

Getting Help to Local Governments Through Technical Assistance

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Environmental Finance Center
University of Maryland

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Annapolis, MD





A Mid-Atlantic Environmental Finance Center

- Regional center
 - Maryland, Virginia, West Virginia, Pennsylvania, Delaware, and the District of Columbia
 - Located at UMD and a satellite office in Lancaster, PA
- Expertise in assisting communities:
 - Address internal capacity
 - Develop organizational capacity
 - Assess, recommend, and implement watershed protection financing programs
 - Identify funding and financing opportunities



Financing Bay Restoration through WIP Implementation

Public sector financing problem:

- Local responsibility
- Highly complex
- High costs, limited revenue

Public sector financing needs:

- Reduced costs through greater efficiencies
- Reduced and/or mitigated risks
- Innovative solutions to entrenched problems



How EFC is Helping Local Governments

1. Offering a series of WIP financing workshops to be held around the region on stormwater and agriculture
2. Providing direct technical assistance around the watershed through the Stormwater Finance and Outreach Unit; small systems financing assistance; Agriculture Financing Unit, etc.
3. NFWF Local Government Technical Assistance awards
4. Watershed Assistance Collaborative (MD only)



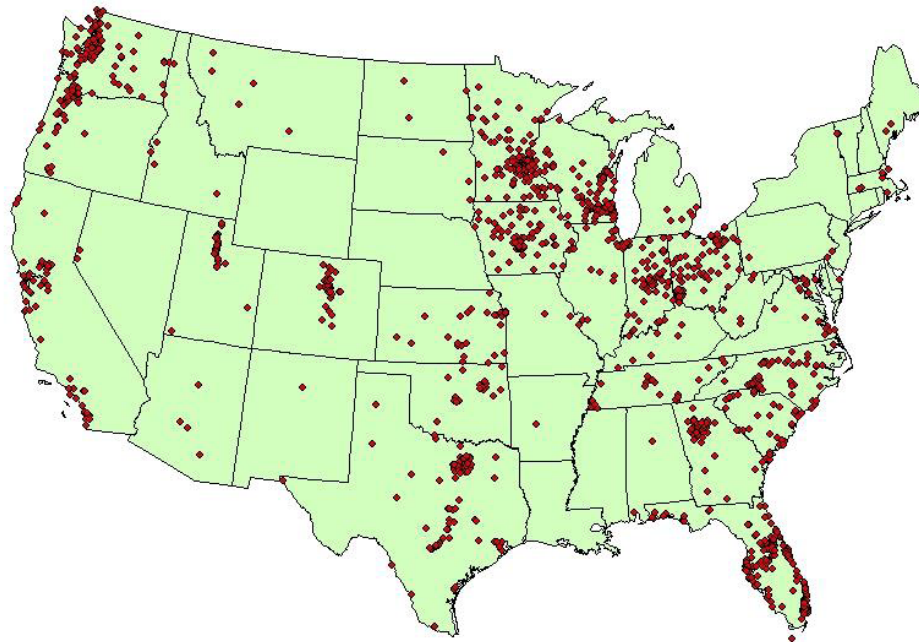
Helping Local Governments through WIP Financing Workshops

- Upcoming EPA sponsored workshops to help with financing related to the WIPs
- Several workshops to take place in 2013
 - MD Phase 1 MS4 Workshop (held Dec. 14, 2012)
 - PA Phase 2 MS4 Stormwater Trainings and Workshops (Feb. 2013)
 - PA Agriculture Workshop
 - VA Phase 2 MS4 Stormwater Workshop
 - VA Stormwater Workshop
 - WV SW/WW Workshop
 - MD/DE Agriculture Workshop
 - VA or MD Agriculture or Stormwater Phase 2 Workshop



