

**BOROUGH OF CARLISLE
COUNCIL MEETING MINUTES
October 12, 2017**

Mayor Scott called the Council Meeting to order at 7:00 p.m. Councilor Crampsie led the Moment of Silence and Pledge of Allegiance.

Councilmembers present: Councilors Crampsie, Flower-Webb, Fulham-Winston, Guido, Heath, Deputy Mayor Shultz and Mayor Scott. Also present were: Borough Manager Candland, Assistant Borough Manager Armstrong, Police Chief Landis, Public Works Director Malarich, Planning/Zoning/Codes Manager Skelly, Finance Director Butts, Assistant Finance Director Juday, Parks & Recreation Director Crouse, Fire Chief Snyder, Human Resource Supervisor Hamilton, Public Information Coordinator Taylor, Solicitor Brenneman, along with Borough Secretary Stone.

OPPORTUNITY FOR CITIZENS AND VISITORS TO BE HEARD

A. Citizens and Visitors Who Have Been Scheduled to Be Heard

1. Nicholas Ade, CEO for the Central Pennsylvania Youth Ballet (CPYB), 5 North Orange St, Carlisle, Pennsylvania, provided an overview of the programs offered by CPYB and the economic contributions that CPYB brings to the area. He noted an economic impact study of CPYB that was performed by Shippensburg University revealed 15.5 million dollars were infused back into the economy of Cumberland and Dauphin Counties.
2. Mr. Keith Readling, Project Director for Raftelis Financial Consultants, presented the final Stormwater Funding Feasibility Report. The recommendations from Raftelis were to:
 1. Ramp up the funding for stormwater management to 1.5 million per year
 2. Establish a Storm Water Fee program to generate that revenue.
 3. Establish a process that allows for public input. The process to implement could take 6 to 12 months to establish.
 4. Recommended setting up the fee rates in 2018 and then go live in January 2019 by adding stormwater service fees to the existing utility bills.

There was discussion among Councilors regarding phasing in rates, implementing a two tier system and a credit program.

The PowerPoint presentation is attached to these minutes.

B. All Other Citizens and Visitors

Ms. Brenda Landis, 216 A Street, Carlisle, Pennsylvania stated the Borough should also be addressing the origin of stormwater runoff in regard to parking lots. She noted that the Borough mandates the number of parking spaces required for businesses. Ms. Landis suggested the Borough address improving parking lot requirements along with the stormwater fee implementation.

CONSENT AGENDA

Councilor Heath made a motion, seconded by Councilor Guido, to approve the Consent Agenda. Council unanimously voted (7-0) to approve the Consent Agenda, which consisted of the following items:

A. Minutes:

*CDBG- CAPER Public Hearing 9/14/2017
Council Meeting 9/14/2017*

**B. Approval of Bills and Investment Transactions:
Expenditures as of September 30, 2017:**

<i>General Fund</i>	<i>\$ 1,731,709</i>
<i>Water Fund</i>	<i>\$ 524,453</i>
<i>Sewer Fund</i>	<i>\$ 568,245</i>
<i>Solid Waste Fund</i>	<i>\$ 93,625</i>
<i>Parking Fund</i>	<i>\$ 80,844</i>
<i>Capital Projects Fund</i>	<i>\$ 206,291</i>

C. Attendance Approval:

- 1. Accounting Clerk Pam Lebo to attend the Pennsylvania State Tax Collectors' Association Annual Convention in Greensburg, PA from October 19-22, 2017.*

D. HARB:

Council approved the following HARB items:

- 1. A request by Thurman Ed Doty and Rebecca Raley for a Certificate of Appropriateness at 166 East Pomfret St. The applicants would like to construct a driveway with an entrance off East Chapel Ave. onto the rear of their property. The project is proposed to include the associated demolition of an existing stonewall.*
- 2. A request by Eric Klinedinst for a Certificate of Appropriateness at 26 West High St. The applicant would like to replace eight (8) existing windows located on the second and third levels of the front of the three-story building. Replacement windows are proposed as metal-clad with exterior raised grilles for all windows.*
- 3. A request by Thomas and Laura Powers for a Certificate of Appropriateness at 117 West South St. The applicant would like to replace roof covering throughout and install new gutters and spouting. Applicant was approved to use asphalt architectural shingles instead of an EPDM roofing system. The existing rear shed roof would not be replaced.*
- 4. A request by New Visions, Inc. for a Certificate of Appropriateness at 132 / 134 North Hanover St. The applicant would like to replace sixty-three (63) existing windows located on the front, side and rear of the three-story brick building. Replacement windows are proposed as wood and shall include the use of exterior raised grilles.*
- 5. A request by Caprice Properties LLC for a Certificate of Appropriateness at 133 and 139 West High St. for numerous exterior renovations. During the meeting, the applicant proposed the installation of additional safety fencing similar to that shown on the submitted drawing for the building located at 133 West High St. also be approved for the roof level at 139 West High St.*

6. *A request by Larry Foster for a Certificate of Appropriateness at 19 East South St. The applicant proposes to replace deteriorated wood decking and trim on a front porch. Proposed replacement material will be wood composite.*

