

**SPRINGETTSBURY TOWNSHIP
BUDGET WORK SESSION**

**NOVEMBER 1, 2021
APPROVED**

The Springettsbury Township Board of Supervisors held a Budget Work Session on Thursday, October 26, 2021 at 6:00 p.m. at the offices of York Area Fire and Rescue located at 50 Commons Drive, York, PA in person and by Zoom technology.

MEMBERS IN

ATTENDANCE: Mark Swomley, Chairman
George Dvoryak, Vice Chairman
Don Bishop via Zoom
Charles Wurster, Assistant Secretary/Treasurer

MEMBERS NOT

IN ATTENDANCE: Robert Cox

ALSO IN

ATTENDANCE: Mark Hodgkinson, Township Manager
Terry Hummel, Director of Finance
Dori Bowders, Director of Administrative Operations
Randall Heilman, Director of Community Development
Abby Gibb, Communications Manager
Jean Abreght, Stenographer

1. CALL TO ORDER

SWOMLEY Chairman Swomley called the Budget Work Session to order for the purpose of reviewing the proposed 2022 budget.

2. PROPOSED BUDGET REVIEW

A. Springettsbury Township 2021 Proposed Budget

HUMMEL Terry Hummel stated that there were some questions from the Board concerning the General Fund Budget during the first work session. She noted the discussion would cover the Budget Totals by Fund, the revisions to the General Fund, review the Revenue Summary for 2022, the Expenditures Summary, Capital Improvements Plan and Next Steps. Following comments are summarized:
Balances by Fund – Three funds changed and are balanced:

- General Fund - \$18,721,149
- Capital Improvements Fund - \$12,956,722
- Sewer Fund - \$11,641,082

The other funds remain the same; no changes.

There is no tax increase; Property Tax Rate remains at 1.7 mills. Several items were removed out of the 2022 budget and into the 2021 budget (pending Board approval).

Capital Improvement – Debt Service for the General Obligation Series of 2021, which is new debt added last year. Capital Improvements were removed from the 2022 budget and moved into the 2021 budget.

General Fund – Tax Revenue makes up about 66% of the budget. Changes in 2021 revenue included the Intergovernmental Revenue of both ARPA funds and gaming revenue.

Expenditures by Department for 2022: This includes every department and Public Safety making up 52.7% and includes police and fire departments. Administration includes Capital items as well as the New Debt.

Revised Capital Improvements Plan – MIS, Information Technology and Public Works – The items were removed for 2022 and moved into 2021. The IT expenditures were just under \$136,000 and are split between the General and the Sewer Funds.

Public Works equipment was moved, which totaled \$253,000.

HUMMEL Ms. Hummel responded to several questions from the previous work session, one by Supervisor Dvoryak. She had reviewed the year-to-date performance for 2021 through October 31st and then estimated what the expenditures would be through November and December. The budget will be on the positive side with a surplus of \$275,000,000. She noted she had not added any gaming revenue to support the Capital, so that stays out of the General Fund in 2021.

Grants -

Ms. Hummel responded to a question by Supervisor Wurster concerning the Grant Awards question, and whether the Grants are spread between different funds. The Grants applied for in one year, such as in 2017, 2018, 2019, and, depending upon when those projects come around, the money slides into different fiscal years. For the 2022 Budget year, the MS4 Water Quality Fund, Grants that total \$462,000 have been included, as well as Consortium Reimbursements at \$787,450, which total \$1,249,450. One item applied for but not included is the Redevelopment Assistant Capital Program Grant. It is hoped to receive this Grant within the next six weeks.

- Grants for the General Fund total \$171,000 for the General Fund, which include Recycling program, Green Light Go, ARPA Funds (American Rescue Plan Act).
- The second installment of Grant funding will come in at \$1.4 million, which funding is extremely restrictive and only be used for water quality projects or infrastructure.
- Capital Improvements Fund includes a number of grants:
- ARLE Grants totaling just over \$276,000; a second ARLE Grant of \$143,000
- Multi-Modal Transportation Grant for the Davies Drive Project at \$375,000.

- Gaming revenue is transferred from the General Fund into the Capital Improvements Fund at \$1.2 million.
- Library Fund, included in this budget for the Community Room of the building project.
- Totaling the Capital Improvements Fund there is \$2.2 million in grants and other funding to support those projects.

Ms. Hummel noted that a third item involved a Health Benefits Cost History.

