

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 24, 2022, Special Meeting of the Board of Commissioners was called to order at 1:00 PM by President of the Board, Denise Hull.

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:

Denise M. Hull	President
Katherine D. Carter	Vice President
Liz K. McNaney	Commissioner
Martha A. Simelaro	Commissioner
Ruth S. Damsker	Commissioner
Sandra Zadell	Township Manager
Megan Weaver	Assistant Township Manager
Nathan Crittendon	Finance Director

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

There was no public comment.

5. Fund Balance/Reserve Funding Review

Ms. Zadell reviewed the changes from work session #1. She highlighted that we went from a \$98,000 deficit to a \$11,000 surplus without any changes to revenue items. The Township received the updated Medical Insurance Costs, and we were able to see significant savings. The changes included clarification and update of the Capital projects.

Ms. Zadell reviewed the three-year comparison of the major sources of general fund revenue which include Real Estate Taxes, Transfer Tax, LST, EIT, and Permits/Fees. She highlighted that our EIT revenue has continued to increase while permits and fees have evened out.

Ms. Zadell reviewed the Capital Reserve Fund. The Government Finance Officers Association (GFOA) recommends a reserve of 3 months of operating costs or 16% of general fund operating costs. The trend that Upper Gwynedd has had is 81-107%. The 2022 budget as it stands would leave us a 59% spending in reserves. Ms. Zadell explained that the Capital Reserve fund funds all of Township's capital projects

except for Fire and WWTP projects. It would fund the projects listed in the recently created 5-year capital plan. She noted at this point in the budget, we are estimating a \$200,000 transfer to capital reserves in 2023 and a \$715,000 in surplus from 2022 to be transferred to capital reserve.

6. Grants Summary

Ms. Zadell reviewed the grants that the Township currently has been awarded. This includes for 2023 the PennDOT multimodal grant for the Sumneytown Pike Bridge Reconstruction \$473,000, DCNR P&R Master Plan \$0, Montco 2040 \$41,980, Haines Run Streambank Restoration \$730,000, and DCNR Grant for Parks Com Plan Completion \$47,500.

Debt service

Ms. Zadell reported that the Townships debt service ratio is extremely low. Our borrowing base as of 11/23/20 is \$21,521,214 and our nonelectoral borrowing base is \$53,803,035, we are now at \$9,939,985. This is very low.

Wastewater Treatment Plant Rate Discussion

Ms. Zadell wants to talk to the Commissioners about the Wastewater treatment plant budget on tab 14, page 3. Mr. Crittendon has put together a nice review of the WWTP which includes a comparison of Upper Gwynedd's sewer rate in comparison with other Township pay rates. Currently these rates show that UGT is the 3rd lowest rate in the region. Unfortunately, Towamencin kept a low rate and didn't invest in their infrastructure. Ms. Zadell and Mr. Crittendon do not believe that UGT is currently investing at an appropriate level and are recommending a rate increase for 2024 or 2025.

Ms. Zadell stated that they are currently still getting a handle on the changes from WIP. However, they are not seeing a reduction in chemical cost and trucking due to I&I. Ms. Zadell said in an assessment of the operating costs, they looked back to 2015 and there was only 1 year that the fund did not operate in a structural deficit. Currently, the Township is undercharging our rate payers and taking from Sewer Capital reserves. The recommendation would be to increase rates to \$507 in 2024 or 2025.

Ms. Hull asked when the last rate increase was. Ms. Zadell responded that the last rate increase was 2017 and the last tax increase was 2014. Ms. Zadell also noted that in 2023 we are budgeting \$1.15 million for I&I improvements associated with WIP going online. The Township will need to continue to invest in our WWTP infrastructure.

Ms. Carter requested updates on the progress that WWTP makes in 2023 on the I&I improvements. Ms. Zadell responded that the WWTP will be starting with North pump station, which they think has the largest problem. The WWTP can provide I&I report updates, however the first phase is investigative work to identify the problem areas.

Mr. Crittendon noted that even with a rate increase in 2024, we would still be the 2nd lowest rate with Towamencin's rate increase.

7. Review of Decision Items

Ms. Zadell reviewed a sheet of potential or suggested budget cut options. She noted that not all are required.

Fire Fund

Ms. Zadell mentioned that this fund still currently shows a \$18,000 operating deficit, which is a concern. Currently, the Fire Department is planning a new fire station and the VMCS will also be asking for funding next year. She would not recommend using a reserve fund for operating expenses.