E. Mayor's Report:

1. *Borough Council directed the Mayor to execute a Settlement and Release Agreement on behalf of the Borough of Carlisle acknowledging the terms and conditions of said Agreement.*

REGULAR AGENDA

TABLED, CONTINUED, AND RECURRING ITEMS

A. Community Planning & Smart Growth:

1. Borough Council voted 7-0 to remove from the Table to discuss issuing a letter of support with respect to the proposed development of Tax Parcel Number 06-19-1643-312. Council's action shall also be subject to the Borough Solicitor's satisfactory review and approval. (Shultz/Flower-Webb)
2. Borough Council voted 7-0 to remove from the Table to discuss authorizing the Mayor to execute an Agreement by and between Carlisle Tire and Wheel 2, LP and the Borough of Carlisle obligating the owners of Tax Parcel Number 06-19-1643-312 to pay real estate taxes imposed by the Borough. (Shultz/Flower-Webb)

Ms. Laura Schwager followed up on questions raised at the October 4, 2017 Council Workshop meeting regarding Phase I. She stated that information presented at a previous meeting included information that PIHRL would: pay taxes; be a for profit entity; the homeownership provisions for the Carlisle Town Homes. She stated the resolution approved on March 1, 2016, included the statement designating lease option purchase for the townhomes in Phase I.

There was discussion regarding the Supportive Housing Plan document provided by PIRHL. Facts reviewed were that in the project base housing vouchers there will be eleven specialized veteran's units, eight project based vouchers are designated for veterans and three for vouchers are for the Section 811 program, which are project based, subsidized rent.

Discussion ensued in regard to the Market Study provided by PIRHL to Council. Ms. Schwager stated the study was performed by a third party and that the questions in the study were guided by the PHFA. The question was raised why local citizens were not interviewed to gain their opinions as to what was wanted for the project. Ms. Schwager noted the company that preformed the study were advised who to contact for the information. She remarked the study showed the Senior Housing would not be funded and that plan change was presented at the December 7, 2016, at which time an alternative plan was presented.

Additional discussion followed regarding a disparity in the number of homeless veterans listed in the Market Study provided by PIRHL and a local study undertaken by a consultant for the Partners for Better Health. Ms. Schwager cited the market study included the support housing need for disabled veterans, along with the next step for veterans using to the rapid rehousing program. Ms. Schwager stated that she spoke with Safe Harbor and was told there is a large need for permanent supportive housing in Carlisle.

Councilor Fulham-Winston asked if market rate housing was ever considered for this property and what was the basis for the decision to build rental housing. Ms. Schwager remarked the size and cost of the property would not support market rate housing or market rate condos. She stated this area is zoned for the proposed housing and added that this project will increase the value of the town.

Councilor Guido expressed concern that the numbers used to justify the need for veterans housing in the Supportive Housing Plan, were numbers from a market study that included data from 32 counties in Pennsylvania. She asked if these will be the counties that Carlisle will be drawing from. Ms. Schwager stated that she spoke with Safe Harbor and was told there is a large need for permanent supportive housing in Carlisle.

Councilor Guido inquired about discrepancies in the project plans regarding the existence of a laundry room in the club house and in each apartment. Ms. Schwager clarified that there was an error on that particular plan and each apartment will have a laundry room and no laundry room will be located in the club house.

Councilor Guido remarked she will ask her colleagues to oppose this project. She stated there has been misrepresentation and errors in information by PIRHL. Councilor Guido noted that what was being presented by PIRHL is not what the residents have asked for.

Councilor Flower-Webb stated that a copy of a letter of support for the project was received from a local Congressman. She inquired why PIRHL requested the letter without the support of Council. Ms. Schwager stated because she was under the impression that Council gave their support for the project at the June 29, 2017 meeting. A letter of support was requested from the Cumberland County Veterans Administration.

3. Borough Council, by a roll call vote of 4-3, (Councilors Flower-Webb, Fulham-Winston and Guido dissenting) approved issuance of a letter of support with respect to the proposed development of Tax Parcel Number 06-19-1643-312. Council's action shall also be subject to the Borough Solicitor's satisfactory review and approval. (Shultz/Flower-Webb)
4. Borough Council voted 7-0 authorizing the Mayor to execute an Agreement by and between Carlisle Tire and Wheel 2, LP and the Borough of Carlisle obligating the owners of Tax Parcel Number 06-19-1643-312 to pay real estate taxes imposed by the Borough. (Shultz/Flower-Webb)
5. Councilor Shultz requested that this item remain on the table. Dickinson College proposed request to rezone several properties (approx. 8.4 acres) north and west of the 500 block of W. Louthier Street, and Reed Street, from R-2 Medium Density Residential and UM Urban Mixed Use to INS Institutional District.

