

# Dirt, Gravel, and Low-Volume Roads

“Old” Money Spending Overview

Tips and Tricks for meeting the June 30, 2019 Spending Deadline

2/12/2019



*Huntingdon County  
2018 project*

Roy Richardson - State Conservation Commission

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Gravel Road Studies

# “Old” Money Spending Overview

2/12/2019

- Financial Reporting Update
- ASR vs “Old” Money Spending
- 5-year Contracts and Funds
- Spending Your “Old” Money
- Upcoming Calls – How to Prepare



*Huntingdon County  
2018 project*

## 2018 Annual Reporting

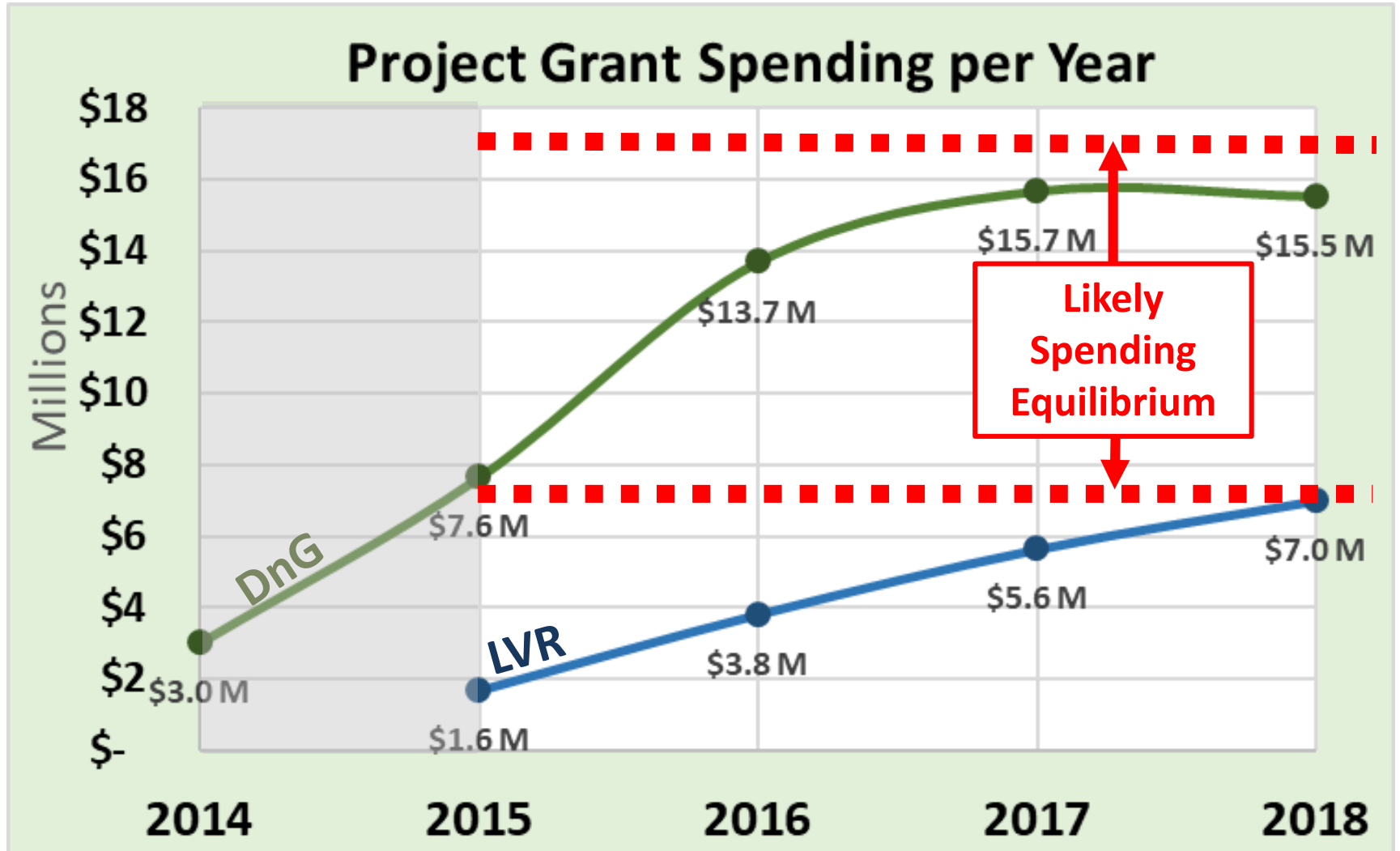
- Was due Jan 22<sup>nd</sup>, complete as of Jan 25<sup>th</sup>
- Full details later (presented and in print)

