

WEST HANOVER TOWNSHIP AUTHORITY
WORKSHOP MINUTES
September 16, 2020 @ 6:00 p.m.

1. **CALL TO ORDER:** Chairman
2. **ROLL CALL:** All board members present

3. PUBLIC COMMENT:

1. Dennis Kalbarczyk

Started a discussion regarding the draft budget: when it is posted for public review, waiting period, when does it need to be approved by? He also discussed if any costs have been published, when invoices are approved, the general fund and wants to make sure the money is spent and allocated appropriately. His concern is the time given for the public to view the draft budget and believes transparency is important.

Mr. Rosario and Mr. Fowler gave a general timeframe for when the public can review the draft and confirmed it all must be approved by Thanksgiving. They also confirmed \$117k was a startup fund for authority from the township. All invoices and approvals have been going through the general fund as of this point. Mr. Fowler also mentioned that under the PA Municipal Authorities Act, they are not required to post the budget.

2. Richard Enck –7112 Hillside Road

Following up on the urbanized / non-urbanized area map from a previous meeting. Where is that coming from?

Mr. Fowler mentioned a map regarding the Chesapeake Bay Pollution Control Program for the township approved in 2017. It is on the website.

Mr. Rosario advised Mr. Enck to stop into the office to get a copy of the map Mr. Fowler referred to.

4. HRG STORMWATER RETAINER AGREEMENT

Mr. Fowler gave a presentation on HRG's retainer agreement for 2021 estimating \$45-55,000 along with their separate contract with the township for the MS4 program estimated around \$50,000 equaling about \$105,000. BMP projects are a separate line item. Any reviews done with the developer, the fee is ultimately passed off to the developer and questions if that should be on the budget, because it could be a budget neutral item.

Mr. Rosario responded We have spent over \$24,000 that should have been passed through. The township is essentially eating that cost. Your expense is going to have to be increased because you are not going to have enough to cover operation.

Mr. Fowler, Mr. Shradley, Mr. Rosario, Mr. Steinmeier and Mr. Geppert had a roundtable discussion on some of their general concerns with the HRG review including payment dates in conjunction with board meeting dates for invoice approval, late fees, providing estimates of work over \$10,000, possibility of prepay process.

Mr. Fowler asked if anyone had any other questions and made a motion to approve the retainer by HRG.

Mr. Shradley subject to the changes he mentioned

Mr. Geppert seconded

All in favor, say "I"

Retainer approved

5. USER FEE EVALUATION ANALYSIS

Mr. Fowler, Mr. Steinmeier, Mr. Geppert, Ms. Zimmerman and Mr. Shradley discussed RFPs for alternative billing methods and using Light Heigel and HRG. They evaluated 4 different rate structures – changes to current ERU method, tiered, capped and flat rate. Estimate for Light Heigel was \$4,248 and HRG was \$9,800. They discussed advantages with both engineers and where they believe the Authority will get the best and fair analysis.

Ms. Zimmerman made the motion for HRG to consulting and engineering services.

Second motion from Mr. Shradley

All in favor say "I"

Mr. Geppert opposed

Motion is carried 4-1

Mr. Fowler Back to item #4, 2021 budget update

Mr. Rosario, Mr. Fowler, Mr. Geppert, Ms. Zimmerman, Mr. Steinmeier and Mr. Shradley reviewed the income on the budget, income must be resolved because that determines how much expense there is. Year to date, they have received \$693,684.52 mostly collected from fees from the stormwater program. The board discussed who should be responsible for pass through fees, stormwater permits, inspection fees, building ordinances and lot size, obligations as an authority, MS4 program and how new regulations are more stringent, compliance inspections, and eating costs. Will the expenditure budget be ready for approval for the 10/7 meeting? Expense side of budget, HRG appeal reviews and applications is \$10,240.27, credit applications \$17,686.45 next year \$15,000, complaint inspections (will only go out if they receive a written complaint) \$1,758 next year budgeted \$2,000. HRG permit year billing \$4,900

