants are \$180,000 depending on the project. Haines Road and Eastern Blvd. was the biggest grant received, which is a total redo of the intersection equipment-wise for traffic signals.

WURSTER Mr. Wurster asked if the stormwater water quality amount of \$2, 016,672 reflected the ARKF contract.

HUMMEL Ms. Hummel indicated that the budget covers all of the expenses presented in Ms. Fieldhouse's budget. It was noted the amount is spread over 3 years.

DVORYAK Mr. Dvoryak asked for the format of the budget session and the plan.

HUMMEL Ms. Hummel stated the purpose of the meeting was to provide an overview of the budget. She noted the work with the directors had already been done. The review of the budget is also to determine the next steps on the capital improvement items and how to handle funding for larger construction items.

FIELDHOUSE Ms. Fieldhouse noted they are submitting a grant November 8 to PennDOT for up to \$2 million dollars to provide funding for Davies Drive.

MARCHANT Mr. Marchant stated the grant requires a 30% match from the applicant which would make it \$256,000. He noted that communication is currently open with the commissioners.

DVORYAK Mr. Dvoryak asked about the fire increase of 7.3%. he indicated he was under the impression it was less than a 2% increase.

TOMEVI Mr. Tomevi explained there was another communication which presented that expenses were increased by 1%. The problem was something with the inter-government revenue number went down. So overall the number was 7%.

MARCHANT Mr. Marchant confirmed their expenses might have gone up 1%; however, their revenues went down because of their audit findings and other revenues, consequently the 7% represents the expense increase to the members of YAUFRR overall.

DVORYAK Mr. Dvoryak asked about the proposal to add a full time IT position, in light of a recent contract with Stambaugh Ness for consulting work in IT.

MARCHANT Mr. Marchant indicated they do not have sufficient information to know at this time if they need to budget for that position. If their findings come out differently, they will have the flexibility to adjust and change it.

DVORYAK Mr. Dvoryak commented that one of the challenges with hiring a consultant like Stambaugh Ness is not only do they conduct the study, but also they can provide the outsourcing if necessary.

Mr. Dvoryak referred to the Capital Improvement Plan to review several items not included in the 2020 budget. He questioned IT equipment at \$19,223.

HUMMEL Ms. Hummel explained what was estimated in August and what is included in the budget for the IT Department came in less which is a savings. She noted they did not cut the budget. Vehicle Upfitting also came in as less than what was originally budgeted. She also noted the two items for Community Development for the design plans and Ordinance update, as well as software archiving, were moved into 2021. The Marquee sign was determined to be part of the building renovation project. Rehab for the stormwater is being considered as a stormwater project. The window may be done this year. Vehicle #18 is anticipated for 2021 as confirmed by Mr. Hodgkinson.

Recreation – there were two items Mr. Lacey had listed on his 2020 plan for the parking lot expansion for the park. The Park improvement for \$130,000 pertains to Augustus Shaffer. They are waiting to see if the grant funding is approved.

DVORYAK Mr. Dvoryak referred to the General Fund history for 2019 which indicated the revenue and expenses are approximately the same. He asked if it was known where it would be at the year end.

HUMMEL Ms. Hummel stated it is too early to tell. She is still waiting to see where the taxes come in. They hope to end up on the plus side.

- WURSTER** Mr. Wurster referred to Page 4 of the ledger asking about the line item for Other Taxes. He asked what the tax line included.
- HUMMEL** Ms. Hummel indicated it includes EIT, LST, Mercantile, Business Privilege. She noted Other Taxes are detailed on Page 7. The tax revenue is estimated at \$8.2 million.
- DVORYAK** Mr. Dvoryak commented it is set up at a 4% increase which is over the current year budget following this year's activity. The current year actual is 6.7% which is the revenue through October 18.
- HUMMEL** Ms. Hummel indicated they are still waiting for the quarterly payments to come in.
- DVORYAK** Mr. Dvoryak commented he wondered if they have been too conservative on the forecast since it appeared that the budget was cut.
- HUMMEL** Ms. Hummel stated they have been budgeting conservatively.
- WURSTER** Mr. Wurster stated in looking at the current year actual column which is totaled at \$13,424 million it appeared to lag the three previous periods.
- HUMMEL** Ms. Hummel indicated they received a large payment in Community Development which is noted on the page. She stated although they are slightly behind they anticipate the revenue to come in since there is a full quarter remaining.
- WURSTER** Mr. Wurster questioned where the projected revenue is for fundraising events.
- MARCHANT** Mr. Marchant stated those are primarily donations and grants. They do not have a mechanism for budgeting them because they are not anticipated revenues.
- HUMMEL** Ms. Hummel referred to Page 10 noting Donation and Sponsorships. Last year's budget was \$20,000 and they have doubled that for next year to \$40,000.
- DVORYAK** Mr. Dvoryak asked about the sewer revenue charges for services for treatment which is projected at \$750,000.
- HODGKINSON** Mr. Hodgkinson explained as it relates to the contracts, they send a flyer out to all current customers that bring in trucked septage, as well as an advertisement flyer, so they are fully aware of the schedule which is by appointment. He noted they will be adequately staffed since they have a new employee who recently started and the second employee will be hired in the near future.

