

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 21, 2021, Special Meeting of the Board of Commissioners was called to order at 1:00 PM by President of the Board, Liz McNaney.

2. Pledge of Allegiance

Township Manager, Sandra Zadell 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 Zadell	Township Manager
Megan Weaver	Assistant Township Manager
David Brill	Finance Director

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

There was no public comment.

5. General Fund Expenditures and Revenues 2022

Ms. Zadell provided a three-year comparison of the main general fund revenue sources. She noted that Earned Income Tax (EIT) is the highest source. EIT, Real Estate taxes, local services tax (LST) have all remained relatively stable.

Ms. Simelaro asked if COVID had any impact on EIT. Mr. Brill responded that it has been an anomaly that there has been no impact. There are a number of industries in Upper Gwynedd that have actually experienced growth. He also mentioned that EIT is taxed on bonuses which can be a wild card at year end. The forecast for EIT as of today, is better than what was initially forecasted.

Ms. Zadell mentioned that revenues will also include the Recovery Act Funding of \$1,340,000. Land Development and Zoning fees remain strong while Parks & Recreation revenue continue to see growth.

Ms. Zadell reviewed the grant summary prepared for the Board. Grants applied for include the DCNR Powerline Trail, PennDOT Multimodal-Sumneytown Bridge Replacement, DCNR Parks Master Plan,

Montco 2040, Haines Run Streambank restoration, and Liberty Bell Trail feasibility study. She noted that the PennDot Multimodal would be for construction to occur in 2023. The Montco2040 project would be completed in 2022 but revenue/grant reimbursement would not be seen until 2023.

Ms. Zadell reviewed the 2022 Fund transfers. The fire tax fund will be transferring \$21,500 to the Township and \$231,700 will be transferred into the fire tax fund. The Upper Collections System will be transferring \$120,000 to the general fund to cover the time that administration spends supporting the plant. The WWTP will see a transfer into the fund in the amount of \$400,000 from the American Recovery Act and a transfer of \$321,000 to the general fund. From the capital reserve fund, \$1.2 million will be transferred for capital projects and \$315,000 will be transferred into the fund from the general fund.

Mr. Brill mentioned that in 2023, he will be recommending the WWTP upper collections and lower collection systems fund to be combined.

Debt service

Ms. Zadell noted that the Township's debt ratio is extremely low. In 2020, the township refinanced their note from 2016. They were able to keep the same term and reduce the interest from 2.32% to 1.14%.

IT/Facilities Expenses

Ms. Zadell explained the importance of continued IT security. The largest targeted organizations for cyber-attacks are Townships and Cities. Included is an increased from security level 1 to level 3, the highest level of security. Expenses also include upgrading the Administration phone system to VOIP.

6. Projected Fund Balances

Ms. Zadell provided a table of the general reserve balance from 2018 to the projected amount of \$13,438,561 for 2022. Mr. Brill noted that these reserves are not restricted funds. Restricted funds are funds that are allotted to be spent for a specific purpose.

Ms. Zadell explained that the Township currently has 9-12 months of financial reserves. The Government Financial Officers Association (GFOA) sets best practices, and they recommend a minimum of 3 months of expenses in reserves. The Board of Commissioners can set their own policy regarding the reserve balance fund, but Ms. Zadell and Mr. Brill recommend 9 months of reserves.

Ms. Carter expressed her concern for the cleanup of Jacks Lane and the cleanup of other open spaces. Ms. Zadell noted that currently they have budgeted \$120,000 for the cleanup of Jacks Lane. After discussion among the Board members and their desire to have a maintenance schedule for open space, they decided to increase the open space budget from \$120,000 to \$200,000. The Township Engineer will work to prioritize projects in 2022 based on the need. They will do an assessment of all open space areas.

Budget Changes Summary

Ms. Zadell reported that the General Fund Surplus is down from \$373,00 to \$287,000 with some additional planned expenditures. The Township also received modified costs for the Newport basin, WWTP chemicals, insurance benefits, and gas inflation. There has been an increase to the property insurance premium due to recent appraisals of Township assets, floodplain, and cyber reinsurance. For

personnel, changes include an increase of 5 hours per week for the PT finance assistant, new part-time position in the Office of the Township Manager for special projects. The part-time special projects position is budgeted for almost \$35,000 and would assist in implementing the Board's new initiatives. Ms. McNaney asked if Ms. Zadell could prepare a job description and list of duties that the position would be responsible for. Ms. Zadell said she would provide that information.

Health Insurance Rate Stabilization

Ms. Zadell explained that the Health Trust offers rate stabilization for members. The rate stabilization comes from interest earnings from the Trust. The Board has the choice to use their RSF in part or in whole. Any about unused amount would continue to accrue interest. After discussion, the Board decided to apply \$100,000 of RSF to this year's budget allocation and save the remainder.

Community Contributions

North Penn Fire

The Board discussed North Penn's contribution request for the purchase of a new QRS vehicle and North Penn's miles of coverage for Upper Gwynedd. After discussion, the Board decided to budget \$15,000 for North Penn Fire.

North Wales Area Library

The Board discussed what was provided to the library in 2021 for the Township contribution and Library passes. They noted the importance of a community library. The Board discussed setting a precedent for a set annual contribution.

Nor Gwyn Baseball

The Board reviewed their proposed project list and discussed the number of families that are served as members. The Board decided that they would like to set the same precedent for a setting an annual contribution.

After discussion, the Board decided to allocate a set amount of \$50,000 until further notice to Nor Gwyn Baseball and \$50,000 to North Wales Library.

Human Relations Commission/Environmental Advisory Council

The Board reviewed the budget requests for both the EAC & HRC. After discussion, they decided to budget \$7,000 for each.

Ms. Zadell asked the Board if they were okay with a few items that are new to 2022. This includes leaf collection, Public Works position, Fire Marshal position, and Public Works/Police fencing. After discussion, the Board confirmed that the budgeted amounts for leaf collection, fencing, and FT Fire Marshal position were justified expenditure amounts. The Board would budget \$45,000 for a Public Works hire midway through the year.

Ms. Zadell confirmed a total of \$1.4 million for the capital fund. She noted that Mr. Brill will update the budget to reflect these changes along with the updated EIT forecast.

7. Questions & Answers

There were no additional questions from the Board or members of the public.

Meeting Adjourned at 5:00pm



Respectfully Submitted,

A handwritten signature in blue ink, appearing to read "S. Zadell".

Sandra Zadell
Township Manager/Secretary

Approved December 21, 2021