REPORTS FROM ELECTED OFFICIALS

B. Mayor's Reports:

1. Borough Council voted 7-0 to approve the installation of a plaque honoring the late James R. Washington, Jr. for his years' of dedicated service to the Carlisle community. The plaque's installation shall be coordinated by the Borough's Parks and Recreation Director and will be placed on the façade of the Hope Station building. (Scott/Flower-Webb)

REPORTS FROM COMMITTEES

C. Budget & Finance:

1. Borough Council, by a roll call vote of 7-0, adopted an ordinance amending the Borough of Carlisle Code, Chapter 95-6 entitled, "Cemetery Trust Fund", to allow for the use of principal to be used for one-time capital expenses and cemetery wall repairs. (Heath/Crampsie)

D. Public Safety Committee:

1. Borough Council, by a roll call vote of 7-0, approved an ordinance amending the Code of the Borough of Carlisle, with respect to Chapter 244, Vehicles and Traffic, changing the on-street parking prohibition from every day between 3:30 am to 5:30 am to Monday and Friday between 3:30 am to 5:30 am on High Street between Bedford Street and College Street and on Hanover Street between Penn Street and South Street. (Scott/Guido)

E. Public Works:

1. Borough Council voted of 7-0 to enter into an engineering services contract with Gannett Fleming, Inc. to provide design services for the Borough's 2018 Water Distribution System Rehabilitation Program, subject to Borough Solicitor approval of the contract. (Guido/Fulham-Winston)

NEW BUSINESS

Mr. Clinton Trout, 151 South West Street, Carlisle, Pennsylvania expressed his concern for the lack of nighttime lighting in his neighborhood streets and alleys. He recommended that the Borough consider installing solar powered lighting on the light poles. Mr. Trout inquired why the urban lighting was not extended to the south east area of the town. He stated the neighbors would like to start a neighborhood watch group. Council directed Borough staff to provide contact information to Mr. Trout for the South of South (SoSo) group.

REPORTS FROM COUNCIL MEMBERS & STAFF

Ms. Stout, the Student Ambassador for Dickinson College stated that Dickinson held a dedication for the new college president.

Councilor Fulham-Winston attended the dedication at Carlisle Cares and that they did a great job in remodeling the facility that now includes a medical exam room.

Councilor Heath noted there were 400 volunteers that participated in the 29th annual United Way Day of Caring. He remarked this was a great example of how this community comes together to make Carlisle better.

Mayor Scott remarked that he attended the dedication for the new president at Dickinson College, Margee Ensign and delivered the welcome remarks on behalf of the Borough.

Deputy Mayor Shultz stated that the Borough has a unique agreement with DCA and recommended that an alternative funding request process be considered.

Councilor Flower-Webb remarked that she represented the Borough at the Employment Skills Center 50th anniversary celebration. She also acknowledged Jessica Miller as the new CEO of Hope Station.

Councilor Crampsie reported that he viewed a video on twitter of two Carlisle police officers playing basketball with youth at Memorial Park. All agreed that it was good to see this interaction of police and youth.

Police Chief Landis reported the Body Warn Cameras are to be online in November. He provided updates on several police functions: Coffee with a Cop event was held, a police officer promotion will be presented at the November Council meeting and Bigs n Blue will begin at Wilson Middle School.

Finance Director Butts introduced Ms. Elizabeth McBride as the newly hired Assistant Finance Director.

Parks & Recreation Director Crouse remarked that new basketball backboards have been installed in Memorial Park and the pavement was resealed at Hope Station.

ADJOURNMENT

There being no further business or public comment, the meeting adjourned at 8:45 p.m.

Mayor Scott stated that Council will hold an executive session following the Council meeting to discuss real estate acquisition and do not anticipate to return to open session.

Timothy A. Scott,
Mayor

Joyce E. Stone
Borough Secretary

Borough of **Carlisle**

Stormwater Funding Feasibility Report

October 11, 2017

1. PROJECT OVERVIEW

The Borough of Carlisle provides a variety of public services to its citizens to promote public safety, attract businesses, and maintain and improve the quality of life. Many of these services relate either directly or indirectly to management of the stormwater drainage system infrastructure, which includes storm sewers, streets, and other components. As with many things, the cost for providing these basic services is increasing. In particular, the Borough has aging infrastructure, increasing water quality related regulations, and flooding concerns. All of these issues relate to stormwater and the Borough's stormsewer system.

The Borough's stormsewer system includes about 29 miles of storm sewer ranging from 8-inch to 54-inch diameter pipe, over 1,000 street inlets, 5 miles of grass lined channels, 3 retention basins and 24 outfalls to LeTort Spring Run. The Borough has historically supported this system through General Fund tax dollars, unlike the water and sewer systems, which have dedicated user fees to support their operation, maintenance, and rehabilitation activities. In anticipation of significant stormwater infrastructure projects, increasing regulatory requirements, and flooding concerns the Borough is evaluating the stormwater program's revenue needs and funding options.

In March 2017, the Borough contracted with Raftelis Financial Consultants, Inc. (RFC) to complete a stormwater funding feasibility study. As part of the study, a number of tasks were completed, including estimating of the Borough's stormwater service and compliance needs over the next few years, focusing on the costs for regulatory responsibilities, operation and maintenance needs, and potential capital projects and their cost. In addition, funding options were evaluated that could provide the necessary monies, considering traditional funding sources as well as the feasibility of fee-based funding through a stormwater utility fee.

