

**SPRINGETTSBURY TOWNSHIP  
BUDGET WORK SESSION**

**NOVEMBER 4, 2019  
APPROVED**

The Springettsbury Township Board of Supervisors held a Budget Work Session on Monday, November 4, 2019 at 6 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, Assistant Secretary/Treasurer  
Justin Tomevi  
Robert Cox

**MEMBERS NOT**

**IN ATTENDANCE:** Mark Swomley, Chairman

**ALSO IN**

**ATTENDANCE:** Benjamin Marchant, Township Manager  
Dori Bowders, Manager, Administrative Operations  
Teresa Hummel, Finance Director  
Chief Todd King, Police Department  
Mark Hodgkinson, Director of Wastewater Treatment Plant  
Jessica Fieldhouse, Director of Community Development

**1. CALL TO ORDER**

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

**2. NEW BUSINESS**

A. Proposed Budget Review

**MARCHANT** Mr. Marchant stated the purpose of the meeting, which was to review the Water Quality Program and the Budget implications for that program based on the township's approach to implementation. He asked Ms. Fieldhouse to present the discussion.

**FIELDHOUSE** Ms. Fieldhouse stated she would provide some background information with facts and some contextual considerations. In addition, she indicated she would discuss some funding scenarios along with grants and staff recommendations. She noted that Ms. Hummel would discuss financing opportunities for the projects.

**Contextual considerations -**

- Residential to Non-Residential parcels - 90/10 split; Non-Residential is Non-profit, Commercial and Industrial.
- Impervious coverage in the township: 2,510 acres, a 70/30 split. Non-Residential users (70%); Residential users (30%).
- Funding source is directly attributed to the impervious coverage in the township.
- Jurisdictions that have implemented fees: Hanover Borough - \$66 ERU; Derry Township - \$78 ERU; Monroeville - \$120 ERU; Wyoming Valley Authority assesses \$57.60 per year. Springettsbury fee proposed: \$44.
- Four different funding scenarios:
  - ✓ Adoption of an annual fee of \$44 per ERU.
  - ✓ Delay fee implementation to 2021 or 2022.
  - ✓ Adopt a lower fee with incremental increases in 2021 and 2022.
  - ✓ Utilize existing revenue sources, i.e. not access a fee at all (Relying on current Fund Balance budgets and current income sources.)

**Financing Options**

**HUMMEL**

Ms. Hummel presented the possibility of using PENNVEST to finance the project. It is used to provide low-cost financing to fund Pennsylvania sewer, stormwater and drinking water projects. There are a number of loans and grants available and there are many caveats for its use:

- Need to have all project information ready to go all the way to construction.
- Project cannot move forward until approval process is complete which would necessitate a well-documented and submitted approval loan.
- PENNVEST opportunity is based on a calculation and a formula including number of households, median income of which Springettsbury qualifies.
- Loan or grant opportunities may be affected.
- PENNVEST consultant to visit township on November 19<sup>th</sup> to review number of proposed projects through Community Development.
- The proposed Stream Bank Restoration Projects are projects that they would support, and they do partner with DEP.
- Review has been done with Delta Borough, Halifax Borough.
- Consideration for timing and incorporating DEP Permit Submittals and beginning with AKRF (2020: \$378,000)

**Budget Considerations**

- Water Quality Fee Program was decreased from \$1,506,000 to \$1,016,000, which includes the York Water Stormwater Consortium Fee.

- No opportunity for fee changes by the Consortium; a party that does not pay the fees will be terminated.
- Springettsbury Consortium fee paid, \$450,000; \$350,000 scheduled for 2020.
- Consortium holds over \$5 million.
- Consortium PRP not approved until First or Second Quarter, 2020. Township will begin submitting for reimbursements at that time.
- Payment schedule: 2020 - \$378,400 (contract); January payment \$94,600; add \$224,000 cash outlay.
- Total outlay including AKRF payments plus Consortium Fee annualized - \$603,000 in 2020; \$981,000 in 2021; \$887,000 in 2022; \$319,000 in 2023. With 80 percent reimbursement of AKRF - \$300,000 net outlay; \$376,360 in 2021; \$357,000 in 2022 and \$244,000 in 2023.
- Grants available from \$50,000 - \$500,000; actively applying for grants.
- Potential for Casino funds.