### In Addition: as of 2/11/19

- **\$35.5M currently under contract**
  - **\$10.5M spent on active contracts**
  - **\$25M contracted but not spent**

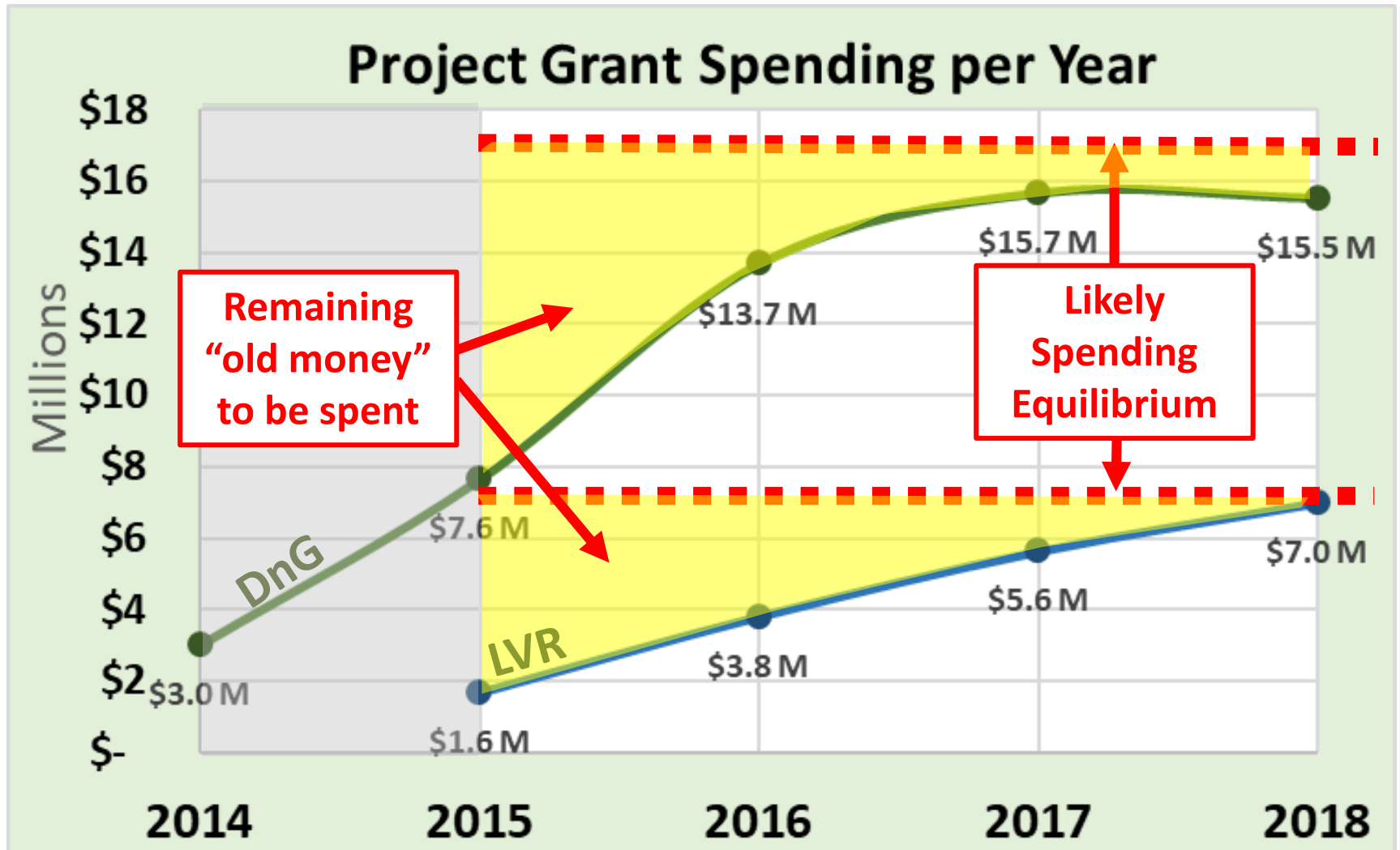
## 2018 Annual Reporting

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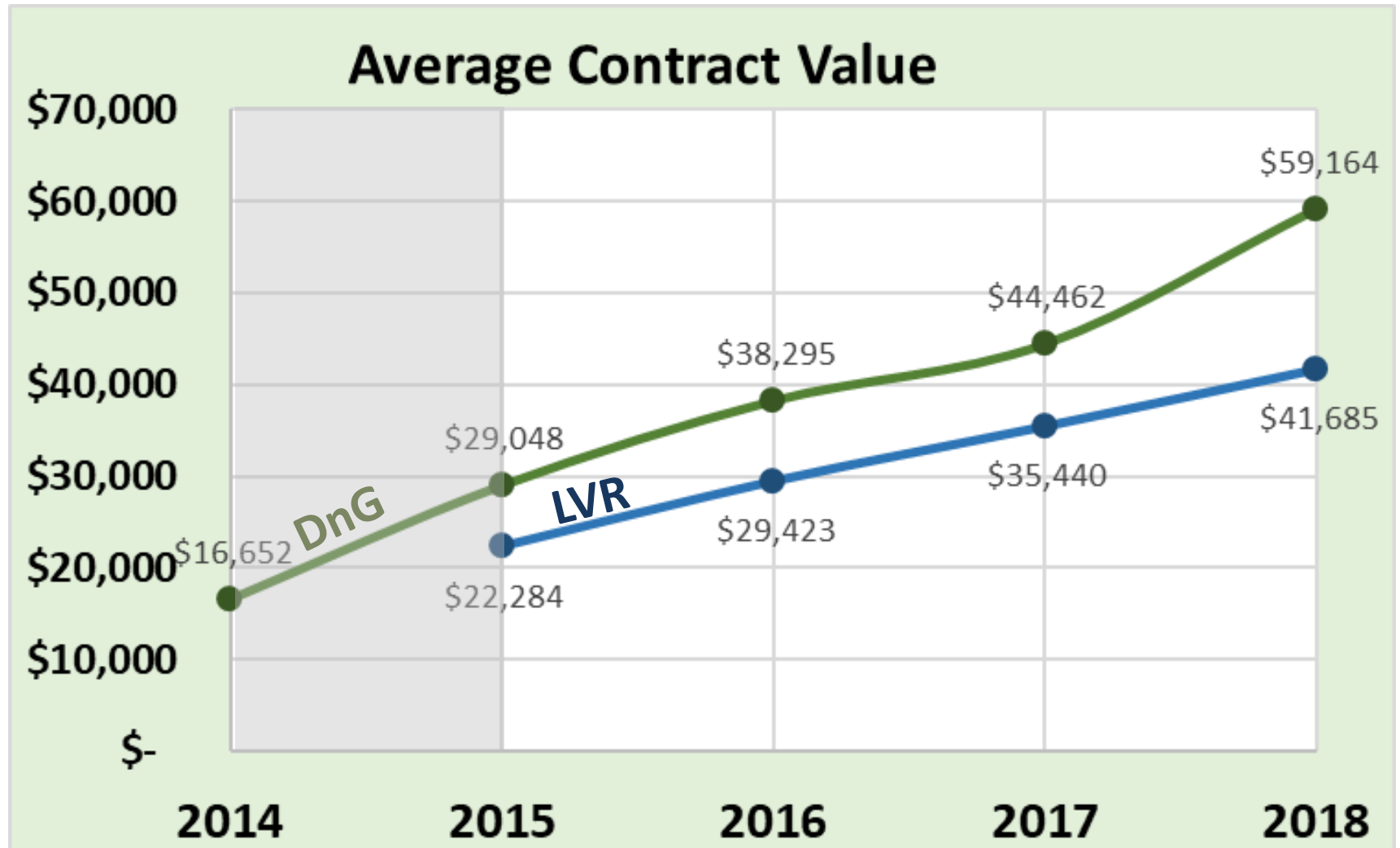
## 2018 Annual Reporting

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## Quarterly Reporting

- Second Quarterly report for Oct-Dec due 1/15/19.
- All reports in by 1/25/19

## Quarterly Reporting

- **Replenishments:**
  - Now automatically generated based on spending
  - All 65 already being processed
  - **FY 2018-19 allocations:**
    - \$26M allocated to CDs
    - \$13M advanced to CDs
    - **\$11.1M of \$13M already claimed in replenishment**
    - \$1.9M remaining in Harrisburg



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# Annual Summary Report Spending Difference VS Previous 5-Year Balance Remaining?