Stormwater Financing Around the Country

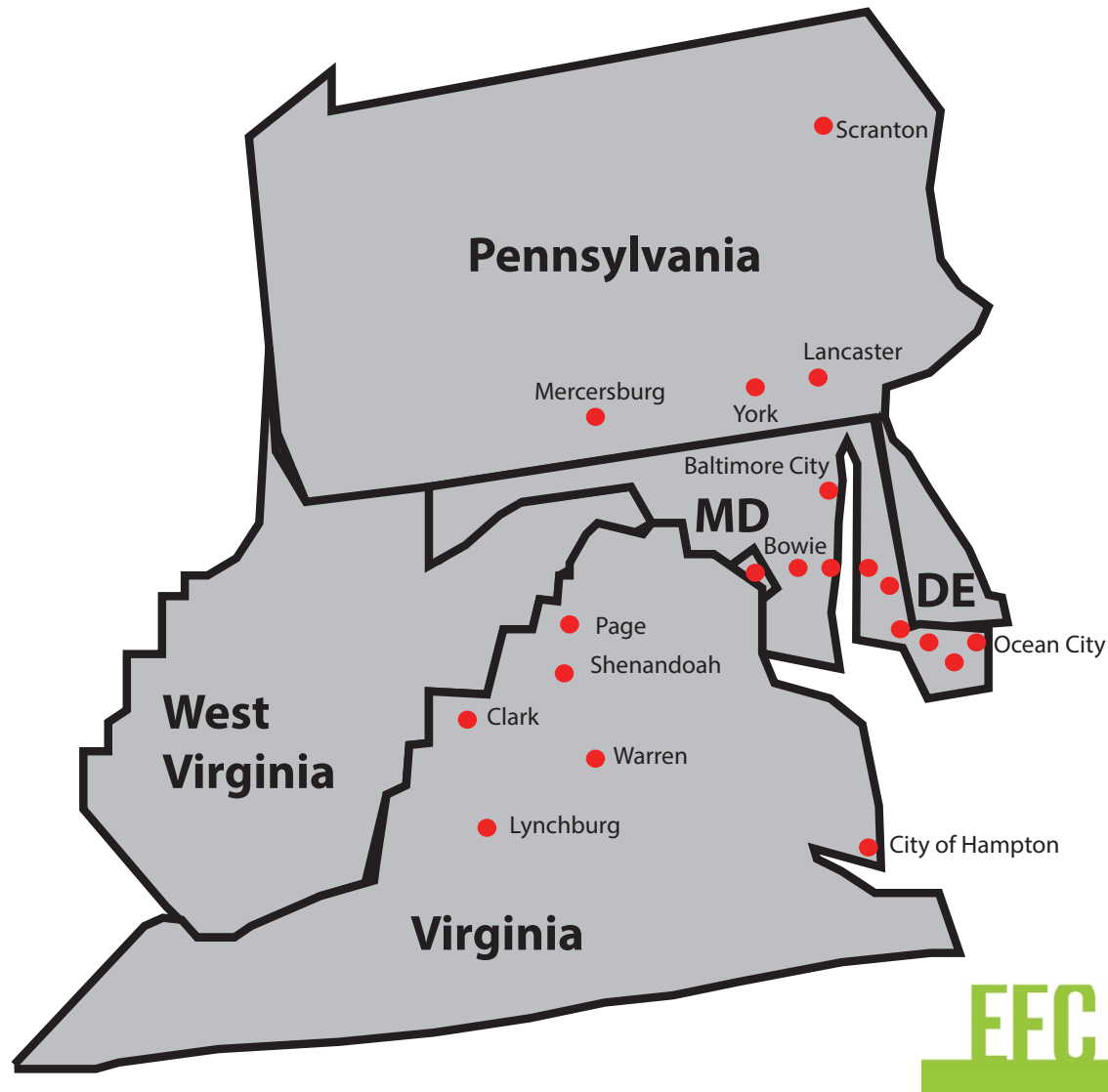
Stormwater Utilities 2012



Source: Western Kentucky University Stormwater Utility Survey 2012; report surveys
1,314 stormwater utilities across 39 states and DC

