

**DOVER TOWNSHIP
BOARD OF SUPERVISORS MEETING
BUDGET WORK SESSION MINUTES
OCTOBER 8, 2018**

The Dover Township Board of Supervisors' Budget Work Session Meeting for Monday, October 8, 2018, was called to order at 6:30 PM by Chairperson Stephen Stefanowicz in the Meeting Room of the Dover Township Municipal Building. Supervisors present were Michael Cashman, Stephen Parthree, Charles Richards and Robert Stone. Other Township Representatives in attendance were Laurel Oswald, Township Manager; Michael Fleming, Township Public Works Director; Trena Hall, Township Treasurer and Tiffany Strine, Recording Secretary. There was one member of the public present. This meeting is being recorded for the purpose of minutes only.

This work session is being held for the purpose of holding a public Board of Supervisors' Budget Work Session to review the proposed 2019 Budget for Dover Township.

The Board of Supervisors' Budget Work Session began with the review of the proposed 2019 Budget for Dover Township. The proposed 2019 Dover Township Budget is currently balanced in all funds except the Water Fund.

Both Draft No. 1 and No. 2. were amended through departmental liaison meetings through the month of September. Manager Oswald provided the Board of Supervisors with a 2019 Revised Budget Draft No. 3. Draft No. 3 is provided this evening along with some additional spreadsheets and lists of Capital Projects for the Board of Supervisor's information. Manager Oswald discussed several key topics, instead of going through the proposed 2019 Budget line item by line item.

Manager Oswald informed the Board of Supervisors that the Dover Township Insurance Renewal came in at a 5.8% increase this year for the healthcare and no increase to dental or vision. This increase in healthcare caused reductions totaling the following for each of the following funds:

1. General Fund - \$30,527.00
2. Sewer Fund - \$19,515.00
3. Water Fund - \$1,559.00

Manager Oswald provided the Board of Supervisors with multiple spreadsheets depicting various 2019 Budget Funds and their respective projects in each fund.

General Fund

The following is a summarized listing of Capital Projects within the General Fund for the Dover Township 2019 Budget:

1. General Fund-Capital Reserve
 - a. Jayne Lane/Tower Drive Left Turn Lane - \$10,000.00
 - b. Eagleview Park Floodplain Project - \$250,000.00

- c. Eagleview Park Bury Concrete/Grading Plan - \$85,000.00

Additional highlights of the General Fund Budget include the following:

- 2. General Fund Operating
 - a. Second Half of the Community Building Roof - \$37,000.00
- 3. State Aid (Liquid Fuels) Fund
 - a. Street Sweeper Lease/Purchase - \$45,363.00
 - b. Rohlers Church Road (Circle to Bull Paving) - \$283,559.48
 - c. Jessica/Abby Storm Pipe Lining - \$108,000.00
 - d. Poplars Road Pipe Replacement - \$54,000.00
 - e. Engineering for Bridges – Fox Run, Rohlers and Butter - \$120,000.00
- 2. Sewer Fund – Capital Reserve
 - a. Projects Include:
 - i. Engineering for Andover Phase 1 and Fox Run Interceptor - \$165,000.00. Andover consists of two (2) additional phases.
 - ii. Line Replacement and Lining (Andover, Golf Course) - \$1,705,000.00
- 3. Water Fund – Capital Reserve
 - a. Projects and Purchases Include:
 - i. Andover Phase 1 Line Replacement - \$650,000.00
 - ii. HydroVac/2 New Trucks - \$160,000.00
 - iii. Tower/Davidsburg Line Replacement - \$170,000.00

Manager Oswalt addressed Water and Sewer rates and the need for additional increases to generate adequate funds to assist in building Dover Township Reserve Funds for these areas. A Water Rate study was conducted by Spotts, Stevens, McCoy to determine the need for a rate increase in the calendar year 2015. The rate study recommended an increase to \$39.00 for the first 6,000 gallons and \$5.90 on every 1000 gallons after that. It was noted that in the calendar year 2017, the Board of Supervisors authorized an increase to \$34.99 from \$32.40 on the first 6,000 gallons and an increase of \$5.55 from \$5.14 on every 1000 gallon after that. It was noted that upon a Board of Supervisors approval for the authorized increase, it would then be anticipated that \$122,879.00 would then be generated from such an increase. This will then build reserves and balance the deficit in this fund as we are spending approximately 1/3 of reserves this year.

R. Stone stated that, as a Board of Supervisors Liaison to Dover Township Water, he feels that it would be acceptable to pursue the recommended rate increase per recent Water Rate Studies. R. Stone added that considering future investments for the betterment of the Dover Township Water System an increase would be strongly needed.

M. Cashman agreed with R. Stone and added that he feels it would prove adequate in pursuing the recommended rate increase per recent Water Rate Studies.