## In a Normal Year:

- CDs have 2 years to spend funds to be eligible for next FY allocations
- Spending Requirement does not include two most recent allocation Fiscal Year's
  - FY 17/18 not included
- CD Status reflected in GIS “ASR Overview”:
  - Green = OK
  - Red = Short of spending

### *From Annual Report*

ASR Overview (2018/2019)	
Total Spent: \$	1,668,682.93
Spending Req.: \$	1,740,248.00
Difference: \$	78,565.93

ASR Overview (2018/2019)	
Total Spent: \$	336,047.38
Spending Req.: \$	536,243.00
Difference: \$	(200,195.62)

# Annual Summary Report Spending Difference VS Previous 5-Year Balance Remaining?

In

- C
- b
- C
- C

**This Year Only: Green/Red Status  
does not matter!**

**Why?**

Since old 5-year contract funds must be spent by June 30, 2019, that requirement is actually more strict than the traditional green/red for 2-year spending.

**So what does matter?**

18/2019)

8,442.93
8,317.00
8,565.93

18/2019)

8,047.38
8,243.00
0,195.62

Detailed description: A screenshot of a financial report table. The table has two sections. The first section has a header '18/2019)' and three rows of values: 8,442.93, 8,317.00, and 8,565.93. The value 8,565.93 is circled in red. The second section also has a header '18/2019)' and three rows of values: 8,047.38, 8,243.00, and 0,195.62. The value 0,195.62 is circled in red.

# Annual Summary Report Spending Difference VS Previous 5-Year Balance Remaining?

## This Year:

- Must “zero out” balance remaining in old 5-year contract funds
- Balance Remaining includes FY 17/18

**County A: still \$106 left to spend**

**County B: old money spent!**

- Don't forget to check BOTH DnG and LVR – tracked separately!

## *From Quarterly Report*

Previous 5-Year Agreement	
"Old Money" Balance: \$	106,347.04
Currently Spent: \$	0.00
Balance Remaining: \$	106,347.04

Previous 5-Year Agreement	
"Old Money" Balance: \$	0.00
Currently Spent: \$	7,130.64
Balance Remaining: \$	0.00

# Take Home

Be concerned with ONLY the Previous 5-Year Balance Remaining!!!!

Previous 5-Year Agreement	
"Old Money" Balance: \$	286,990.64
Currently Spent: \$	38,127.38
Balance Remaining: \$	248,863.26

Previous 5-Year Agreement	
"Old Money" Balance: \$	393,512.50
Currently Spent: \$	0.00
Balance Remaining: \$	393,512.50

This is the only balance that includes FY 17/18!

Through June 30, 2019, IGNORE the ASR Spending Difference!!

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## Summary

- Funding moves from SCC to CDs via 5-year contract
- Currently year one of new contract (FY 19/20 – 23/24)
- Old 5-year contract ended 6/30/18
- Comptroller allowed 1-year extension to spend funds through 6/30/19
- **CDs must spend funds from old contract, (FY 17-18 allocations and earlier), by 6/30/19.**


## In Addition: as of 2/11/19

- \$35.5M currently under contract
  - \$10.5M spent on active contracts
  - \$25M contracted but not spent
  - **Of the \$25M contracted, \$15.9M is old money to be spent by 6/30/19**

**Going to be a very busy spring!**



**County Spending Status** 2/11/19

- Counties currently spent out of old contract 
- Counties with all old money committed, left to spend
- Counties with old money left to commit and spend
- ~~Counties with old money left in Harrisburg~~

# County Spending Status 2/11/19

- Counties currently spent out of old contract



- 8 DnG

- 8 LVR

### DnG

Allegheny

Armstrong

Cumberland

Erie

Fayette

Snyder

Venango

Westmoreland

### LVR

Armstrong

Berks

Clarion

Elk

Perry

Snyder

Somerset

Venango

Examples:

– Counties currently spent out of old contract


Dirt and Gravel	Low Volume	Activity Report	Managers	Date Submitted:	
Other: \$		0.00			
<b>Balance at District</b>			<b>Replenishments</b>		
Starting Balance: \$	329,346.92	Potential Claim: \$	83,735.00		
Income: \$	0.00	Harrisburg Funds (Cur): \$	0.00		
Expenses Total: \$	83,735.00	Harrisburg Funds (Prev): \$	0.00		
Ending Balance: \$	245,611.92	Amount Requested: \$	0.00		
<b>Spending Status</b>			<b>Previous 5-Year Agreement</b>		
Current Balance: \$	245,611.92	"Old Money" Balance: \$	60,184.57		
Committed Remaining: \$	283,014.83	Currently Spent: \$	83,735.00		
Uncommitted Balance: \$	(37,402.91)	Balance Remaining: \$	0.00		