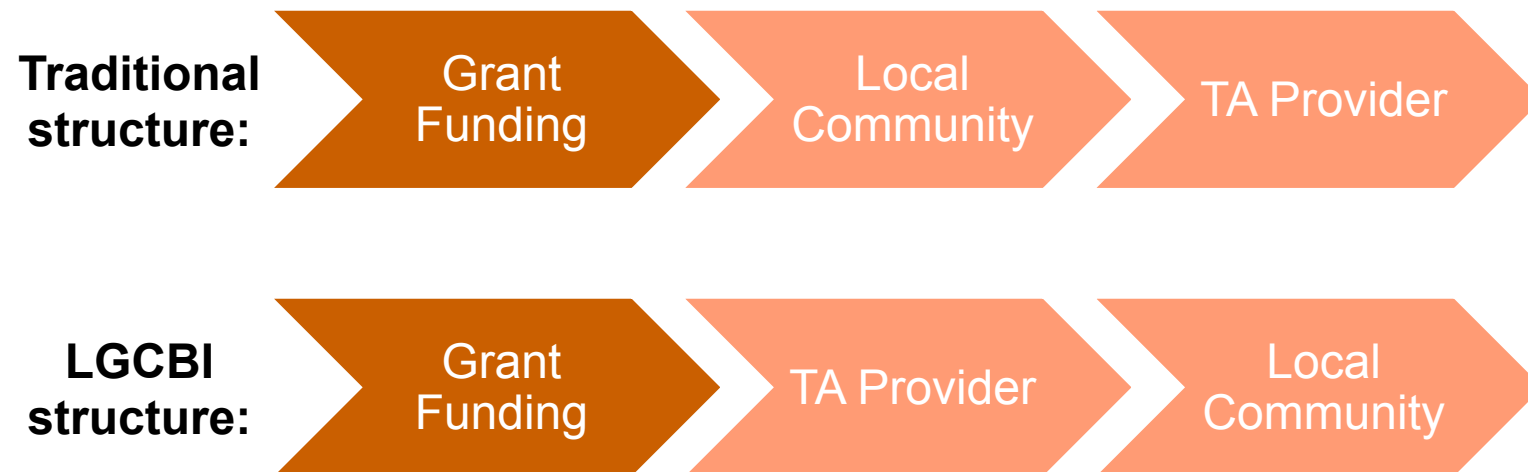


EFC Provides Financing Assistance to Local Governments around the Bay Watershed



NFWF's Local Government Capacity Building Initiative (LGCBI)

- Builds upon success of Chesapeake Bay Program
- Equips communities with financial resources & technical assistance



Switched focus from money to service



WIP Financing Assistance through Local Government Technical Assistance

- **Role of EFC**

- Helps NFWF coordinate 10 of 14 LGCBI TA awards
- TA provider to some local governments
- Provide on-going support and document case study to create other success stories

- **One on One Direct Assistance**

- Assessment
- Develop financing strategy; create efficiencies and cost reductions; facilitate collaboration
- Determine individual recommendations