expenditures, next year \$5,000. Meeting attendance \$7,177.25 next year \$8,000, BMP inspection township, state and federal permits \$27,215.76 next year \$25,000. They know they need to decide on pass throughs because their budget is in the red. Stormwater application and appeal fee \$3,032.30 up to \$5,000. Authority reimbursement for staff \$190,000, 3 administrative staff and public works, does not include the new admin. Street sweeping invoice has not been invoiced yet and that is a lot of man hours Street sweeper is being paid 50% by Authority, the other by the general fund of the township. Street sweeping requires 2 men driver and passenger, 2 flaggers, truck to empty sweeper. Salary new staff \$44,000 for next year with the benefit package \$22,000, authority reimbursement for township projects \$12,159.10 for emergency repairs. Fuel, insurance repairs this year \$10,000, next year \$2,000, small tools & minor equipment \$1,000, lease / purchase of equipment shared street sweeper \$18,756, backhoe \$6,974, scanner/ plotter split between 3 departments (codes, building and planning, authority) \$3300, iPad and software, office & comcast for new hire \$5,000. Mr. Fowler generously donated a desk for the new hire. Other services, miscellaneous \$5,000, MS4 mapping, authority design services HRG \$75,000, storm water studies \$104,000 reduced to \$60,000 so they can be spread out over a few years. Lakeside Project \$100,000. BMP 1 & 3 construction / design for 2021 \$120,000 both are required under current permit. GIS updating with Light Heigel \$13,920. State and federal permit cycles \$20,000 HRG will prepare, 2022 everything must be submitted. Various studies \$170,000, stipend for board \$2,000, training for staff and board \$1,000, enforcement notice & violation administrative \$2,000, keystone collections \$10,000 (contract rate for 3 years) -will that change if we change the billing method? Should residents pay a late fee if they didn't receive a bill? Accounting professional services and training with new admin (CPA firm Diana Reed) \$40,000 Hamilton and Musser will audit end of year financial books, PA Municipal Authority Association \$1,000, travel \$500, liability insurance \$2,500. Does the authority want to bond the new employee and for how much? We do not want staff signing checks, only board members should sign checks. Authority is going to talk to the CPA for recommendation on amount of bonding. Legal services \$25,105, budgeted \$9,000 next year legal services budgeted at \$50,000, refunds from 2020 credit appeals \$11,242.80 budgeted \$20,000, which will be moved to zero because credits will be taken off resident's bill from keystone. 93 credit applications, 82 went through. Credits are good through the end of the permit cycle; permit cycle ends March of 2023. office rental \$1,000, advertising \$2,500, office supplies \$2,500.

Mr. Rosario stated the budget is at \$889,780 add 15% for contingency at \$133,467. Total \$1,023,247. Delinquency rate is 18.5% originally projected 5%, if that number continues, that will impact the fee.

Mr. Fowler, Mr. Shradley, Mr. Rosario had a discussion on Dauphin County regional plan and if the authority should join. They'll assist with MCMs, pipeline assessments, etc. estimated cost \$25,000 (middle level) in hopes we would save on some HRG costs.

Mr. Fowler, Mr. Shradley, Mr. Geppert, Ms. Zimmerman discussed the delinquency rates and it need to be figured out. Hoping in the next month our delinquency will improve when it comes time for the November rate decision.

Mr. Fowler then discussed the contingency fund and asked if it should be lowered to 7%. Mr. Rosario has it at 15% contingency and 5% delinquency. Mr. Fowler stated if you take out the delinquency and cost of credits those two items alone add up to \$250,000. Mr. Shradley, Mr. Geppert, Mr. Fowler, Mr. Steinmeier, Ms. Zimmerman all discussed the budget and delinquency. They are aware there is a revenue shortfall. It's hard to talk about revenue with the delinquency rate. Commercial makes more of an impact than the residential. Should we drop the contingency? 75%? 7 ½%? Should we leave the delinquency at 5%? We should factor that in on the revenue side. They then discussed the public works projects; board has approved 8 projects 3 of which have not been started.

Mr. Fowler asked about HRG fees and asked if they could be consolidated because there are quite a few. Mr. Rosario stated they are accounting numbers all get coded to different areas. Our new admin will be trained on that by Diana Reed.

Mr. Fowler asked if anyone has any other questions on the budget.

Mr. Steinmeier began a roundtable discussion regarding having lawyers and engineers at the meetings since they are so expensive. Mr. Fowler agreed they may only need to attend certain meetings or for part of the meeting. Ms. Zimmerman and Mr. Shradley agreed. They can table the item or get back to the resident as needed. It's a good way to save a little bit of money.

Mr. Fowler asked again if anyone has any questions.

6. BOARD MEMBER COMMENTS:

- a. Gloria Zimmerman – no questions
- b. Mike Geppert – personal question regarding a project of land development. If anything comes up on storm water issues, should I abstain my vote? Ms. Zimmerman said you can have a discussion but can't vote. Mr. Fowler stated we will make sure it is recorded you are abstaining.
- c. Max Shradley – concern with hourly billings, what are we looking at? Mr. Rosario stated he would have it in the next few months
- d. Don Steinmeier – discussed newspaper articles and television programs regarding the EPA, Chesapeake Bay and pollution.
- e. Robert Fowler – no comments

7. ADJOURNMENT

Mr. Fowler made a motion to adjourn, all agreed. Meeting ended