This *Stormwater Funding Feasibility Report* documents these tasks, with the following sections:

- **Program Planning:** this section documents the stormwater program plan including current and future operations and maintenance, NPDES MS4 Permit activities, and expected capital. Actual program costs are expected to range from \$1.2 Million to \$1.5 Million over the next five years. The plan also includes establishing and funding a reserve fund. Including this buildup of reserves, the annual revenue requirement is about \$1.5M. A detailed program plan is included as Appendix A.
- **Funding Assessment:** this section documents different stormwater funding options including continuing to tax fund and consideration of implementing a stormwater utility fee to fund the stormwater program.
- **Rate Base Estimate:** this section documents the methodology for estimating a rate base should the Borough decide to pursue a stormwater utility fee.
- **Outreach:** this section documents outreach conducted with some of the key stakeholders in the Borough including the business community, Dickinson College, Carlisle Area School District, Cumberland County, non-profits, and the general public.
- **Final Recommendation:** It is recommended that a stormwater utility fee be pursued to fund the stormwater program.

2. PROGRAM PLANNING

The Borough has been funding and fulfilling stormwater infrastructure needs for decades using General Fund tax revenue. That funding level has varied from year to year as tax revenue must be allocated amongst all the Borough's competing priorities. In recent years, it is estimated to have been approximately \$300,000 to \$400,000 annually, with a few years of higher funding levels. That funding and those stormwater services were primarily contained under the Public Works Field Operations category, with some stormwater costs being accounted for separately beginning in FY2015.

In order to evaluate funding feasibility, it is important to understand the revenue requirements for the stormwater program over a longer horizon. For the purposes of this study, a ten-year planning period was considered. This medium view horizon for the planning period allows the Borough enough time to get actively engaged into the increased program level moving into the next MS4 permit cycle while also addressing the capital and operational needs of the Borough.

Based on discussions with Borough staff, the stormwater program needs can be grouped into current operations and maintenance, expanded operations and maintenance, NPDES MS4 permit requirements, and capital needs. The program plan also factors in a reserve fund to establish a sound enterprise fund practice and to ensure funds are available in case the Borough encounters emergency stormwater capital needs.

CURRENT OPERATIONS AND MAINTENANCE

As part of current operations and maintenance for the stormsewer system, the Borough provides street sweeping services, inlet cleaning, and curb replacement. The Borough's street sweeping services cover 56 miles annually and costs approximately \$75,000, in addition to disposal fees of approximately \$45,000. Moving forward, street sweeping services are expected to continue at their current level. However, the Borough's street sweeper will need replaced within the near future due to age. The cost of a new street sweeper is estimated at \$230,000 and those costs are modeled to be spread over a 10-year period.

Inlet cleaning currently occurs on an as needed basis and costs the Borough around \$83,000 annually. The Borough wishes to start taking a more proactive approach to inlet cleaning by establishing regular cleaning schedules. As a result, inlet cleaning costs are expected to increase to around \$100,000 annually.

Costs for curb replacement are shared with the Highway Aid Fund and are estimated at around \$100,000 annually.

EXPANDED OPERATIONS AND MAINTENANCE

In order to ensure that the collection system is adequately maintained, including being more proactive as it relates to maintenance, the Borough needs to increase its level of service by conducting more frequent collection system inspections and maintenance activities. This increased level of service is estimated to cost \$20,000 annually. In addition to the increased level of service, the Borough has several new stormwater related activities that it would like to pursue as well as some existing stormwater related activities that are currently being funded using other sources, but are being reallocated to stormwater. These new or newly allocated activities include inspection and maintenance of municipal best management practices (BMPs); dechlorination chemicals for flushing hydrants; stormwater billing administration; as well as reassignment of existing staff time to

stormwater management issues. Additional stormwater staff time is expected to include assigning a stormwater coordinator as well as some field staff to support additional inspection and maintenance of the collection system and municipal BMPs.

The Borough is also expected to purchase a new backhoe as a shared resource. The stormwater allocation of these costs would be 1/12 or 8.33% of the costs over 15 years.

NPDES MS4 PERMIT

The Borough is currently in Year Three of its MS4 permit and are in the process of planning for the remaining two years of the current permit term as well as the next permit cycle. Most immediately, the Borough is required to complete its stormwater system mapping by 2019, which is Year Four of the current permit term. Mapping is expected to cost \$40,000. Public outreach is also a component of the current permit term and is expected to continue into the next permit term. Current outreach funding is at \$1,000 annually. Looking ahead to the next permit term starting in 2020, the Borough is expecting an increase in post-construction and illicit discharge detection and elimination (IDDE) requirements as they relate to more stringent sediment, total phosphorus, and total nitrogen requirements. In order to ramp up the post-construction and IDDE programs, the Borough is anticipating an increase in staffing or realignment of responsibilities for existing staffing as well as funding permit review processes. Post-construction costs are currently estimated at \$3,000 annually and is expected to ramp up to \$9,000 annually in 2020, while the IDDE program is expected to ramp up to \$20,000 annually in 2020.