DVORYAK Mr. Dvoryak asked each department head if there was anything not in the budget that should be considered before making a final decision on for 2020:

Police Chief Todd King stated Ms. Hummel noted the items in question and what the costs are going to be for building repairs. He is satisfied with the budget and the budget process. In regards to vehicles, he noted they are still in the Enterprise lease program which is proceeding well. He noted they did not get the two marked units this year for Ford because there is a reduction issue. They anticipate they will get four marked vehicles for next year.

Jessica Fieldhouse, Community Development had nothing to add to what is already in the budget. She noted Community Development is working with integrating Intergov and all expenses are complete. They are also working on the Comprehensive Update.

Colin Lacey, Director of Parks and Recreation stated his concern for 2020 is the hourly rate of the Blue Shirt staff for Park Directors. He noted in his October briefing he determined the hourly rate to be in alignment with other municipalities. It was his opinion Springettsbury should be leaders in pay for the summer program.

Mark Hodgkinson, Director of Wastewater Treatment Plant indicated his goals have met in both departments. . His uncertainty is for the replacement of 11 windows in this building. Also the security of this building has not been brought to the board yet they are still working on some ideas. He noted the security budget is not included, since they are still gathering information.

Nitza Sanchez-Bowser, Director of Human Resources stated in regards to security she noted they are working on obtaining quotes for ID badge entry to ensure the security of employees. In support of Parks and Recreation they are attending job fairs and colleges to bring in more quality candidates.

Dori Bowders, Manager of Administrative Operations noted her main concern is the front desk security.

Terry Hummel, Finance Director noted her concern for the building renovation and repairs and maintenance of the police station.

Andy Hinkle, Manager of Information Systems stated he is waiting for the ITS assessment to get started which will provide direction on the future of IT at the township.

DVORYAK Mr. Dvoryak commented he believes the Township is at the point to determine and think about the plan for the building construction for the police station.

MARCHANT Mr. Marchant stated his report has been updated for the Thursday meeting. He noted he will reach out to local Senators to procure contact with the National Park Service to identify the decision maker with the authority to resolve the petition in order to move forward. Mr. Marchant stated they have done everything they need to do to and have not received an okay or validation.

Mr. Marchant expressed his gratitude and appreciation for the work Ms. Hummel and the directors had put into the budget. He stated he went back into Township history and discovered the last balanced budget that was not relying on reserves or bond issues to cover the difference was in 2006.

DVORYAK Mr. Dvoryak echoed his comments and noted this was the first meeting he had attended where there is a balanced budget without using any reserves with no tax increase.

WURSTER Mr. Wurster inquired about the funding of the stormwater project and if there would be a stormwater fee. Mr. Wurster asked if there was an alternative to the funding of the stormwater project. He noted that the AKRF contract is approximately 1.9 million dollars over 3 years. He noted the 1.9 mil at 3% over 10 year term would be \$220,000 in debt service. If the Township could finance the stormwater infrastructure project and defer installation of the stormwater fee, it could save money in the budget by not having all of those program expenses while getting the sediment reduction needed to achieve with the current NPDES cycle. Mr. Wurster felt this now would be the opportunity to fund what is a much reduced project from what was originally anticipated.

Additional discussion was held – comments included:

- Dvoryak – Due to an economy that is cyclical, it may be challenging to fund it in the future.
- Marchant – Also concerned about the possibility of a future recession. Would still need to have a revenue in place to retire the debt and make the annual debt service payments.
- Dvoryak – commented is there any value to take a longer term forecast of stormwater knowing some of the already existing infrastructures in place is aging and there are a number of places throughout the Township where there is no stormwater system in place. He suggested trying to put in some type of longer term forecast – approximately 10 years, which will provide a clearer picture of how much money will be needed.
- Marchant – the challenge with doing a forecast that is longer term is they do not have the data sense to inform that forecast.
- Fieldhouse – based on the survey that was done for Penn Oaks Park there are approximately 4700 linear feet of storm sewer pipe that is in poor condition based on

the line televising previously done. She noted she is fine with the way everything is with a stormwater management fee in place.

4. ADJOURNMENT

DVORYAK Vice Chairman Dvoryak adjourned the meeting at 7:20 p.m.

Respectfully submitted,

Doreen K. Bowders
Secretary

ses/ja