

STORMWATER AUTHORITY (14)

2019 BUDGET RECOMMENDATIONS - 7@° O

Throughout 2018, the Borough has continued to evaluate the need for creation of a Stormwater Fund/Stormwater Authority (“Stormwater Authority”) for the administration of the Borough’s MS4 Permit, which is awaiting State approval. As part of those evaluation efforts, Borough Council approved a “Stormwater Resource and Funding Study” to evaluate the operating and capital needs of administering (and funding) the program, including creation of a Stormwater Advisory Committee (SAC) to promulgate public involvement in the initial planning and evaluation stages of the program. Authority creation, funding strategies, and completion of Borough-wide impervious area assessment are still a work-in-progress, but will gather great steam as we progress through the remaining months of 2018.

The following is a summary of the current proposed operating, capital, and management plan for these significant program requirements being implemented for 2019.

2019 Proposals

- Minor revenue funding is projected for the allocable share of pension State Aid to be received, equal to projected pension expense, and DEP and CDBG grant program revenues equal to related expenses (10% Borough cost match for DEP grant). All other program funding is to be determined based on forthcoming Stormwater Authority review and evaluation, based on the results being finalized through the “Stormwater Resource and Funding Study”.
- The expense budget is built on the following expectations:
 - Labor -- the Stormwater Authority program will be administered jointly by the Public Works Director and Superintendent of Sewer and Wastewater (partially allocated payroll and related benefits) coordinated with the MS4 Coordinator, and be supported by the various office, administrative, and managerial personnel of the Borough (partially allocated payroll and related benefits). The Borough’s Sewer staff (Inflow & Infiltration Department) is proposed to expand by two laborers and one “crew leader”, each of whom will share dual duties amongst Stormwater and Sanitary Sewer projects (time divide is 50%/50%, as are related benefits) for jet/vacuum reporting of inlets and lines. Finally, the Borough’s Public Works Department staff will continue to support stormwater efforts through leaf collection, street sweeping, and point repair and maintenance, which will continue to see enhanced focus.

- General Administration -- assuming an external funding mechanism established, costs shared amongst utility operations of the Borough will be expanded for share to the Stormwater Authority. Cost estimates are based on equal divide of current Sanitary Sewer costs for said services and materials, and transfer of all current General Fund stormwater management costs (in equal share, indexed for inflation) to the Stormwater Authority.

- Capital outlays are proposed for 2019 as follows:
 - Replacement of 1990 GMC Televising and Grout Truck (heavy duty), converting to a Ford Transit Connect (light duty) at \$12,125 (represents 50% cost share with Sanitary Sewer).

 - \$20,500 for 50% cost share with Sanitary Sewer Fund for first of three payments on new Backhoe for Sanitary Sewer and Stormwater projects (estimated total of \$61,500 per operation).

 - Advancement of an \$170,000 annual spend campaign for the substantial repair, replacement, and installation of stormwater infrastructure, based on significant continued televising (TV) performed to assess critical areas of disrepair or stormwater run-off deficiencies; split between CDBG funding and use of Authority funding.
 - Allocated share of \$13,000 for construction of a new wash, paint, and maintenance bay facility for proper maintenance of assets and compliance with MS4 stormwater requirements of the DEP, equal to 3.5% vehicle and equipment shared use for approx. \$341,500 facility.

 - Replacement of 1991 American Road Leaf Vac/Collector (E50) for \$35,414, 90% of which is funded through DEP Recycling Grant.

Minimum Fund Balance and Financial Reserves Analysis

As the Authority will be a new operating activity in 2019, there are no carryover financial reserves (other Borough Funds, through short-term notes, will support the fund financially during implementation to ensure cash flows adequate to pay current operating and capital needs). The established "Authority Funding" is built in an amount to add \$25,000 per year to the Authority's reserves -- to ensure the fairness of program funding, it could be some time before the Authority has established reserves sufficient to be in compliance with the Borough's policy -- minimum 25% of greater of current or next year's expenses in fund balance and financial reserves (\$311,175).

THE BOROUGH OF HANOVER

Approved Budget

Fiscal Year: 2019 Period From: 1 To: 12

Account Description	Adjusted 2018 Budget	2019 ADOPTED Stage
Fund 14 STORMWATER AUTHORITY		
Type R Revenue		
Dept 014 .		
14.014.35462 RECYCLING EQUIPMENT (902) GRANT	0.00	31,873.00
14.014.35503 STATE - MUNICIPAL PENSION AID	0.00	18,459.00
14.014.36900 STORMWATER FEES	0.00	1,219,368.00
Total Dept 014		
.	<hr/> 0.00	<hr/> (1,269,700.00)
Total Type R Revenue		
	<hr/> 0.00	<hr/> (1,269,700.00)

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Approved Budget

Fiscal Year: 2019 Period From: 1 To: 12

Account Description	Adjusted 2018 Budget	2019 ADOPTED Stage
Fund 14 Type E Dept 406 STORMWATER AUTHORITY Expense ADMINISTRATION		
14.406.01410.001420 LABOR - ADMINISTRATIVE STAFF	0.00	100,927.00
14.406.01500.001560 BENEFITS/TAXES - HEALTH & HOSPITALIZATION INSURANCE	0.00	178,466.00
14.406.01500.001580 BENEFITS/TAXES - LIFE INSURANCE	0.00	1,093.00
14.406.01500.001630 BENEFITS/TAXES - WORKMANS COMPENSATION	0.00	9,747.00
14.406.01600.001600 BENEFITS/TAXES - PENSION	0.00	18,459.00
14.406.02000.002100 MATERIALS & SUPPLIES - OFFICE	0.00	3,000.00
14.406.02000.003250 MATERIALS & SUPPLIES - POSTAGE	0.00	3,500.00
14.406.02000.003420 MATERIALS & SUPPLIES - PRINTING	0.00	500.00
14.406.03350.003802 RENTS - OFFICE RENT (GENERAL FUND)	0.00	17,006.00
14.406.03500.003520 FIRE & LIABILITY INSURANCE	0.00	4,500.00
14.406.03700.002500 PROF. SERVICES - COMPUTER & SUPPORT SERVICES/SUBSCRIPTIONS	0.00	5,000.00
14.406.04200.004200 DUES, TRAINING, & MEMBERSHIPS	0.00	2,540.00
Total Dept 406 ADMINISTRATION		

