

## West Hanover Township Authority Budget Workshop Minutes

September 22<sup>nd</sup>, 2021 at 6:00 pm

*12 Attendees including board, staff, engineer and public*

1. **Call to Order:** Mr. Fowler called the meeting to order at 6:04 pm

2. **Roll Call:** All board members present except Mr. Geppert

### 3. **Review 2022 Proposed Budget**

Mr. Gossert presented the Authority with a preliminary 2022 budget focusing on the expenditure side. The board discussed HRG's suggested 5-year plan and developing a fund balance so there is a cushion for emergencies. As we are getting a better handle on where our expenditures lie, we can start looking at where our stormwater fees stand for residents. PennVest will assist with funding the larger, more expensive mandated projects over time.

Mr. Gossert introduced the board to Mr. Houck, the Township's new financial director. Mr. Gossert explained the original accounting system that was set up for the Authority by the previous manager was intended for a small business and not government, so the numbers we have don't match up correctly. We are in the process of creating a second company in our current software for the Township and hopefully will be able to transfer that data over. Once the transfer from our current CPA to Mr. Houck is complete, we will have more accurate year to date numbers. Mr. Houck stated we must start from scratch. The board, Mr. Gossert and Mr. Houck discussed a timeline of when the new account will be set up and data transferred, beginning fund balance, receiving Township invoices in a timelier manner, a portion of Mr. Gossert's and Mr. Houck's salary going towards the 2022 budget, street sweeper being 100% in the stormwater budget, and receiving different financial reporting in 2022.

The board discussed sharing costs in the budget from staffing and public works. If possible, in the future the board would like a monthly street sweeping report from public works to learn how often they street sweep knowing they do get credits from DEP. Mr. Greenly reminded that in addition to credits, street sweeping is a Township functionality issue that cleans up leaves, debris which prevents clogging and flooding.

PennVest funding was discussed for infrastructure budget items. Smaller projects will be funded through the Authority's general fund and larger, costlier projects will be financed through PennVest, knowing some of the cost of those projects must be paid upfront then reimbursed. Next year, Mr. Fowler would like to see a capital budget in addition to the operating budget.

The board would like to see revisions on the expenditure side of the budget: \$125,000 for permit & design; \$50,000 for construction; reduce accounting to \$10,000; and \$20,000 for legal.

A discussion was had regarding the MS4 permit expiring in March of 2023. The permit needs to be filed 180 days before it expires, which is September of 2022. Mr. Greenly recommended to have funds in the budget to account for the new permit if by chance the current one does not get extended. Based off information learned at the PSATS conference, the board does not believe there will be an extension to the current permit.

The board will wait for the November monthly meeting to lock in the expenditure budget. That gives the board time to explore the numbers presented. Based off the revenue items listed, Mr. Fowler thinks it's a possibility of a 25% rate reduction. He asked the board to review the budget and possible rate reduction and if it should be spread between all the tiers or focus on the higher tiers. Mr. Gossert stated the goal is to work on bringing the rates down, when the stormwater fee started, we did not know what to expect.

Mr. Fowler would like Mr. Stinnett to draft a reimbursement resolution. Going forward for any capital expenditures while we fund them out of our budget we intend to be reimbursed.

**4. Adjournment:**

Mr. Fowler entertained a motion to adjourn the budget workshop. Motion was made by Ms. Zimmerman, seconded by Mr. Shradley. Motion passed. The budget workshop ended at 7:07 pm.

**Upcoming Meeting Dates:**

October 6<sup>th</sup>, 2021 at 6:30 pm (Monthly Meeting)

October 13<sup>th</sup>, 2021 at 6:00 pm (Budget Workshop)