CAPITAL

The Borough has several stormwater related capital needs including a known five-year capital plan, master plan, and the Stormwater Park project. The five-year capital plan varies in costs between \$275,000 and \$728,000 annually. A Stormwater Master plan is scheduled for completion in 2018 and is expected to cost \$200,000. The Stormwater Park project is being funded through multiple funding sources, but stormwater is expected to contribute \$500,000 annually for 10 years starting in 2019. Capital projects that are expected to be completed include flood control projects as well as infrastructure repair and replacement projects. See Appendix B for other planned Capital Projects.

3. FUNDING ASSESSMENT

Based on the stormwater program needs and costs evaluation, \$1.5 Million per year is needed in both the short term and over the next five to seven years to tackle improvements to the system, flood alleviation, water quality controls, and a buildup of reserve funds.

Currently, all Borough stormwater management activities are paid through the Borough's General Fund (ad valorem real estate tax revenue stream). In order to continue using real estate taxes to fund the stormwater system at the recommended levels, a real estate tax increase of approximately 25 percent would be required. The potential tax increase is inflated by the fact that nearly 25% of the value of properties within the Borough are tax exempt; the Borough has numerous County, school, college, and non-profit properties.

In part because of the magnitude of tax exempt properties, and in part because of the types of non-residential development within the Borough, a real estate tax increase places the majority of the burden on residential properties. Currently, residential properties account for just over half of the

tax value, but they account for only 30% of the estimated impervious surface area within the Borough. On the other hand, commercial and institutional properties account for about 43% of the tax value, and 70% of the impervious area. Lands categorized as vacant in the County's parcel data account for most of the remaining tax base. This group has little to no impervious surface area. For reference, funding the full stormwater program through a property tax increase (of just under 1 mill) would amount to an increase of about \$160 per year for the average single family residential property.

The alternative to raising real estate taxes would be to enact a stormwater utility fee that would be charged to every property based on the demand it places on the stormwater system. The Borough relies on user rate structures to pay for its operation, maintenance, and rehabilitation of its water and sewer systems. Until recently, stormwater user rates were not utilized in Pennsylvania, although they are common elsewhere in the United States. Stormwater utility fees are generally charged to ratepayers within a service area based on the amount of impervious surface area on each property. A stormwater utility fee provides the ratepayer a level of assurance that revenues generated by said fee will be used for the program itself, unlike tax funded programs that are constantly faced with competing for limited General Fund dollars.

It is worth noting that the assessed value of a tax parcel has little to do with how much stormwater it creates. Likewise, tax exempt parcels contribute to stormwater runoff, but typically do not have a direct impact on General Fund revenues. Unlike property taxes, a fee would be assessed on every property with impervious surface in the Borough including government buildings, schools, churches and non-profits.

Based on the outcome of the rate base estimate described below, Raftelis developed draft rates between \$5.50 and \$9.50 per month for a typical single family house, or per 3,200 square feet of impervious area for non-residential properties. For single family houses, this is at least 30% lower on an annual basis than the tax increase discussed above.

4. RATE BASE ESTIMATE

In order to estimate the rate base that could support various potential stormwater fee rate structures, the following GIS data were utilized: parcel polygons and imagery data. Property Type codes were then utilized to identify the single family residential parcels and non-single family residential parcels.

Essentially, all stormwater rate structures rely directly or indirectly on impervious surface for all or most rate parts. The most common stormwater rate structure is an impervious area rate structure, with the units of charge being equivalent residential units, or ERUs. The project team set out to estimate the rate base for this type of rate structure recognizing other options likely would relate to it.

At the outset of the project, no impervious area data had been developed for the Borough. For this reason, impervious area needed to be estimated for non-single family residential parcels. To complete the estimate, a grid containing 213 cells was overlaid on the Borough parcels. Each grid cell was 1,000,000 square feet. Single-family residential parcels were blacked out and the non-single family residential parcels remained visible. Then the percentage of impervious area visible within the grid cells was estimated. The estimate was performed by two individuals independently and the

values for each of the grid cells were compared. An additional estimate was performed for all grid cells where the estimate differed by more than 5%. The percentage of non-single family residential impervious area was averaged for each of the grid cells. Based on this methodology, impervious area for non-single family residential properties is estimated at 38 million square feet. Figure 1 and 2 below shows Borough imagery and parcels with the grid overlay, with single family residential parcels and streets blocked out.