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Fiscal Year: 2019 Period From: 1 To: 12

Account Description	Adjusted 2018 Budget	2019 ADOPTED Stage
Fund 14		
 STORMWATER AUTHORITY		
 Type E		
 Expense		
 Dept 406		
 ADMINISTRATION	0.00	344,738.00
 Dept 436		
 HWYS-STORM SWRS. & DRAINS		
14.436.01300.001300		
LABOR - SUPERVISOR	0.00	46,210.00
14.436.03004.002515		
UTILITIES - TELEPHONE	0.00	1,250.00
14.436.03005.002515		
UTILITIES - ELECTRIC	0.00	1,250.00
14.436.03006.002515		
UTILITIES - WATER, SEWER & STORMWATER	0.00	1,000.00
14.436.03008.002515		
UTILITIES - GAS (HEAT)	0.00	1,500.00
14.436.03100.002251		
PROF. SERVICES - ENGINEERING & ARCHITECTURAL SERVICES	0.00	27,200.00
14.436.03142.002251		
PROF. SERVICES - CHESAPEAKE BAY-STORMWATER CONSORTIUM	0.00	102,490.00
14.436.03143.002251		
MISC. STORM WATER MANAGEMENT EXPENSES	0.00	1,540.00
14.436.03215.002515		
UTILITIES - CABLE & INTERNET	0.00	250.00
14.436.03300.001420		
LABOR - LEAF COLLECTION	0.00	44,033.00
14.436.03300.002500		
MATERIALS & SUPPLIES - LEAF COLLECTION	0.00	513.00
14.436.03310.002515		
UTILITIES - GARBAGE	0.00	600.00

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Account Description	Adjusted 2018 Budget	2019 ADOPTED Stage
Fund 14	STORMWATER AUTHORITY	
Type E	Expense	
Dept 436	HWYS-STORM SWRS. & DRAINS	
14.436.03320.001420		
LABOR - STREET SWEEPING	0.00	36,565.00
14.436.03320.002310		
UTILITIES - GASOLINE & OIL - STREET SWEEPING	0.00	4,379.00
14.436.03320.002500		
MATERIALS & SUPPLIES - STREET SWEEPING	0.00	565.00
14.436.03321.002500		
REPAIRS & MAINT. - STREET SWEEPING	0.00	6,158.00
14.436.03700.001420		
LABOR - STORM SEWERS/CURBS/DRAINS CLEANING	0.00	267,596.00
14.436.03700.001427		
LABOR - REPAIRS & MAINT. - STREET SWEEPING	0.00	3,348.00
14.436.03700.002500		
REPAIRS & MAINT. - STORM SEWERS/CURBS/DRAINS	0.00	5,132.00
14.436.03700.002515		
REPAIRS & MAINT. - TANGER BUILDINGS	0.00	1,200.00
14.436.06935.002350		
CAPITAL OUTLAY - STORM SEWER CONSTRUCTION	0.00	170,000.00
14.436.07000.002515		
CAPITAL OUTLAY - BUILDING & FACILITIES	0.00	13,000.00
14.436.07000.007300		
CAPITAL OUTLAY - VEHICLES	0.00	35,125.00
14.436.07000.007400		
CAPITAL OUTLAY - EQUIPMENT	0.00	35,414.00

Total Dept 436

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Account Description	Adjusted 2018 Budget	2019 ADOPTED Stage
Fund 14		
STORMWATER AUTHORITY		
Type E		
Expense		
Dept 436		
HWYS-STORM SWRS. & DRAINS		
HWYS-STORM SWRS. & DRAINS	<u>0.00</u>	<u>806,318.00</u>
Dept 471		
DEBT		
14.471.04710.004508		
DEBT - PRINCIPAL - BACKHOE CAPITAL LEASE	0.00	20,500.00
14.471.04710.004509		
DEBT - PRINCIPAL - LEASE FOR CAMERA TRUCK	0.00	27,799.00
14.471.04710.004520		
DEBT - PRINCIPAL - LEASES (ENTERPRISE)	0.00	2,488.00
14.471.04720.004509		
DEBT - INTEREST - LEASE FOR CAMERA TRUCK	0.00	3,453.00
14.471.04720.004520		
DEBT - INTEREST - LEASES (ENTERPRISE)	0.00	1,255.00
Total Dept 471		
DEBT	<u>0.00</u>	<u>55,495.00</u>
Dept 486		
INSURANCE PREMIUMS		
14.486.01500.001610		
BENEFITS/TAXES - SOCIAL SECURITY	0.00	38,149.00
Total Dept 486		
INSURANCE PREMIUMS	<u>0.00</u>	<u>38,149.00</u>
Total Type E		
Expense	<u>0.00</u>	<u>1,244,700.00</u>
Total Fund 14		
STORMWATER AUTHORITY	<u>0.00</u>	<u>(25,000.00)</u>