

This meeting was publicly advertised in the NP Reporter, listed on the Township website and posted in the Township building lobby.

1. Call to order.

The October 13, 2020, Special Budget Work Session Meeting of the Board of Commissioners was called to order at 5:00 PM by President of the Board, Liz McNaney.

2. Pledge of Allegiance

President McNaney led the pledge of allegiance.

3. Roll Call

Roll call was taken by Ms. Zadell, Township Manager. The following individuals were in attendance:

Liz K. McNaney	President
Denise M. Hull	Vice President
Katherine D. Carter	Commissioner
Martha A. Simelaro	Commissioner
Ruth S. Damsker	Commissioner
Sandra Brookley Zadell	Township Manager
Megan Weaver	Assistant Township Manager
David Brill	Finance Director (audio)
David W. Duffy	Police Chief
Rebecca Mason	Director of Wastewater Treatment
Sarah Prebis	Parks & Recreation Director
Greg Rosato	Fire Dept. President
Jeff Tomczak	Fire Marshall
Willard Troxel	Public Works Director

4. Public Comments & Concerns (limit of five minutes per individual)

There was no public comment.

5. 2020 Review and Forecast

Ms. Zadell, Township Manager reviewed the 2020 budget process. There will be a series of three budget work sessions followed by two Board of Commissioner meetings. The first presentation that she is giving includes every budget request from each Township Department unedited. The budget currently shows a \$970,767 deficit. Ms. Zadell mentioned that the budget is a fluid document and will not be complete until it is approved in December. She highlighted the fact that the budget is still currently a working document.

Ms. Zadell mentioned that the format of the meeting this evening will be a presentation of the budget made by her, followed by an opportunity for questions and answers.

6. Revenue trends for 2021

Ms. Zadell reviewed the anticipated forecast of 2020 revenue and expenses. She highlighted that the Township's revenue is expected to be \$461,948 lower than budget. Due to cuts, the Township's spending is now expected to be \$1,069,473 lower than budget. She explained that COVID-10 had a significant negative impact on the Township's Local Services Tax (LST) and Earned Income Tax (EIT). Some of the

impact was lessened with the unexpected increase in permit revenues. Township staff also reacted to COVID-19 by instituting spending freezes and forecast that 2020 will end with a \$438,748 surplus.

Ms. Zadell highlighted several general fund revenue trends for 2021. The Township is budgeting an overall reduction in the general fund revenue for 2021 vs. 2020 of \$470,356. She highlighted that Real Estate Taxes, Real Estate Transfer Tax, Local Services Tax (LST), Earned Income Tax (EIT), State Pension Funds, and Permits/Fees are the Township's revenues that constitute 89.72% of the General Funds Revenue. Ms. Zadell then presented the 3-year comparison for the General Fund expenditures, noting that the Police and Public Works are the highest department expenses in the general fund.

7. 2021 General Fund Expenditures across all main funds

Ms. Zadell then provided a brief overview of each department's expenditures as submitted by the individual department head.

Administration

Ms. Zadell highlighted that there has been increased legal costs due to COVID-19 and Ordinance revisions. The 2021 budget has a new line item of \$10,000 for COVID-19 related expenditures such as PPE, sanitizers, & cleaning. There is a slight reduction in the professional services and training line items for 2020. She also mentioned that North Wales Library requested an increase to community contributions by \$25,000 and Nor-Gwyn baseball by \$9,000.

IT/Facilities

Ms. Zadell highlighted that the Township is looking to increase the level of security from level 1 to level 3 and put in place additional backups for a cost of \$21,600. The Township will also continue the offsite scanning of large files. The IT budget as a whole is down by \$49,432 in comparison to the 2020 budget due to the completion of projects in 2020. The Township also is experiencing savings in the facilities budget due to renewing the energy contract at a lower rate.

Capital Plan Facilities

Ms. Zadell highlighted several projects which include Heater & AC replacements in Public Works, TAC, and the garage; Oil tank replacement; Gate at the Police overhang; Fencing around Public Works & Police overhang; Meeting room renovations, reception area security, and a roof replacement for the Public Works Office and shed.