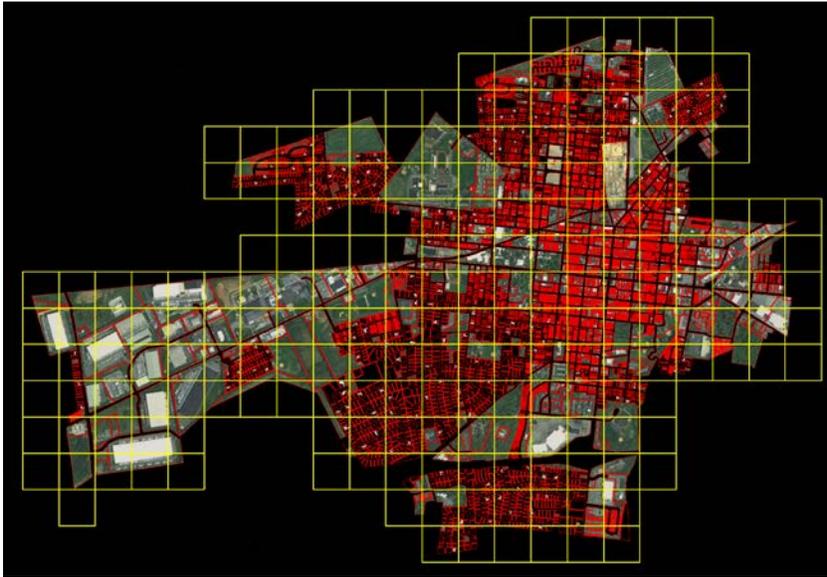


Figure 1. Borough Imagery and Parcels with Grid Overlay



Figure 2. Single Grid Square with Parcels and Imagery

In order to estimate the total number of ERUs in the rate base, impervious area was measured for a sample of single family residential parcels. Impervious area was measured for a total of 200 single family residential parcels. Consideration was given to ensuring that single family residential parcels were sampled from a variety of locations in the Borough. The median impervious area for the single family residential parcels sampled was 3,200 square feet and that value was used as the ERU for the rate base and rate estimates that follow. There are approximately 5,000 single family residential parcels in the Borough and using 3,200 square feet as the typical impervious area, total single family residential impervious area can be estimated at 16 million square feet. Figure 3 below should be an example of the digitized impervious area for a single family residential property.



Figure 3. Impervious Area for a Single Family Residential Property

To further support the non-single family residential impervious area estimate and to better understand the potential impact of a stormwater fee on some of the large stakeholders, several parcels in the Warehouse District and the entirety of the Dickinson College campus were digitized to determine impervious area on those parcels. Figure 4 below shows a digitized parcel in the Warehouse District and Figure 5 below shows the digitized Dickinson College campus.

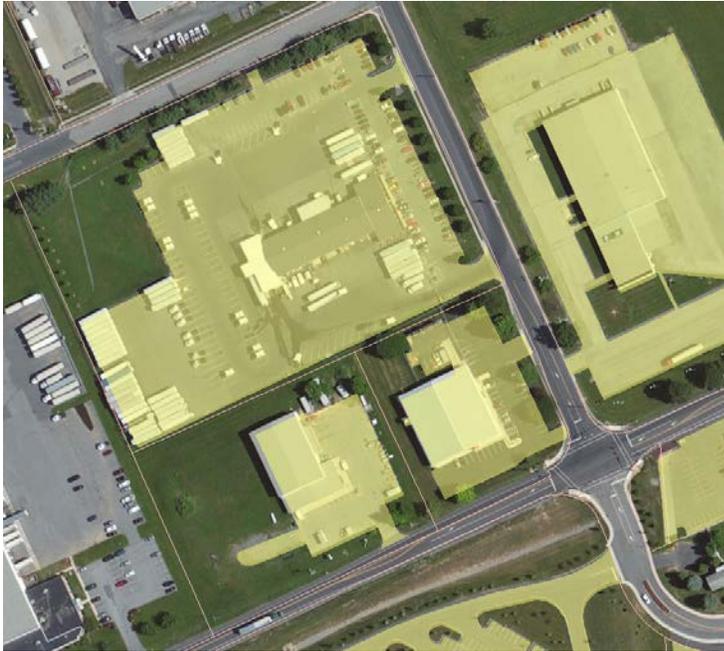


Figure 4. Impervious Area for some Warehouse District Parcels



Figure 5. Impervious Area for Dickinson College Campus

If the Borough decides to move forward with impervious area based rates, more detailed data analysis and development will be required.

5. OUTREACH

As part of this funding feasibility study, the Borough reached out to key stakeholders to discuss the needs of the stormwater program and potential funding options including an increase in property taxes versus implementing stormwater fees. Meetings were held in July and September 2017 with the business community, Dickinson College, Carlisle Area School District, Cumberland County, non-profits, and the general public.

The business community was particularly focused on the potential fee being simple and fair across the community. In addition, the business community wanted to ensure that the program is run efficiently, both administratively and at the project level. Infrastructure improvements would be greatly appreciated in the community and there were several questions related to the extent of the stormwater infrastructure work that would be completed. Questions were also raised on whether there would be opportunities to reduce the fee through the installation of BMPs.

Dickinson College owns a significant amount of property, some on the tax rolls others tax-exempt. Thus, the College would be heavily affected by a stormwater funding decision. The College acknowledged flooding problems, notably around campus. The College wanted to make sure that the methodology behind the fee was thoughtful and appropriate. More information was requested and provided on the potential financial impact to College. They, like many other community members, requested adequate time to plan and budget for a new fee. The College was also interested in potential opportunities to partner with the Borough on stormwater related activities, particularly since the College owns a large portion of the otherwise limited green space in the Borough.