**Examples:**

– Counties currently spent out of old contract

Dirt and Gravel	Low Volume	Activity Report	Managers	Date Submitted:	
	Other: \$	0.00			
<b>Balance at District</b>			<b>Replenishments</b>		
Starting Balance: \$	16,698.89	Potential Claim: \$	0.00		
Income: \$	0.00	Harrisburg Funds (Cur): \$	0.00		
Expenses Total: \$	0.00	Harrisburg Funds (Prev): \$	0.00		
Ending Balance: \$	16,698.89	Amount Requested: \$	0.00		
<b>Spending Status</b>			<b>Previous 5-Year Agreement</b>		
Current Balance: \$	16,698.89	"Old Money" Balance: \$	0.00		
Committed Remaining: \$	0.00	Currently Spent: \$	0.00		
Uncommitted Balance: \$	16,698.89	Balance Remaining: \$	0.00		

## County Spending Status 2/11/19

- Counties currently spent out of old contract 
  - 8 DnG
  - 8 LVR
- Counties with all old money committed, left to spend
  - 30 DnG
  - 27 LVR

Examples:

- Counties with all old money committed, left to spend

Dirt and Gravel | **Low Volume** | Activity Report | Managers | Date Submitted:

Other: \$

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Balance at District	Replenishments
Starting Balance: \$ <input type="text" value="173,217.74"/>	Potential Claim: \$ <input type="text" value="0.00"/>
Income: \$ <input type="text" value="0.00"/>	Harrisburg Funds (Cur): \$ <input type="text" value="0.00"/>
Expenses Total: \$ <input type="text" value="0.00"/>	Harrisburg Funds (Prev): \$ <input type="text" value="0.00"/>
Ending Balance: \$ <input type="text" value="173,217.74"/>	Amount Requested: \$ <input type="text" value="0.00"/>

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Spending Status	Previous 5-Year Agreement
Current Balance: \$ <input type="text" value="173,217.74"/>	"Old Money" Balance: \$ <input type="text" value="33,116.62"/>
Committed Remaining: \$ <input type="text" value="148,519.00"/>	Currently Spent: \$ <input type="text" value="0.00"/>
Uncommitted Balance: \$ <input type="text" value="24,698.74"/>	Balance Remaining: \$ <input type="text" value="33,116.62"/>

Examples:

- Counties with all old money committed, left to spend

Dirt and Gravel	Low Volume	Activity Report	Managers	Date Submitted:	
	Other: \$	0.00			
<b>Balance at District</b>			<b>Replenishments</b>		
Starting Balance: \$	167,041.30	Potential Claim: \$	0.00		
Income: \$	0.00	Harrisburg Funds (Cur): \$	0.00		
Expenses Total: \$	0.00	Harrisburg Funds (Prev): \$	0.00		
Ending Balance: \$	167,041.30	Amount Requested: \$	0.00		
<b>Spending Status</b>			<b>Previous 5-Year Agreement</b>		
Current Balance: \$	167,041.30	"Old Money" Balance: \$	19,826.59		
Committed Remaining: \$	109,500.00	Currently Spent: \$	0.00		
Uncommitted Balance: \$	57,541.30	Balance Remaining: \$	19,826.59		

## County Spending Status 2/11/19

- Counties currently spent out of old contract 
  - 8 DnG
  - 8 LVR
- Counties with all old money committed, left to spend
  - 30 DnG
  - 27 LVR
- Counties with old money left to commit and spend
  - 27 DnG
  - 30 LVR



Examples:

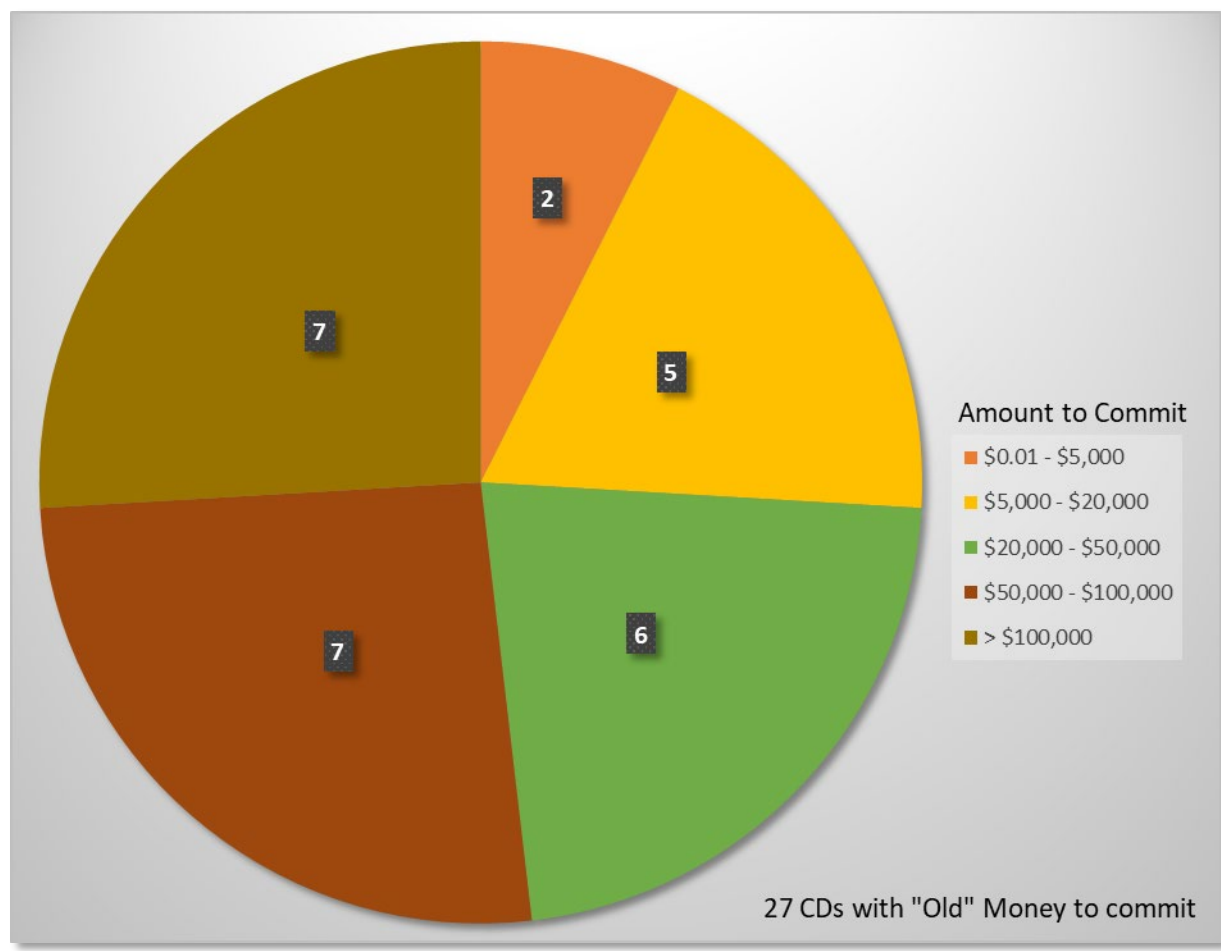
- Counties with old money left to commit and spend

Dirt and Gravel	Low Volume	Activity Report	Managers	Date Submitted:	
	Other: \$	0.00			
<b>Balance at District</b>			<b>Replenishments</b>		
Starting Balance: \$	216,655.71	Potential Claim: \$	0.00		
Income: \$	0.00	Harrisburg Funds (Cur): \$	13,740.55		
Expenses Total: \$	0.00	Harrisburg Funds (Prev): \$	0.00		
Ending Balance: \$	216,655.71	Amount Requested: \$	0.00		
<b>Spending Status</b>			<b>Previous 5-Year Agreement</b>		
Current Balance: \$	230,396.26	"Old Money" Balance: \$	152,444.18		
Committed Remaining: \$	16,735.48	Currently Spent: \$	0.00		
Uncommitted Balance: \$	213,660.78	Balance Remaining: \$	152,444.18		

Examples:

- Counties with old money left to commit and spend

Dirt and Gravel



Examples:

