

West Hanover Township Authority Budget Workshop Minutes

November 3rd at 5:30 pm

13 Attendees including board, staff and public

1. **Call to Order:** Mr. Fowler called the budget workshop to order at 5:34 pm

2. **Roll Call:** Ms. Zimmerman absent

3. **Keystone Collections 2020 Delinquency Report**

Mr. Fowler reported that we are down to 5.75% of the 2020 stormwater fee remaining uncollected. The report provided by Keystone does not break down residential vs. commercial. Keystone informed us earlier that around 5% is a good delinquency rate especially for not being put on a sewer bill.

4. **Review Proposed Consolidated Budget**

The board discussed PennVest favoring larger projects over smaller borrowers and they will not consider closing on the loan until all permits are in place and bids priced for the projects. The total amount bidding must exceed \$200k. The board does not believe they will be in the position to meet those requirements in 2022. The expenditure budget was revised with increases on design & permitting, BMP construction, and conditions assessment knowing that we will probably have to pay for that out of the budget and wait until the following year to be reimbursed.

The board, Mr. Gossert and Mr. Houck discussed a beginning fund balance of around \$700k, the possibility of a rate reduction in the 2022 stormwater fee, lowering the budgeted delinquency rate to 10% from 25%, and public works labor hours.

Regarding a possible rate reduction, the board looked at between a 25-40% reduction. There was a discussion on if rates are lowered the credit amounts would be lowered, justification in charging for impervious area under 400 square feet, how many parcels in West Hanover are vacant, and most of the current automatic credits benefit the Tier 5 parcels.

Mr. Gossert advised the board that they must look at a 3-year span with actual numbers. He asked the board to think about what they feel comfortable with as a fund balance sitting in the bank, set that as your base and build up from there. Mr. Gossert is advising against a reduction of rates in 2022, then having to increase them in 2023 if there is a deficit that needs made up. The rate payers need to know what to expect on an annual basis for budgeting as it hasn't been consistent yet. He does not believe a 40% reduction is the right move, he and Mr. Houck are more comfortable with 25%.

The board discussed looking ahead into 2023 to see if a reduction is feasible. There are a lot of unknowns with the upcoming condition assessment and requirements of the new MS4 permit that need to be taken into consideration. The board would like the residents to be able to see and know where their stormwater fee is going.

5. **Adjournment**

Mr. Fowler asked for a motion to adjourn the budget workshop. Moved by Mr. Shradley, seconded by Mr. Steinmeier. The budget workshop ended at 6:31 pm.