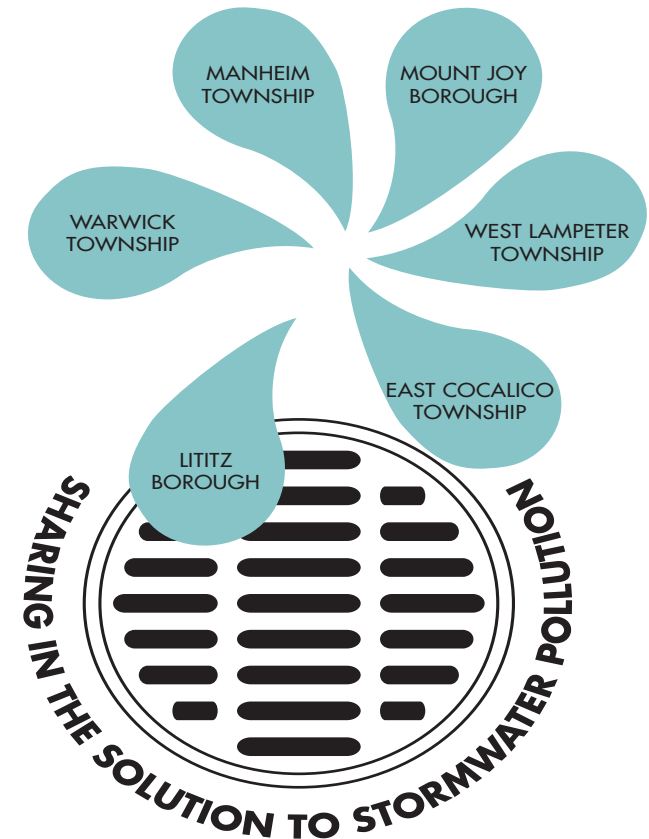


Following A City's Lead

- Lancaster City wants to make themselves a regional and national example of cooperative inter-municipal stormwater management
- Initial list of recommended GI demonstration projects
- Took a cost (\$) benefit (environment) approach
(Calculated through the use of their “green calculator”)
- Strong outreach component including demos of their GI
- Excellent GI factsheets included in City of Lancaster Green Infrastructure Plan