HODGKINSON Mr. Hodgkinson reported on the health coverage increases for police and non-union personnel: 2017 increase was 5.3%; 2018 increase was a -1.9%; 2019 was a -1.5%; 2020 was an additional 3.8%; 2021 was an additional 6.9% and 2022 is going to be a 9.5% increase. The six-year average is 3.7% increase. The Teamster employees are covered under a different plan through the Teamsters organization. These percentages are not included in the surplus return that is received on an annual basis from the fund. He stated that he would include those figures.

HUMMEL Ms. Hummel noted that the reimbursement figures had been kept out of the General Fund's line items, which are shown separately with a premium as well as an employee contribution and potential reimbursements that may or may not be received.

DVORYAK Mr. Dvoryak asked for clarification that the best guess of the surplus for 2021 is \$275,000 with two months to go.

HUMMEL Ms. Hummel noted the expenditures have been on track. Revenues were very conservative in estimates for 2021 based on the pandemic and not what the future would be three to six months into the year. Good revenue has come in with Transfer Taxes, as well as Permits, which have been strong.

DVORYAK Mr. Dvoryak noted \$275,000 is in Capital items before any transfer is made.

HUMMEL Ms. Hummel stated that he was correct; \$275,000 before anything is added and does not include any gaming revenue that is expected for 2021.

DVORYAK Mr. Dvoryak noted that it appeared to be about \$369,000 in Capital proposed for 2022.

HUMMEL Ms. Hummel responded that he was correct.

SWOMLEY Chairman Swomley asked if the funds could be spent in 2021.

HODGKINSON Mr. Hodgkinson responded that the quotes and purchase orders can be processed and charged in 2021. He noted that some equipment is not easy to get.

- COX** Mr. Cox questioned the \$1.2 million that is budgeted for Income Fund at the casino. That goes into the budget, comes out and then is shifted into Capital Improvements.
- HUMMEL** Ms. Hummel added that when the budget was presented two weeks ago, the gaming revenue was estimated at \$1 million. It was increased to \$1.2 million based on the revenue that was anticipated through September 30th, 2021. Revenue from the start of the casino August 12th through September 30th will be received within a week. That will be charged and credited to 2021.
- DVORYAK** Mr. Dvoryak expressed some concerns with the budget. He noted that the revenue compared to the comparison done to 2019 in terms of what 2019 actual revenue was versus what is projected for 2022, if removed next year's revenue the one-time item of the COVID money, and removed the casino revenue, it would actually show less revenue next year than actually came in in 2019. He noted his concern with the spending that is in place for 2022 over the revenue sets the standard for the years to follow. He questioned how a budget would balance against that backdrop. There are double-digit increases in many departments.
- HUMMEL** Ms. Hummel responded that first, there are contract increases over 2021 and 2022 compared with the 2019 budget. There are higher prices in 2022. There were projects pushed from 2019 and 2020 to 2021, and some of the money to make those projects happen and make repairs must be done. Those projects have been delayed, and they are more expensive as they pushed ahead. She noted they have been very conservative from a revenue standpoint. They continue to wait for some consistency with the employment. The Local Services Tax went down based on the fact that there are people working remotely. Other revenue in 2019 was the Permit Revenue, which included the casino which was over \$600,000, just one line item. She added that it is difficult to predict from a Community Development standpoint. There is no control over Transfer taxes and sales within the community.

The Board continued its discussion surrounding the budget, which is summarized:

- FOG revenue – A lot of money had been spent on the building; two positions were hired and \$50,000 was projected. Largest potential client found a cheaper source. Restaurants still recovering from pandemic. Need patience due to unexpected twists, COVID, economy.
- Community Room – Opportunities for the space; revenue needed to offset costs.
- Employee count – Under 100.
- Intergovernmental Revenue of \$3.6 – includes ARPA Fund; and gaming revenue; \$2.6 million in grants.

3. PUBLIC COMMENT

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WERTZ Chris Wertz, 313 Pine Hurst Road spoke of the need for increased staffing on the YAUFRR ladder truck. He encouraged the Board to approve Chief Hoff's request for additional personnel.

KEOUGH Heather Keough, 325 Folkstone Way spoke for her husband, who is a current YAUFRR employee. She noted the lack of staffing as well.

4. ADJOURNMENT

SWOMLEY Chairman Swomley adjourned the meeting at 6:33 p.m.

Respectfully submitted,

Doreen K. Bowders
Secretary

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