Police Department/Police Capital

Ms. Zadell presented that Chief Duffy has requested to increase the Police Department's staffing by 1 sworn officer. This would bring the department to 22 sworn officers. The Chief had staffing level studies performed by the State and 27 officers is the suggested staffing level for UGT. The police budget as presented also proposes to start a K9 unit funded by community contributions. Pension MMO costs are down and the Total expenses by the PD are down by \$133,408. The reason for this is because the budget does not include any changes that may result from Police negotiations. In the capital budget discussion, Ms. Zadell presented that the police department has a vehicle replacement schedule in which 2 vehicles are set to be replaced in 2021. The cost for vehicle replacement is \$84,000.

Fire & Emergency General Fund

Ms. Zadell presented that the Emergency Management Coordinator is requesting to increase the staffing level. This department currently includes 1 part-time Fire Marshall/EMC and 1 Deputy Fire Marshal who

are both paid via stipend. The proposed staffing would be a full-time Fire Marshal/EMC with 2 part-time Deputies. The long-term goal would be to have a Director of Emergency Services to oversee the fire protection/EMS. The impact for the proposed staffing level would be a 2021 budget increase of \$116,413.

Codes & Zoning

Ms. Zadell noted by graph that the revenues for 2020 were abnormally high due to an increase in permit activity. The 2021 budget proposes that the engineering services line increased to reflect Pool and Grading Permits that previously resided under General Engineering Services. It also reflects an increase for legal services for Zoning/Planning/Code due to increase in recent activity in that department.

Public Works/Public Works Capital

Ms. Zadell highlighted the proposed Public Works expenditures include 1 additional staff member (delayed from 2020), an increase for MS4 professional services, increased maintenance and repairs for ADA ramps, increased milling and overlay project by \$153,492, and increased micro surfacing to make up for the cancelled program in 2020. Ms. Zadell presented the 2021 proposed capital projects which include the West Prospect Ave Bridge (over SEPTA) concrete overlay for \$120,000 and the Sumneytown Pike Bridge (over Wissahickon) for \$200,000 from the capital reserves. In addition, the capital projects include storm sewer repairs for \$290,00 and the Haines Run Streambank restoration. Ms. Zadell explained the importance of the Haines Run project due to the detrimental flooding at the WWTP.

Parks & Recreation/P&R Capital

Ms. Zadell presented that the 2021 Parks & Recreation budget requests 2 additional summer help. This would be to account for 1 full-time employee leaving for military service. The budget reflects a \$13,000 reduction in professional services and an increase for maintenance and repairs for Ash tree replacement and playground resealing. Ms. Zadell highlighted that the P&R department would like to focus on programming for a more diverse age group. They are looking to add teen programming and preschool programming. Ms. Zadell highlighted the capital project expenses that the department is requesting which includes replacement of a Case Tractor (to be split with WWTP), Plow attachment, TZ Mower replacement, Lighting for Center Street, Sumneytown Pike Bridge landscaping, Jack's Lane cleanup, Tennis Court repair, pick up bed replacement and replacement of a 2002 Dump truck. The total request is \$389,000 but noted that 3 of the projects were carried over from last year.

Debt Service Fund

Ms. Zadell highlighted that Public Financial Management (PFM) is looking to do a possible restructuring of this debt which can yield \$57,000 in potential savings. This would be savings associated with the Wastewater Improvement Program (WIP) project over the 6-year loan term. Ms. Zadell noted that the Township's debt ratio is extremely low. The nonelectoral debt limit is roughly \$25.2 million and the Township's Debt balance is roughly \$2.6 million.

Insurance

Ms. Zadell said that Health Insurance Costs are one of the largest cost drivers for the Township and we are still waiting for these numbers from the carrier. She anticipates receiving the numbers in late October. However, overall DVIT has shown continued cost savings.

Wastewater Treatment Plant

Ms. Zadell highlighted that the WWTP is a separate fund from the General Fund. The revenues from the sewer rates remain strong and have not been increased since 2017. The department is requesting 1 staff additional staff member to be added to the Collection Systems and an increase in the engineering line item by \$75,000 for flood recovery activities.