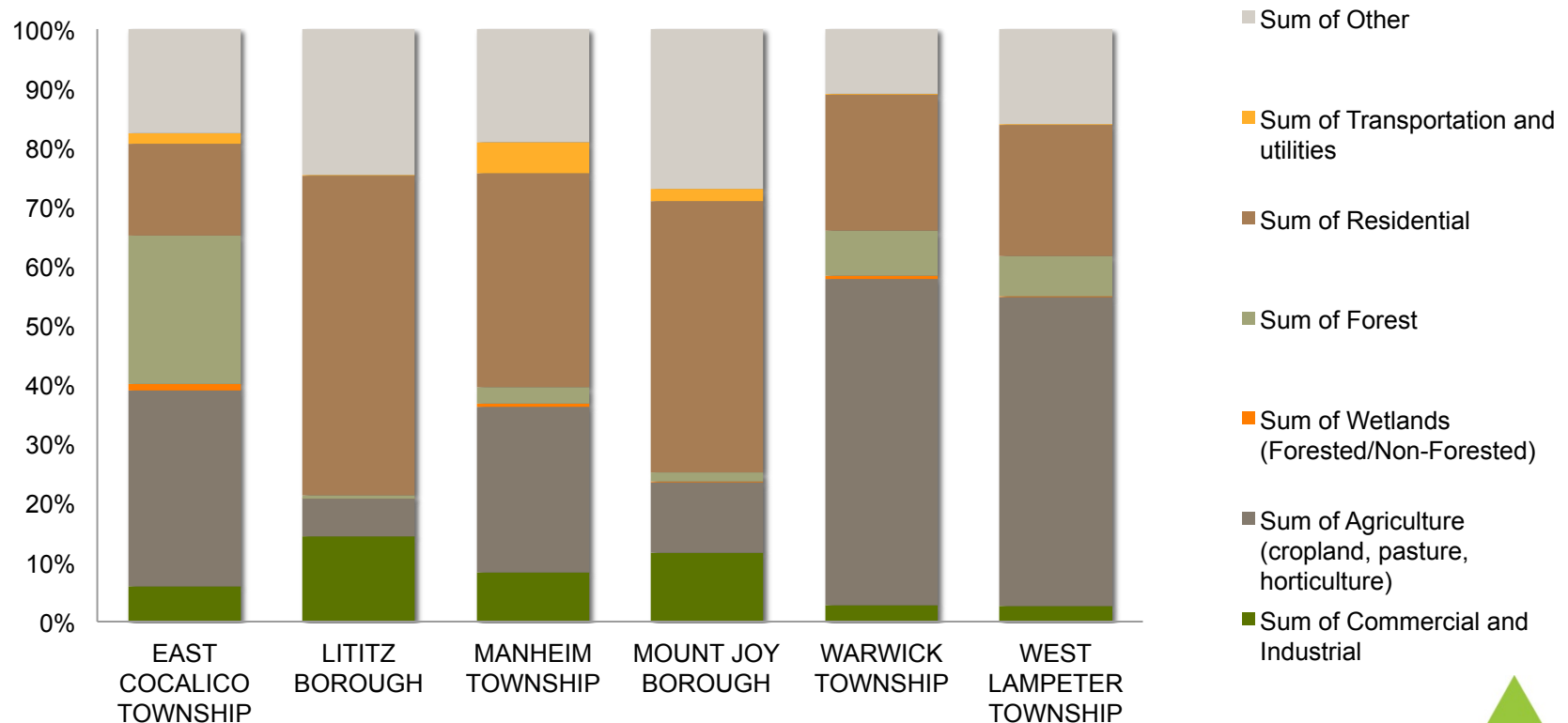


Working Together Makes Sense



Background: Land use

Land Use Percentages for Select Municipalities in Lancaster County



Current SW Management

	West Lampeter Township	East Cocalico Township	Warwick Township	Mount Joy Borough	Manheim Township	Lititz Borough
Budget/ Funding	Always deposit \$10K for SW	\$250K budgeted for SW and roads as well as from general fund; \$1.2M cap reserve	DPW receives \$500K for all projects	Budgeted \$8K for SW; Mayor approved \$1M for SW/ sidewalk project	\$58K budgeted for contracted services; anticipated \$120K shared with roads	\$50K budgeted for SW and related projects



Notable Differences

- The condition and age of their stormwater infrastructure
- SW management drivers (range from simple compliance to environmental responsibility)
- Some municipalities in coalitions with other municipalities in Lancaster County
 - Lancaster Inter-Municipal Committee (LIMC)
 - West Lampeter and Manheim
 - Lititz Run Watershed Alliance (LRWA)
 - Lititz-Warwick Partnership



Similarities Across Municipalities

- All are small communities (9,200-38,000 pop)
- Large portions of land use as agriculture
- Want to conserve agricultural land but still build residential
- Dealing with farmers as well as residents
- Good SW maintenance program already in place
- NOI for MS4 permits – new permits anticipated soon
- Poor documentation and record keeping
- SW maintenance comes out of a general fund – sporadic
- Have SW goals but in general vague
- Goals deal with the gray infrastructure – move toward Green



Define Level of Service, Gaps, and Costs

Where are you now and where do you need to be in the future?