The Carlisle Area School District is another large property owner in the Borough. Like many schools across the country, the Carlisle Area School District is on an extremely tight budget and a stormwater fee has the potential to become burdensome. The District is already behind on pension obligations. Taxes are already raised as much as allowable by the Commonwealth each year so there is not a lot of opportunity to expand the District's budget as needed. The District pointed out that there are several properties that have BMPs and already receive water from other properties. The District was particularly interested in opportunities to partner with the Borough and lower fees. Like Dickinson College, the School District owns a large portion of the green space in Borough.

Cumberland County acknowledged that the idea of a fee is not new, particularly since Hampden Township recently began charging a fee. The County expressed interest in how roads would be treated under a stormwater fee. The County was well aware of the increasingly stringent flooding and regulatory requirements that the communities are facing. Like Dickinson College, the County would need adequate time to plan and budget for a potential fee.

Like the School District, non-profits were concerned that the fee may be a hardship and that they would need adequate time to plan and budget for a fee. Some non-profits questioned the fairness of a fee and pointed out that some non-profits have a way to generate revenue, but many do not. There were multiple questions related to rate structure elements, impervious unit rates, fee exemptions, timelines or end dates for a fee, and development of a credit program.

During the general public meeting, some citizens expressed concern about issues such as clogged inlets and street paving in prior years where the street surface is at or above curb level. One citizen noted that current Borough development codes may require more impervious surfaces than developers would otherwise have built, such as sidewalks and parking spaces, such that the Borough's own policies contradict the implicit possibility of reducing impervious area to reduce a ratepayer's stormwater fee. Other comments revolved around the meeting attendees' desire the community have more input on crafting policies and processes as they relate to the stormwater utility and other associated Borough policies. Many members of the public were concerned about water quality and whether the additional funding would address these concerns including sediment in LeTort Spring Run. There were questions about how stormwater would be "treated" and how do we plan for the capacity of LeTort Spring Run. The public wanted to know what capital projects would be completed and whether the Borough could use the stormwater revenue for other purposes. The public also had questions about the details of the fee including whether rates can increase, whether there is an end date, whether the rate structure would be responsive to different types of impervious area, and whether a credit program would be implemented.

Overall, a stormwater fee was received as a tolerable option for funding stormwater program, despite the concerns expressed that it may be a hardship for some, particularly non-profits and schools. Other stakeholders expressed the desire for opportunities to reduce their fees, most notably through BMP installation. Ensuring that the fee is fair and that stakeholders have adequate time to plan and budget for a fee will be important if the Borough decides to pursue a stormwater fee.

Members of the project team presented a project summary, outcomes from outreach meetings, and preliminary results to Borough Council in early September.

6. FINAL RECOMMENDATIONS

Based on the stormwater program drivers and the anticipated increase in stormwater revenue requirements, fully funding the stormwater program using tax revenues is no longer feasible for the Borough of Carlisle. The approximately 25% increase in real property taxes required to fund the stormwater program is unrealistic. Enacting a stormwater utility fee that would be charged to every property based on a property's impervious area would allow the Borough to collect revenue from all customers based on the demand it places on the stormwater system and would be a fairer and equitable way to fund the stormwater program. Stormwater projects would no longer compete for limited General Fund tax dollars and the ratepayer would be ensured that revenues collected by the stormwater fee would go specifically to that purpose.

Raftelis recommends that a stormwater utility fee be pursued to fund the stormwater program moving forward. The next steps include determining rate structure details, measuring the remaining non-residential impervious surfaces, linking up stormwater billing data with the water/sewer billing system, and refining the financial plan based on the final rate structure and rate base. Completing this process will allow the Borough to plan for and fund a growing stormwater program. These steps are further defined below, and Raftelis expects that they can be completed within 12 months of the decision to proceed. If these steps were to proceed immediately, this means stormwater billing could comfortably begin January 1, 2019. The steps below will cost between \$60,000 and \$100,000, with

the final amount highly dependent on the expected amount of public involvement, nuances of the rate structure, and ease of connectivity with the billing system.

Determining Rate Structure Details

This feasibility assessment relied on a basic impervious-area based rate structure with no special exemptions or considerations. There are additional rate structure details to be decided before final fees can be calculated. Specifically, decisions still need to be made on

- the treatment of residential properties (for example, establishing a tiered system of rates)
- whether a credit program will be implemented, and if so how it will be structured
- how multi-family, and multi-metered properties will be billed

The general public voiced some interest in participating in decisions to determine rate structure details. To meet the timeline discussed above, Raftelis recommends a limited and intensive involvement from a group of ratepayers representative of the variety of customer groups. This portion of the implementation has the most potential to influence the timeline and budget, depending on the amount of involvement.

Measuring the remaining non-residential impervious surfaces

While a sample of non-residential properties were digitized to estimate the rate base and support some targeted ratepayer outreach, there are hundreds of properties that remain un-digitized. These must be accurately measured before final rates can be determined. This should be completed by the end of June 2018.

Linking up stormwater billing data with the water/sewer billing system

The Borough bills for water and sewer service, and it is anticipated that stormwater service would be billed the same way. As part of the feasibility assessment, Raftelis discussed the ability to accommodate another fee in that system with Borough staff, but the details of how the data would be loaded and maintained remain to be determined. Adequate maintenance is required to support accurate billing, collections, and customer service. This process could begin in early 2018, initially using draft data for testing. Final data would be loaded prior to billing in January 2019.