S. Parthree inquired as to the specific rate increase amount if a raise in Dover Township Water would be designated.

Per the most current Rate Study performed, an increase to \$4.01 per quarter or \$16.04 on the first 6000 gallons would occur and \$0.35 on every 1000 gallons after that, on a quarterly basis.

Board consensus is to proceed in the upcoming year with with implementing a \$4.01 increase for the first 6,000 gallons and a \$0.35 increase for every 1000 gallons after that per quarter.

It was made known to be proactive and in forward thinking for the 2020 Dover Township Budget. The last Sewer rate increase was \$5.00 per quarter and it occurred in the calendar year 2013. A Sewer Rate Study was conducted by Buchart Horn in 2015 to determine how to obtain the required capital for the projects necessary to get the Township out of its Consent Order with the Pennsylvania Department of Environmental Protection. It was anticipated that the Sewer Authority would borrow in 2016, 2018 and 2021 for their projects (The North of the Borough, Palomino Interceptor, Joint Interceptor and Fox Run Interceptor). At this point in time, it was noted that only the 2016 borrowing has occurred; however, the second borrowing is expected to occur in late 2019 or 2020. Manager Oswalt provided the Board of Supervisors with a spreadsheet depicting potential rate increase options provided during a 2015 Board of Supervisors meeting. Manager Oswalt explained that there are several options that may be considered and should be noted for future reference in the next Dover Township Budget calendar year.

Recreation Fee In Lieu of Development was discussed. Recreation Fee In Lieu of Development Fees are charged on a per lot basis and is not required to be decided as part of the Township Budget; however, these fees appear on the Dover Township Fee Resolution annually.

Manager Oswalt provided a spreadsheet comparing surrounding municipalities and their costs for Recreation Fee In Lieu of Development Fees. The spread sheet also contained calculations utilizing lots sold in various subdivisions in Dover Township over the last two years. This information is leading the staff to recommend an increase from \$1,819.00 to \$2,500.00. This proposed increase will aid in developing both Eagleview Park and the twenty-two (22) acre parcel recently donated through the Terre Vista Subdivisions.

Manager Oswalt spoke regarding the Public Works Garage Project overage and funding. At this time, Dover Township is projecting more than \$1,000,000.00 in additional costs from this project. Manager Oswalt has reached out to PFM for possible borrowing options. Manager Oswalt provided the full Board of Supervisors with a summary of what the Township debt service may be for borrowing 1 million or 2 million dollars. It was noted that based upon the amount chosen to be borrowed, \$70,000.00 to \$145,000.00 in additional revenue would need to be available beginning in 2020.

Manager Oswalt noted that to fund this additional borrowing, a tax increase may be necessary.

Millage increasing was then discussed. Every .1 increase in Dover Township real estate taxes

generates \$114,136 in additional income to Dover Township. This information being based on the last York County Valuation report provided through the end of August 2018.

Manager Oswalt noted that the Dover Township Highway Foreman, Dover Township Recreation Director have provided a listing of items that they feel are needed in the upcoming years to maintain Dover Township's current highways, parks and stormwater infrastructure. Manager Oswalt added that attention to other various large-scale Capital Projects will need addressed including Phase II of the Dover Township Building Expansion, Dover Township Fire Department Dorms, Dover Township Community Building Generator, Intermediate Avenue Extension, Eagle View Park/Road, Twenty-Two (22) Acres of Park Land on Admire/Davidsburg Roads, Lighting for the Dover Township Building Parking Areas and Connecting Admire to Brownstone.

It was made known that the last Dover Township tax increase was voted on in 2007 when the 2008 real estate tax was increased from .828 mill to 1 mill.

R. Stone stated that he is not in favor of tax increases; however, with the crucial and substantial upgrades that Dover Township is making to its infrastructure and investments with local bridges and buildings, a tax increase may need to be done. R. Stone added that after thoroughly examining the Dover Township Budget being proposed for 2019, there appears to be no area for further cost cutting.

Chairman Stefanowicz stated that he understands the need for an increase is necessary due to unfunded mandates as well. Chairman Stefanowicz added that he feels Northern Regional service hours should be looked into for possible adjustments if necessary during 2019.

Manager Oswalt stated that with an additional borrowing of one (1) or two (2) million dollars, she will reach out to PFM to discuss such a bond and options.

Board Consensus is to proceed in the upcoming year with a .3 mill tax increase. 1.135 mils will be provided to Dover Township and .165 mils will be provided to the Dover Township Fire Tax. Further Consensus noted to proceed with borrowing \$2 million more for the building project.

Manager Oswalt requested an executive session regarding raises.

With no further business, the Annual Budget Work Session was adjourned at 8:30 PM and continued into an executive session on raises.

Respectfully submitted by: _____

Tiffany Strine, Recording Secretary