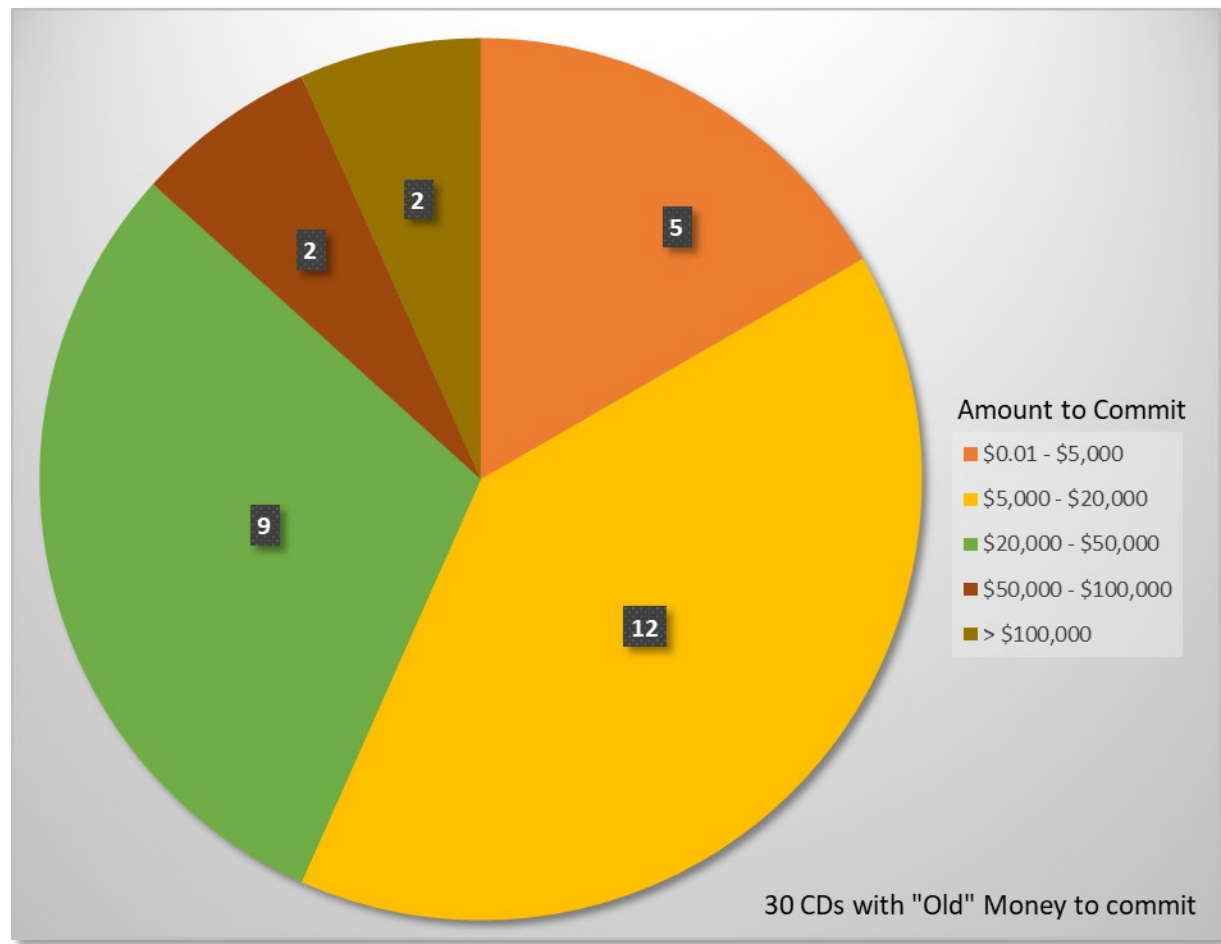
- Counties with old money left to commit and spend

Dirt and Gravel	Low Volume	Activity Report	Managers	Date Submitted:	
Other: \$		0.00			
<b>Balance at District</b>			<b>Replenishments</b>		
Starting Balance: \$	50,415.54	Potential Claim: \$	0.00		
Income: \$	0.00	Harrisburg Funds (Cur): \$	16,510.25		
Expenses Total: \$	0.00	Harrisburg Funds (Prev): \$	0.00		
Ending Balance: \$	50,415.54	Amount Requested: \$	0.00		
<b>Spending Status</b>			<b>Previous 5-Year Agreement</b>		
Current Balance: \$	66,925.79	"Old Money" Balance: \$	37,061.30		
Committed Remaining: \$	0.00	Currently Spent: \$	0.00		
Uncommitted Balance: \$	66,925.79	Balance Remaining: \$	37,061.30		

Examples:

- Counties with old money left to commit and spend

Low Volume



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*Huntingdon County  
2018 project*


**Counties have 5 months  
remaining to spend  
funding!!**

**Some districts are asking about the possibility of an extension. Remember -- we are already working in a one year extension.**



**NOW THEREFORE**, the parties hereto, intending to be legally bound, agree as follows:

1. Section I – General Conditions, Paragraph M, is amended to read as follows:

 M. Upon full execution of this Agreement, Project work (a) may, at the discretion of the Commission, be reimbursed from July 1, 2013 through the date of full execution and (b) shall be paid for from the date of full execution through June 30, 2019 (the “Project completion date”). All Project work under this Agreement shall be completed no later than the Project completion date.