**MARCHANT** Mr. Marchant recommended adopting a full fee at this time to set the township in the best position to respond to any unforeseen changes such as a very wet year, sinkholes, pipe replacements, etc.

**COX** Mr. Cox agreed with Mr. Marchant's recommendation.

**WURSTER** Mr. Wurster noted that the project is \$2.71/pound and there is a compelling reason not to do this. He provided some figures shown above and noted surpluses of \$2 million over the last two years. He noted the township is in a very good situation. Mr. Wurster indicated that the AKRF contract is \$300,376 per year for four years, reimbursable.

**TOMEVI** Mr. Tomevi commented that he agreed with his analysis. His preference would be to wait and see and not have to create the financial mechanism.

**COX** Mr. Cox commented that the original project was expected to cost \$5 million, and now it is reduced to \$1.5 million. He added that he would agree with not having stepped increase fees, which is the best case scenario for the residents.

**DVORYAK** Mr. Dvoryak indicated his concern about not assessing a fee, which included the neighborhoods in the township that have no stormwater infrastructure. Others were built 20 or 30 years ago and at some point will need repair or replacement. The long-term costs are unknown. He recalled a long-range study done by Buchart-Horn which included a series of recommendations of how to schedule repairs or replacements over a 30-year period. That schedule has been in place along with the funding through sewer billings to cover that.

**MARCHANT** Mr. Marchant noted that one of the things that the township has not developed yet is a Capital Fund Budget. There is no practice in place for allocating

reserves specific to Capital. The Water Quality Management, Davies Drive, the Police Station and other significant Transportation Improvements in the Master Plan are investments needed specific for Capital. He noted that he would like to see new found money, such as coming from the Casino, be allocated aggressively towards bigger Capital projects.

**TOMEVI** Mr. Tomevi commented that the Consortium almost becomes like a pyramid scheme by 2023, and every member will be seeking funds which will run out.

**MARCHANT** Mr. Marchant noted that the Consortium had discussed if they didn't budget enough they would come back to the members for higher fees.

**TOMEVI** Mr. Tomevi noted that the township needs to extract its money; however, then a conversation is needed as to what to do with the funds. Perhaps that would address some of the long-term projects.

**FIELDHOUSE** Ms. Fieldhouse quoted the budget impact. Regular expenses of contract services and televising – about \$50,000; the Consortium payment - \$225,000 and then the AKRF payment at \$300,378. Those expenses are not currently in the 2020 Budget. They were pulled out and put in MS4.

**WURSTER** Mr. Wurster acknowledged Mr. Dvoryak's comments. He commented that the cost is cheaper than anticipated; that the unfunded mandate must be met; that long-term planning can be done; that the infrastructure must be assessed; that the Consortium reimbursement funds may dwindle. He continued to lobby for applications for grants hoping that many grants might be received especially since Springettsbury is one of the older municipalities in the Commonwealth with older infrastructure, and grant funding may be possible. He mentioned the new FOG system, which could provide additional income.

**MARCHANT** Mr. Marchant commented on the fee model, which because of the credit program of reducing the fee burden on the property owner makes every property owner a partner in administering the MS4 Program. Maintenance, increasing their impervious area, water treatment features, rain gardens, BMP's, etc. are included because they have incentive to invest in the project to reduce their annual fee. Non-profits have an incentive to engage in more public awareness and education that currently is an entirely municipal function. When everyone participates there is a more effective and viable MS4 Program in meeting the expectations of the mandate. There is a very clear and direct benefit of making the community more of a partner rather than the adversary when we get down to the Stormwater Ordinance and development at the Planning Commission level.