4 Levels

- Existing
- Essential
- Enhanced
- Optimal



Understand the True Costs - Start Planning Now

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Revenues										
Residential Properties	\$399,750	\$399,750	\$399,750	\$399,750	\$399,750	\$399,750	\$399,750	\$399,750	\$399,750	\$399,750
Commercial Properties	\$2,456,382	\$2,456,382	\$2,456,382	\$2,456,382	\$2,456,382	\$2,456,382	\$2,456,382	\$2,456,382	\$2,456,382	\$2,456,382
Total Revenues	\$2,856,132	\$2,856,132	\$2,856,132	\$2,856,132	\$2,856,132	\$2,856,132	\$2,856,132	\$2,856,132	\$2,856,132	\$2,856,132
Expenditures										
Personnel Costs										
SW Utility Manager	\$88,838	\$91,059	\$93,336	\$95,669	\$98,061	\$100,512	\$103,025	\$105,601	\$108,241	\$110,947
Administrative	\$50,026	\$51,277	\$52,559	\$53,873	\$55,220	\$56,600	\$58,015	\$59,466	\$60,952	\$62,476
Finance	\$6,403	\$6,563	\$6,727	\$6,895	\$7,068	\$7,245	\$7,426	\$7,611	\$7,802	\$7,997
CAD Operator	\$5,649	\$5,790	\$5,935	\$6,084	\$6,236	\$6,392	\$6,551	\$6,715	\$6,883	\$7,054
GIS	\$64,031	\$65,632	\$67,273	\$68,955	\$70,678	\$72,445	\$74,257	\$76,113	\$78,016	\$79,967
Survey	\$8,309	\$8,516	\$8,729	\$8,947	\$9,171	\$9,400	\$9,635	\$9,876	\$10,123	\$10,376
Inspector	\$128,062	\$131,264	\$134,546	\$137,909	\$141,357	\$144,891	\$148,513	\$152,226	\$156,030	\$159,924
Utility Technician 1	\$88,968	\$91,193	\$93,472	\$95,809	\$98,204	\$100,660	\$103,176	\$105,755	\$108,390	\$111,071
Motor Equipment Operator	\$44,484	\$45,596	\$46,736	\$47,905	\$49,102	\$50,330	\$51,588	\$52,878	\$54,200	\$55,554
Project Manager	\$54,620	\$55,985	\$57,385	\$58,820	\$60,290	\$61,797	\$63,342	\$64,926	\$66,549	\$68,211
Project Engineer	\$77,759	\$79,703	\$81,695	\$83,738	\$85,831	\$87,977	\$90,176	\$92,431	\$94,742	\$97,109
Total Personnel Costs	\$617,150	\$632,579	\$648,394	\$664,603	\$681,219	\$698,249	\$715,705	\$733,598	\$751,930	\$770,713
Capital Improvements - includes equipment, installation, and inspection										
CIP Costs	\$1,060,000	\$2,020,000	\$1,450,000	\$885,000	\$3,160,000	\$2,050,000	\$1,770,833	\$1,770,833	\$1,770,833	\$1,770,833
Facility	\$152,568	\$156,382	\$160,292	\$164,299	\$168,407	\$172,617	\$176,932	\$181,355	\$185,887	\$190,527
Camera	\$1,250	\$0	\$0	\$1,346	\$0	\$0	\$1,450	\$0	\$1,561	\$0
Projector	\$500	\$0	\$0	\$538	\$0	\$0	\$580	\$0	\$624	\$0
Laptop	\$8,000	\$0	\$0	\$8,831	\$0	\$0	\$9,742	\$0	\$10,694	\$0
Desktop	\$2,000	\$0	\$0	\$2,208	\$0	\$0	\$2,420	\$0	\$2,636	\$0
Software (GIS, Office Suite, Adobe)	\$5,347	\$625	\$641	\$657	\$673	\$690	\$707	\$725	\$743	\$761
Tools	\$1,250	\$1,281	\$1,313	\$1,346	\$1,380	\$1,414	\$1,450	\$1,487	\$1,525	\$1,561
Uniform	\$140	\$144	\$147	\$151	\$155	\$158	\$162	\$166	\$170	\$174
Trucks	\$565,000	\$0	\$0	\$1,885	\$0	\$0	\$2,029	\$0	\$2,173	\$0
Cell phone	\$1,750	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
John boat	\$15,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Vehicle	\$20,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
GI Improvements										
WIP Activities	\$1,832,805	\$2,178,432	\$1,612,393	\$1,055,222	\$3,341,652	\$2,224,879	\$1,954,843	\$1,954,843	\$1,954,843	\$1,954,843
Total Capital Improvements	\$1,832,805	\$2,178,432	\$1,612,393	\$1,055,222	\$3,341,652	\$2,224,879	\$1,954,843	\$1,954,843	\$1,954,843	\$1,954,843
Operations & Maintenance										
Vehicle maintenance	\$18,000	\$18,450	\$18,911	\$19,384	\$19,869	\$20,365	\$20,874	\$21,395	\$21,927	\$22,471
Boat maintenance	\$8,000	\$8,200	\$8,405	\$8,615	\$8,831	\$9,051	\$9,276	\$9,506	\$9,740	\$9,979
Testing materials	\$2,000	\$2,050	\$2,101	\$2,154	\$2,208	\$2,263	\$2,319	\$2,376	\$2,434	\$2,492
Public involvement program-related costs	\$7,500	\$7,688	\$7,880	\$8,077	\$8,279	\$8,486	\$8,698	\$8,915	\$9,137	\$9,364
Training fund available to staff	\$15,000	\$0	\$0	\$16,153	\$0	\$0	\$17,395	\$17,830	\$18,267	\$18,707
GI Improvements										
WIP Activities	\$50,500	\$36,388	\$37,297	\$54,383	\$39,185	\$40,165	\$58,565	\$60,029	\$43,253	\$63,068
Total Operations & Maintenance	\$50,500	\$36,388	\$37,297	\$54,383	\$39,185	\$40,165	\$58,565	\$60,029	\$43,253	\$63,068
Total Expenditures	\$2,500,455	\$2,847,399	\$2,298,084	\$1,081,924	\$1,205,924	\$1,071,161	\$1,277,119	\$1,071,161	\$1,277,119	\$1,071,161
Surplus (deficit)	\$355,677	\$8,733	\$558,048	\$1,774,208	\$1,650,208	\$1,784,961	\$1,879,013	\$1,784,961	\$1,579,013	\$1,784,961