2. All other terms and conditions of this agreement shall remain unchanged.



**Current Workgroup Thoughts:**

- **Counties with unspent old funds**
  - **Reduce 2019-20 allocation by amount of unspent funds**
- **Counties with uncommitted old funds**
  - **Not Eligible for FY 2019-20 allocations**

**Exceptions may be granted**

**Recommendation to be provided at future meeting**

## Scenario 1

I have all my “Old” Money committed to active contracts. Am I ok?

**MAYBE**

## Scenario 1: Potential Problem #1

**Do you have all your eggs in one basket?**

### **Example**

1 large contract. If contract fails to be completed by June 30 or comes in under budget, no other options to spend the “Old Money”.

## **Scenario 1: Potential Problem #1**

**Do you have all your eggs in one basket?**

### **Potential Solutions**

- **Enter into a new agreement with available funds and advance funds.**
- **Refine cost estimate for the large project and if it is much less than the original estimate, redo the contract to free up the overage. This overage can then be used to find new contracts.**

## Scenario 1: Potential Problem #2

**Of the projects currently under contract, will they be completed by June 30?**

### Examples

1. A single municipality with multiple contracts. Will they be able to complete all the projects by June 30?
2. Several contracts waiting on permits? Will they arrive in time for construction to begin and projects to complete by June 30?

## Scenario 1: Potential Problem #2

**Of the projects currently under contract, will they be completed by June 30?**

### **Potential Solutions**

- **Work with engineers and DEP to determine the status of the permits.**
- **If possible, phase contract into multiple contracts.**

#### **Example**

Your existing contract calls for a permit-required stream crossing and drainage work on a mile long road. Phase project into two contracts. Phase 1: drainage work requiring no permit, which can begin immediately. Phase 2: permit-required stream crossing.

## **Scenario 1: Potential Problem #2**

**Of the projects currently under contract, will they be completed by June 30?**

### **Potential Solutions**

- **For projects that definitely will not be completed by June 30, consider delaying contracts until the next advance is received. This will free up money to find additional contracts that will be able to be completed by the June 30 deadline.**

## **Scenario 2**

**I still have “Old” Money to commit to projects.  
What can I do?**

### **Potential Solutions**

- **Work with the Center staff to assist in finding potential projects.**
- **Get together with municipalities (i.e., a breakfast, “municipality day”, etc.) to discuss the urgency to find and apply for projects.**



## **Scenario 2**

**I still have “Old” Money to commit to projects.  
What can I do?**

### **Potential Solutions cont...**

- **Consider immediately opening up the application period.**
- **Consider expediting the application approval process via discussions with your CD Board and QAB.**

## Ways to Move Money through the system

- Consider giving advances for existing contracts
  - Many CDs typically give %50
- Consider spending administrative and education funds
  - Must stay within your 10% max for both administrative and education expenses
  - Must be an approved expense as noted in the DGLVR Administrative Manual
  - Must be actual expenses with receipts

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2018 project*

## Calls will review current status for your county

- Will Focus on (for both DGR and LVR):
  - Previous 5-Year Agreement Balance Remaining
  - Committed Remaining Balance
    - Amount of money remaining committed to active contracts
    - i.e., An \$100,000 project with a \$40,000 advance has a committed remaining balance of \$60,000
  - Uncommitted Balance
    - Amount of money available to spend on new contracts, admin, and education.
  - Review projects and logistics
    - Will the projects currently under contract be completed by June 30?
    - How can we help you suggest ways to spend your “Old” money?

## What do you need to do prior to our call?

- Keep the GIS Current (for both DGR and LVR):
  - Enter all contracts
  - Enter all payments
  - Enter actual administrative and education expenses, if known (i.e., update the current QR with as much info as possible)
- Will allow for an accurate snapshot of your Previous 5-Year Agreement remaining balance.

## **What do you need to do prior to our call?**

- Have a good understanding of the current status of your active contracts.
  - Are they “shovel ready”?
  - Are they waiting on permits? If so, can they be phased?
  - Will they be completed by June 30?
- The current status of future potential contracts.

# QUESTIONS?



**BEFORE**

*Huntingdon County, 2018 project*

**AFTER**