**FIELDHOUSE** Ms. Fieldhouse noted that the credit program has multiple benefits, one of which is that every single developer that wants to redevelop or develop anew

has an incentive to build in more green infrastructure in the BMP's that will provide the sediment reductions necessary.

**WURSTER** Mr. Wurster questioned whether a Full-Time person will be needed.

**FIELDHOUSE** Ms. Fieldhouse responded not at this time. Staff is splitting all of the administration of MS4 duties without having the added burden of having to do appeals and investigate credits and BMP's.

**MARCHANT** Ms. Marchant commented that the burden that has been on Community Development this year has been great, and they have gone above and beyond what he considered the normal call of duty. Looking forward he would prefer to hire a Full Time person to absorb some of the additional program duties.

**FIELDHOUSE** Ms. Fieldhouse responded that he was correct in that it has been very difficult to maintain the current development, update the Comprehensive Plan, create a Water Quality Program and Administer the MS4. Adding appeals and a credit program would push the department over its capacity.

**DVORYAK** Mr. Dvoryak noted that he was not comfortable implementing a fee as the major costs are unknown. He favored taking a wait and see stand until next year.

**TOMEVI** Mr. Tomevi asked whether people are calling in expressing frustration.

**FIELDHOUSE** Ms. Fieldhouse stated she gets more calls and complaints relative to the issues that property owners are experiencing right now with stormwater management, than she does from residents calling concerned about an additional cost.

**MARCHANT** Mr. Marchant added that he had seen a dozen comments on the township's Facebook page ranting about the rain tax, but no phone calls. Only one individual had come to a meeting.

**WURSTER** Mr. Wurster asked for clarification concerning the \$44 fee and whether it would be paying for administrative costs and the AKRF project.

**FIELDHOUSE** Ms. Fieldhouse responded that the \$1.5 million includes an operation and maintenance line item. The initial budget had an Operation and Maintenance line item that was \$250,000. That line item was backed down to \$150,000. In addition, there was a Capital Improvements Program line item that was \$250,000, which was decreased by \$100,000 to \$150,000. The \$44 will be saved for future capital improvements to the tune of \$150,000 a year. This will be proactive funding for Operation and Maintenance of the existing Stormwater System with \$150,000 a year. This will create proactive treatment of the MS4 to fix issues before they become an emergency.

**HUMMEL** Ms. Hummel noted that an internal decision was made to have an annual fee billed once at any time during the year. It could be initiated some time in 2020 in August or September but not at January 1. Originally it was discussed about billing on May 1<sup>st</sup>.

**WURSTER** Mr. Wurster commented that the original budget was \$500,000 plus the AKRF dollars. The fee of \$44 pays for \$500,000 of Infrastructure Improvement, some of which is Capital, set aside for improvements; some of which is set aside for Maintenance and Repairs.

**TOMEVI** Mr. Tomevi questioned where the projects would be.

**MARCHANT** Mr. Marchant stated that Pleasant Valley is in this year's budget.

**HODGKINSON** Mr. Hodgkinson stated that there is money set aside for the stormwater pipe underneath the curb on Pleasant Valley. Other known areas were televised in Penn Oaks; however, none are emergencies at this time.

**DVORYAK** Mr. Dvoryak questioned whether this older infrastructure will go bad all at once, and how much infrastructure is considered when talking about stormwater.

**HODGKINSON** Mr. Hodgkinson stated that the longer the infrastructure repair work is postponed, the more emergencies. They are dealing with galvanized metal corrugated pipe and the bottom rots out. Many neighborhoods are like that; other neighborhoods do not have stormwater at all such as North Hills Development. Newer developments have concrete pipe.