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	ALL Years
EXPENDITURES											
Year 1	\$2,500,455	\$2,847,399	\$2,298,084	\$1,774,208	\$1,650,208	\$1,071,161	\$1,277,119	\$1,071,161	\$1,277,119	\$1,071,161	\$1,071,161
REVENUES											
Year 1	\$399,750	\$399,750	\$399,750	\$399,750	\$399,750	\$399,750	\$399,750	\$399,750	\$399,750	\$399,750	\$399,750
Year 2	\$2,456,382	\$2,456,382	\$2,456,382	\$2,456,382	\$2,456,382	\$2,456,382	\$2,456,382	\$2,456,382	\$2,456,382	\$2,456,382	\$2,456,382
Year 3	\$2,856,132	\$2,856,132	\$2,856,132	\$2,856,132	\$2,856,132	\$2,856,132	\$2,856,132	\$2,856,132	\$2,856,132	\$2,856,132	\$2,856,132
Year 4	\$355,677	\$8,733	\$558,048	\$1,774,208	\$1,650,208	\$1,071,161	\$1,277,119	\$1,071,161	\$1,277,119	\$1,071,161	\$1,071,161
Total Revenues	\$2,856,132	\$2,856,132	\$2,856,132	\$2,856,132	\$2,856,132	\$2,856,132	\$2,856,132	\$2,856,132	\$2,856,132	\$2,856,132	\$2,856,132
Surplus (deficit)	\$355,677	\$8,733	\$558,048	\$1,774,208	\$1,650,208	\$1,071,161	\$1,277,119	\$1,071,161	\$1,277,119	\$1,071,161	\$1,071,161

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REVENUES											
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Year 2	\$2,456,382	\$2,456,382	\$2,456,382	\$2,456,382	\$2,456,382	\$2,456,382	\$2,456,382	\$2,456,382	\$2,456,382	\$2,456,382	\$2,456,382
Year 3	\$2,856,132	\$2,856,132	\$2,856,132	\$2,856,132	\$2,856,132	\$2,856,132	\$2,856,132	\$2,856,132	\$2,856,132	\$2,856,132	\$2,856,132
Year 4	\$355,677	\$8,733	\$558,048	\$1,774,208	\$1,650,208	\$1,071,161	\$1,277,119	\$1,071,161	\$1,277,119	\$1,071,161	\$1,071,161
Total Revenues	\$2,856,132	\$2,856,132	\$2,856,132	\$2,856,132	\$2,856,132	\$2,856,132	\$2,856,132	\$2,856,132	\$2,856,132	\$2,856,132	\$2,856,132
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REVENUES											
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Year 2	\$2,456,382	\$2,456,382	\$2,456,382	\$2,456,382	\$2,456,382	\$2,456,382	\$2,456,382	\$2,456,382	\$2,456,382	\$2,456,382	\$2,456,382
Year 3	\$2,856,132	\$2,856,132	\$2,856,132	\$2,856,132	\$2,856,132	\$2,856,132	\$2,856,132	\$2,856,132	\$2,856,132	\$2,856,132	\$2,856,132
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Year 2	\$2,456,382	\$2,456,382	\$2,456,382	\$2,456,382	\$2,456,382	\$2,456,382	\$2,456,382	\$2,456,382	\$2,456,382	\$2,456,382	\$2,456,382
Year 3	\$2,856,132	\$2,856,132	\$2,856,132	\$2,856,132	\$2,856,132	\$2,856,132	\$2,856,132	\$2,856,132	\$2,856,132	\$2,856,132	\$2,856,132
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REVENUES											
Year 1	\$399,750	\$399,750	\$399,750	\$399,750	\$399,750	\$399,750	\$399,750	\$399,750	\$399,750	\$399,750	\$399,750
Year 2	\$2,456,382	\$2,456,382	\$2,456,382	\$2,456,382	\$2,456,382	\$2,456,382	\$2,456,382	\$2,456,382	\$2,456,382	\$2,456,382	\$2,456,382
Year 3	\$2,856,132	\$2,856,132	\$2,856,132	\$2,856,132	\$2,856,132	\$2,856,132	\$2,856,132	\$2,856,132	\$2,856,132	\$2,856,132	\$2,856,132
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Year 2	\$2,456,382	\$2,456,382	\$2,456,382	\$2,456,382	\$2,456,382	\$2,456,382	\$2,456,382	\$2,456,382	\$2,456,382	\$2,456,382	\$2,456,382
Year 3	\$2,856,132	\$2,856,132	\$2,856,132	\$2,856,132	\$2,856,132	\$2,856,132	\$2,856,132	\$2,856,132	\$2,856,132	\$2,856,132	\$2,856,132
Year 4	\$355,677	\$8,733	\$558,048	\$1,774,208	\$1,650,208	\$1,071,161	\$1,				