Refining the financial plan based on the final rate structure and rate base

Based on determined rate structure details and measured impervious area for all non-residential properties, the program plan will be refined into a more robust financial plan. This financial plan will be a key input into the final rate study. The financial plan model would include, as needed, different collection factors or payment patterns by customer group, credit reductions, and fund balance projections for the new stormwater enterprise fund. This effort would be concluded during or before October 2018.

Establish Enterprise and Rate Ordinance(s)

As part of the budgeting process for FY2019, the Borough should establish a separate stormwater enterprise fund and adopt a rate ordinance to set rates for one or more fiscal years. This is one of the last steps before billing begins in January 2019.

APPENDICES

Appendix A. Program Budget (Excluding Reserve Fund Revenue Requirement)

	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022
Operations						
Street Sweeping	\$74,631	\$75,751	\$76,887	\$78,040	\$79,211	\$80,399
Disposal Fees	\$45,000	\$45,675	\$46,360	\$47,056	\$47,761	\$48,478
Inlet Cleaning	\$100,000	\$101,500	\$103,023	\$104,568	\$106,136	\$107,728
Curb Replacement	\$100,000	\$101,500	\$103,023	\$104,568	\$106,136	\$107,728
Inspection & Maintenance	\$20,000	\$20,300	\$20,605	\$20,914	\$21,227	\$21,546
Dechlorination Tablets & Equip	\$5,000	\$5,075	\$5,151	\$5,228	\$5,307	\$5,386
Staff Time	\$141,700	\$143,826	\$145,983	\$148,173	\$150,395	\$152,651
Overhead	\$8,955	\$8,330	\$-	\$-	\$-	\$-
Other						
<i>Total</i>	<i>\$495,286</i>	<i>\$501,956</i>	<i>\$501,031</i>	<i>\$508,546</i>	<i>\$516,174</i>	<i>\$523,917</i>
MS4 Related						
Development Review						
Outreach	\$1,000	\$1,015	\$1,030	\$1,046	\$1,061	\$1,077
Post-Construction	\$3,000	\$3,045	\$3,091	\$9,411	\$9,552	\$9,696
IDDE				\$20,000	\$20,300	\$20,605
Public Education	\$7,000	\$7,105	\$7,212	\$7,320	\$7,430	\$7,541
System Mapping	\$-		\$40,000	\$-	\$-	\$-
Other						
<i>Total</i>	<i>\$11,000</i>	<i>\$11,165</i>	<i>\$51,332</i>	<i>\$37,777</i>	<i>\$38,343</i>	<i>\$38,918</i>
Equipment						
Street Sweeper	\$26,963	\$26,963	\$26,963	\$26,963	\$26,963	\$26,963
Other Equipment	\$1,000	\$1,614	\$2,528	\$3,449	\$4,670	\$4,670
<i>Total</i>	<i>\$27,963</i>	<i>\$28,577</i>	<i>\$29,491</i>	<i>\$30,412</i>	<i>\$31,633</i>	<i>\$31,633</i>
Capital						
Planned Capital	\$728,200	\$615,000	\$275,000	\$385,000	\$395,000	\$479,640*
Master Plan	\$-	\$200,000		\$-	\$-	\$-
Stormwater Park	\$-	\$-	\$500,000	\$500,000	\$500,000	\$500,000
<i>Total</i>	<i>\$728,200</i>	<i>\$815,000</i>	<i>\$775,000</i>	<i>\$885,000</i>	<i>\$895,000</i>	<i>\$979,640</i>
Total	\$1,262,449	\$1,356,698	\$1,356,854	\$1,461,735	\$1,481,151	\$1,574,109

*Capital Plan is only established through 2021. Future years rely on an average Capital amount for the preceding 5 years.

* As the heading for the table indicates, these total estimated costs do not allow for establishing and funding any reserves. With reserves the annual revenue requirements will be about \$1.5M.

Appendix B. Capital Projects (in addition to Stormwater Park)

Department/Item	Type	2017	2018	2019	2020	2021
Engineering Eval./Sys. Improvements	I	\$75,000	\$85,000	\$95,000	\$100,000	
Street Sweeper	E	\$230,000				
W. High Street Stormwater Improv.(BMP)	I	\$100,000	\$200,000			
Lamberton MS (S. Hanover) (BMP)	I		\$40,000	\$100,000		
Borough Facilities (BMP)	I	\$30,000	\$40,000	\$40,000	\$40,000	
Borough Hall Ramp Repairs	I	\$24,000				
Excel Stormwater Diversion	I	\$70,000				
Cherry & Louthier Stormwater Improv.	I	\$179,200				
Roadway Roundabouts	I		\$200,000		\$200,000	
PW Field Yard (BMP)	I	\$15,000	\$15,000			
Bicycle Safe Storm Grates	I	\$5,000	\$5,000	\$5,000	\$5,000	
Chesapeake Bay PRP Impl. Projects	I		\$30,000	\$35,000	\$40,000	\$45,000
Thornwald Park (BMP)	I					\$350,000