Fire Tax Fund

Ms. Zadell mentioned that the revenue for this fund is trending down when looking at 2017-2020. This is mainly due to the COVID-19 assumptions for tax trends. The proposed budget includes a revenue for the expected sale of 2 vehicles for approximately \$200,000. The Fire Department has also requested an increase to the Township's endowment by \$13,000. The budget as prepared will draw this surplus down to \$430,213.

Fire Fund/ Capital

Ms. Zadell reported that the Fire Department is requesting the \$13,000 increase to the Township's endowment which would cover phones, increased insurance expenses, and increased vehicle maintenance costs. The capital item would just be the remaining payments on the previously purchased Ladder and Quint. This accounts for \$803, 817 in capital expenses.

8. Capital Plan

Ms. Zadell reviewed the transfers to the Capital Reserves. She wanted to highlight that at this point in the budget process they are not proposing the typical \$200,000 transfer to the Capital Reserve fund. The goal for 2022 would be to get back to this funding level.

9. Projected Fund Balance

Ms. Zadell presented that the budget as presented to the Board this evening would have a General Fund Reserve balance of \$10.2 million. The reserves are meant to help fund and balance the budget during hard times. It is meant for times such as now with dealing with COVID. Ms. Zadell noted that the minimum reserve funding level should be 3 months of expenses. The 2021 budget as presented this evening would leave the Township with 8.5 months of spending.

10. Questions

Ms. Zadell asked if there were any questions from the Board or public.

Ms. Hull asked a number of questions regarding what individual line items were used for. Ms. Hull requested that Mr. Brill provide a list for a list of items that fall under the "other miscellaneous" revenue. Mr. Brill responded that he would get that list over to the Board. Ms. Hull asked why it appeared that the Township facilities was trending over budget. Ms. Zadell responded that this was mainly due to COVID. There was a \$10,000 increase due to adding hand sanitizing stations, increase in janitorial cleaning, plexiglass, etc. Ms. Hull pointed out that the Public Works Department was seeking almost a \$1million increase and asked for the reasoning. Ms. Zadell said that Public Works was proposing to significantly increase the number of roads to be milled/paved this year. Ms. Hull pointed out that the Fire Department's budget is proposing to purchase a new QRS truck. Although it is not funded by the Township and is funded by the Fire Relief tax, she is concerned with the optics of the Fire Department's decision. She noted that it does not seem responsible given that the Township just purchased two vehicles for them and with the struggles that COVID has caused. Mr. Greg Rosato responded that the Fire Department made

the decision to replace the QRS based off of their 10-year replacement schedule. The fire department and executive board feels strongly about following their replacement schedule.

Ms. McNaney and Ms. Hull also asked about the water training and boat that the Fire Department has been looking into. There was a lengthy discussion regarding whether water training and a boat was a necessary use of funding. Ms. McNaney asked several questions relating to the fire department expenditures. She expressed that she did not agree that the boat purchase was the best use for Fire Department grant funding or fire relief tax usage.

Ms. Simelaro asked if the Township was considering any solar panels as a part of the facilities projects. Ms. Zadell responded that the facilities budget does not include that for 2021. Ms. Simelaro asked for the timeline of the Haines Run streambank restoration project. Ms. Zadell said that the Township would be designing and seeking grants for 2021 with construction in 2022.

Ms. Carter asked several questions regarding the Public Work expenditures. There was discussion on Microsurfacing and alternative methods for Cul-de-sacs. Ms. McNaney asked Sandra if she could check for available paving grants.

Ms. Carter also inquired about the community donations and the process for requesting them. Ms. Zadell said that this year the Township sent letter to those who received community donations in the past. The letter requested budget information for each organization supporting their requests. Nor- Gwyn provides a breakdown each year of the requested amount per project. There was discussion on the lack of information that the library provided to the Township to support their request for an additional \$25,000. Ms. Zadell would be reaching out to the Director to request additional information

Ms. Zadell asked if there were any more questions, hearing none.

Meeting adjourned.



Respectfully Submitted,

Sandra Zadell
Township Manager/Secretary

Approved November 23, 2020