**WURSTER** Mr. Wurster questioned whether there could be a 30-year study of the Stormwater issues. With that information a cost could be determined. He noted that he could see why a fee or funding source becomes critical for reinvesting in the infrastructure.

**MARCHANT** Mr. Marchant stated that the MS4 Cycle is what has initiated the study of Penn Oaks. It was done just to start somewhere as the first phase of the 30-year study. As part of the first phase every other stormwater facility will be televised in order to have the necessary information.

**FIELDHOUSE** Ms. Fieldhouse noted that they will focus on Haines Acres in 2020.

**DVORYAK** Mr. Dvoryak commented that a lot of information had been discussed, and he wondered if the board needed to make a decision.

**MARCHANT** Mr. Marchant responded that the expectation was for direction on how to proceed with finalizing the 2020 budget. If the fee is not imposed then amounts will move into the General Fund and Reserves allocated to fund those amounts. With a fee it would not be necessary. If there is to be some kind of

modification he asked how the board would like to proceed with approaching the issue in the 2020 budget. For budgeting purposes they could intend to adopt the fee, but getting into the budget year, a decision could be made not to implement it. He would need clear direction from the board as to what to put in the newsletter.

**COX** Mr. Cox noted that there has been an expectation built that there will be a fee coming because of this unfunded mandate.

**DVORYAK** Mr. Dvoryak asked when the budget must be advertised.

**MARCHANT** Mr. Marchant responded that it is November 14<sup>th</sup> or 15<sup>th</sup>.

**BOWDERS** Ms. Bowders added that it must be advertised 20 days prior to adoption.

**DVORYAK** Mr. Dvoryak asked what the date is for the December Meeting.

**MARCHANT** Mr. Marchant responded it is December 12<sup>th</sup>.

**DVORYAK** Mr. Dvoryak indicated that the board needs to make a decision on this prior to the November 13<sup>th</sup> meeting.

**WURSTER** Mr. Wurster noted that they need direction as to how to present it.

**MARCHANT** Mr. Marchant stated that he planned to present the budget to the public at 6:30 p.m. on the November 13<sup>th</sup>. It is possible to adopt something different on December 12<sup>th</sup>, but any changes must be announced. He added he needed to know what to present.

**WURSTER** Mr. Wurster stated he could not support the fee at this point in time because it can be funded through the budget. He added that it is necessary to budget in the 80% reimbursement of the AKRF.

**COX** Mr. Cox stated that he favored implementing the \$44 fee but not billing it until the end of next year. At that point an announcement could be made that other funds were found to pay for it.

**DVORYAK** Mr. Dvoryak stated that he would prefer delaying implementation until we know what the potential impact will be as it can only be estimated at this time.

**MARCHANT** Mr. Marchant stated that defining the scope of the problem and what the bucket looks like, the funding that the fee would provide would cover the research and professional services to define it. He indicated it may not be defined in one year as it had taken an entire year just to televise Penn Oaks alone. The proposal is to move on to Haines Acres next year, but to get the rest of the township on an expedited basis would cost more to do.

**DVORYAK** Mr. Dvoryak noted that it is being done in-house. He added that Buchart-Horn did the Long Range Sanitary Sewer System.

**WURSTER** Mr. Wurster asked how long it took.

**HODGKINSON** Mr. Hodgkinson responded that it didn't take them very long because a map system and years of data was available of all the sanitary system. They just had to do a review with them and come up with a plan.

**MARCHANT** Mr. Marchant indicated that he would present the proposed 2020 Budget as it is and use Fund Balance to cover any extraordinary costs that are not in balance.

**Consensus of the board was to present the proposed 2020 Budget and use the Fund Balance to fund the extraordinary costs that are not in balance.**

**3. PUBLIC COMMENT**

There was no public comment.

**4. ADJOURNMENT**

**DVORYAK** Vice Chairman Dvoryak adjourned the meeting at 7:30 p.m.

Respectfully submitted,

Doreen K. Bowders  
Secretary

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