Staff identified a potential cut of \$10,000 in vehicle maintenance since we just bought 2 new vehicles. The Fire Department does already have a vehicle maintenance budget. The Commissioners will also need to decide the level of funding to give to North Penn Fire. Ms. Zadell reviewed statical data of the number of QRS/service calls and the service area for North Penn Fire.

After Board discussion, the Commissioners agreed to cut \$10,000 from the UGTFD vehicle maintenance, \$2,000 from UGTFD funding, and contribute \$7,500 to North Penn Fire Co.

General Fund

Ms. Zadell stated that the other potential/suggested cuts listed are from the general fund. Currently they do not need to make any cuts since there is a \$11,000 surplus.

Community Contributions

The Commissioners discussed the funding levels for Nor Gwyn Baseball and North Wales Library and agreed they would like to keep the funding levels of each to \$50,000. Ms. Zadell mentioned that the library is requesting \$50,000 and then an additional \$8,000 for the passes. She would advocate keeping the passes since they would likely be cut as a service from the Library.

After discussion, the Board agrees with keeping the contribution level at \$50,000 for Nor Gwyn and \$50,000 for North Wales Library.

Ms. Zadell read who the Township gives contribution to, which includes North Wales Library, Nor Gwynn Baseball, Montgomery County Library, North Penn Senior Center, Montgomery County Emergency Service, Visiting Nurse Association, Squires, and North Penn Good Will.

Ms. Hull mentioned that we received a new request from Victim services. Victim services requested between \$250-\$2,000 but appreciates any donation. Ms. Hull suggested \$2,000 and all Board members agreed with that amount.

Gym Upgrades

Ms. Carter is a proponent of wellness and would like the gym upgrades to stay. She noted the utilization by the police. After discussion, Board members agreed with keeping the budgeted amount.

EAC

Ms. Zadell mentioned that the last potential cut could be \$5,000 that the EAC is proposing to use for a community rain garden. Ms. Zadell suggested that the EAC could be involved in the rain garden that the Township will be planning. She mentioned that the HRC budget was already reduced to \$3,000 since

they only spent \$1,500 in 2022. Ms. Zadell mentioned that all of the HRC speakers are free, so they are very cost-effective group.

Capital Reserve Fund

Ms. Zadell reviewed the list of potential cuts.

Public Works Dump Trucks

Ms. Zadell also noted that Public Works is asking for two dump trucks, one was slated for 2022 and one was slated for 2023. Due to supply demand issues the 2022, one was pushed to 2023. Ms. Zadell and Mr. Crittendon are just recommending budgeting for 1 dump truck in 2023. After discussion, all Board members agreed with budgeting for only 1 truck. Ms. Zadell said that as soon as the budget is approved, she will tell department heads to place vehicle orders.

MS4 engineering

Ms. Zadell stated that this was a cut suggestion because the Township always budgets \$80,000 but never spends that much. After discussion, all Board members agreed with cutting this line item by \$20,000.

Open Space Management

Ms. Zadell reviewed the open space matrix. Ms. Zadell suggested cutting the line item to \$175,000 and tackle the high priority open space items. She is recommending the high priority items in 2023, medium priority in 2024 and the low priority in 2025. This would result in \$25,000 less spending in 2023. All Board members were in favor.

WWTP

Ms. Zadell mentioned that the Board could decide to cut another \$100,000 and still give them \$1million. Ms. Hull agrees as long as they know they appreciate the work they do and the importance of these improvements. All Board members were in agreement.

Fire Marshal/EMC

Ms. Zadell stated that if the Twp received the PT employee, they would be able to have a more robust inspection program. Currently, our fire inspection program is not where it needs to be, but having a part-time person would help us get there. The part-time position would be hourly and help conduct business inspections. All Board members agreed with keeping this in the budget.

Ms. Zadell stated that another potential cut would be the flood gates. Currently they have budgeted for gates at West point pike by Merck, WWTP, Swedesford and Township line. The total cost is \$55,000 and would be better for long term safety. Ms. Zadell said it could also be spread through time, not all of them need to be done in 2023. Ms. McNaney suggested starting with a couple gates. After discussion, the Board members decided to eliminate the purchase of a drone and reduce the gates to \$25,000.

Facilities

Ms. Zadell noted that the gate and fence were carryover items from 2022 since they were not completed. After discussion the Board members decided to cut the gates and have the fence remain in the budget

Mr. Crittendon reported that after those cuts, there would be approximately \$86,500 in surplus.

8. Questions

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

Meeting Adjourned.



Respectfully Submitted,

Sandra Zadell
Township Manager/Secretary

Approved December 20, 2022