Get to Know your Infrastructure Better

ugh, PA
ystem



Snapshot of Virginia and West Virginia

- **Shenandoah Valley, VA:** Strong interest and support for regional approach to financing stormwater: 4 counties coming together soon to begin assessment
- **Lynchburg, VA:** First stormwater utility bill issued July 1, 2012- opportunities may exist around the surrounding communities
- **Ranson and Charles Town, WVA:** Green Infrastructure Plan and Comprehensive Plan; Ready to begin a sustainable stormwater financing strategy; wants to work together



Promoting Environmental Finance

Stormwater and Green Infrastructure

- You can't get innovative until you understand the anticipated costs
 - Start by conducting a full program evaluation which tie actual costs to revenue
 - Provide incentives for communities who are proactive with their programs. They will be the leaders and mentors



SAGE

Streetscape Appearance Green Enhancement



WHAT IS SAGE?

SAGE is a donation-funded, municipality-managed program

- beautifies the local streetscape
- boosts civic and community pride
- facilitates future economic development



WHY SAGE WORKS

This program works in challenging economic times

- Garden locations are assigned sponsorship values.
- Municipalities embrace the program because the gardens' design and installation with LID features are covered by private donations.
- The SAGE program reduces VDOT maintenance, puts small contractors back to work and instills community pride.



WHO PARTICIPATES?



Bank of America



CENTRA



Genworth Financial



Everyone deserves a good meal.™



DAVIDSON, DOYLE & HILTON
CERTIFIED PUBLIC ACCOUNTANTS
P.O. Box 800, Lynchburg, VA 24505



Lynchburg's SAGE Program by the Numbers

- 55 sponsored gardens (10 acres total)
- >\$1,200,000 5-year garden sponsorship value
- 92 donors
- >40 acres of meadow
- >1,300 street trees planted outside of gardens
- **>\$1.6MM in donations to date**
- >\$225,000 surplus currently in program account



The SAGE Concept is Expanding

- City of Hampton now underway (NFWF supported)
- VA Beach currently pursuing SAGE program
- 15 miles of Route 1 highway outside of Philadelphia being considered for 2013
- Baltimore City interested



Today's Takeaway Points

- There **are** resources out there for local governments – EFC is just one example of what's available
- Know exactly what you are trying to finance and why
- Engage partners and learn to collaborate – Creates efficiencies
- Engage private sector whenever possible
- Don't be afraid to try out new ways to pay for environmental activities to help lower costs
- Invest today – pay less tomorrow





Thank You!

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