

White Township Supervisors

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**TESTIMONY BY
WHITE TOWNSHIP, INDIANA COUNTY**

**BEFORE THE
HOUSE INTERGOVERNMENTAL AFFAIRS COMMITTEE**

ON

THE AMERICAN REVITALIZATION AND REINVESTMENT ACT

**NOVEMBER 5, 2009
INDIANA, PA**

Chairman Thomas and members of the House Intergovernmental Affairs Committee:

Good morning and welcome to White Township. My name is Larry Garner, and I am the Manager here in White Township, and we're happy to have you visit our area for this hearing. Thank you for the opportunity to appear before your Committee today.

I was alerted to the fact that this hearing was being held by the Pennsylvania State Association of Township Supervisors (PSATS) and PSATS has asked me to respond, on their behalf, to a couple of questions that had been asked at the Scranton hearing last week.

One question asked if PSATS was invited to be part of the State's Oversight Committee for the American Revitalization and Reinvestment Act (ARRA)?..... PSATS did not receive an invitation to participate in the State's Oversight Committee.

A second question asked if PSATS was included in any state training programs?.....The Association was not included in any state training programs specifically. PSATS did partner with The Ferguson Group out of Washington, D.C. to offer four workshops for local government officials in the late winter/early spring of this year. These workshops helped explain ARRA, how the money would be distributed, and how to apply.

A final question asked what involvement PSATS has in the ARRA Program?..... PSATS does not have any role in the ARRA. Our national association, the National Association of Towns and Townships, actively lobbied for the inclusion of local governments in the distribution of stimulus funds during the legislative process and has worked to influence federal program guidelines for programs that townships might apply. PSATS has attempted to influence program guidelines at the state level.

Now, if I may, I would like to provide a local government perspective of the ARRA program and its impact on townships in Indiana County. There are 24 townships in Indiana County that range in population size from over 14,000 down to less than 700 persons. White Township is the largest township and is nearly three times larger than the next largest Township and, if you remove White Township from consideration, the average population of the 23 remaining townships is less than 2,200 people per municipality. The point being, Indiana County is mostly a rural area and the townships are relatively small in size.

The primary function of most townships, regardless of size, is the care and maintenance of local roads. This year, White Township budgeted about \$1.5 million to maintain our 80 miles of road. The plow truck we bought cost over \$150,000. The traffic signal we are currently installing costs \$125,000. Annually we spend between \$300,000 and \$350,000 to pave and seal coat our local roads. Wages and overhead are nearly \$500,000. If you consider our General Fund and our Liquid Fuels Fund together, road maintenance accounts for 43% of our expenses. In more rural township, roads often accounts for almost all of their budget.

In recent years, funds to maintain roads have been dwindling. The State Liquid Fuels Program provides annual moneys to municipalities to help in the cost of maintaining local roads. This program is funded through gas tax revenues. In the past two years, White Township's allocation of Liquid Fuels moneys has been reduced by nearly 8% due to the motoring public using less gasoline and, therefore, paying less gas tax. When this municipal allocation system began in the 1950's, the amount of money allocated to local governments was a 20% fair share of the total Liquid Fuels Fund. Currently, municipalities receive 14.6% of the Fund. These funding reductions, along with the increasing cost of petroleum products used in making asphalt and fueling vehicles, has resulted in ever tightening road budgets at the local level. We are constantly being asked to do more work with less funding.

Regarding the economic stimulus program, it is my understanding that all of the highway-related stimulus money was used by PennDoT to supplement their construction budget, and local governments received nothing. In Indiana County, PennDoT did four (4) projects with the economic stimulus funds...three (3) bridge projects and one (1) resurfacing project for a total sum of \$15.2 Million. The total amount of Liquid Fuels money received by townships in Indiana County in 2009 was just over \$3 Million. It would have been nice if a small part of the \$15.2 Million used by PennDoT locally could have been directed into the liquid fuels program for use by local governments. This would have been a good opportunity to provide local governments with some additional and much needed funding to help maintain their local roads.

In addition to road concerns, White Township needed funding to complete sanitary sewer repairs and we understood the stimulus program could fund "shovel ready" projects. Fortunately, we did have a couple "almost shovel ready" projects sitting on the shelf. It should be noted that most municipalities in Indiana County probably would not have had "shovel ready" projects due to their smaller financial base making it difficult to expend funds on "wish list" items. This requirement would have been a constraint to smaller municipalities applying for stimulus funds.

White Township's sewer projects were for line extensions and replacements, eligible activities that were being funded with stimulus money through the Pennsylvania Infrastructure Investment Authority (PennVest). But, at the same time, the Commonwealth Financing Authority (CFA), through their H2O Grant program, was accepting applications for sewer and water projects. The terms of the CFA's H2O Program were more attractive in nearly all respects than PennVest's requirements, so we opted to submit our projects through the H2O program. This application was graciously prepared by our County Office of Planning and Development. Our \$10 million joint application with Indiana Borough received funding through the CFA, but only for \$1 Million due to the high demand for these funds. Of the \$1 Million dollars committed, White Township will receive approximately \$250,000 with the remainder going to the Borough.

I should note that State Senator Don White's office sponsored several meetings to assist municipalities in working through both the CFA and the PennVest programs and it was extremely helpful to have their support. Additionally, the assistance of the Indiana County Commissioners and their Office of Planning and Development was critical in dealing with this matter. I want to thank them both.

In closing, if this committee is asking ... "What has been the impact of the Federal Economic Stimulus Program on White Township?" the answer is "None". White Township received no Federal economic stimulus money, nor did we apply for any.

Thank you for this opportunity to testify before the Committee today and I would be happy to answer any questions you may have.