

SPECIAL MEETING MINUTES (Budget)

November 5, 2018

1. Call to order.

The November 5, 2018, Special Meeting of the Board of Commissioners was called to order at 5:00 PM by President of the Board, Kenneth E. Kroberger. The following individuals were in attendance. Ken Kroberger, Jim Santi, Tom Duffy, Denise Hull, Liz McNaney, Alex Kaker, Dave Brill, Chris Sharkey, Jeff Tomczak, Chief Duffy, Lee Honeywell, Rebecca Mason, and Willard Troxel.

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

The format for the Public Budget Meeting included the Township's Finance Director and respective department head's budget presentation for each Township Department. The individual draft departmental budgets have been reviewed by the respective Commissioner liaison, Department Head and the Finance Department. The meeting agenda was pursuant to the following schedule;

- 6:00 pm – 6:15 pm Township Wide Review
- 6:15 pm – 6:45 pm Fire Company
- 6:45 pm – 7:15 pm Fire Marshal & Emergency Management Coordinator
- 7:15 pm – 7:45 pm Police
- 7:45 pm – 8:30 pm Sewer
- 8:30 pm – 9:15 pm Public Works
- 9:15 pm – 9:45 pm Parks and Recreation
- 9:45 pm – 12:00 am Administration

The following is a summary of discussions held at the Monday, November 5, 2018 Public Budget Meeting. It is the intent of these meeting minutes to be a fair and accurate representation in summary format.

Township Wide Overview – Dave Brill, Finance Director, Treasurer

- Mr. Brill provided an overview of Township-wide finances including the preliminary revenue and expense budget by fund, split between operating and special purpose funds and related existing and projected fund balance. Mr. Brill noted that the current 2019 proposed Township budget includes a deficit in all major operating funds however the fund balances in all major operating funds remain substantial and at financially sound levels.

Fire Company – Chris Sharkey, Fire Chief

- Mr. Brill discussed the 2018 forecast vs budget for each line item within the fire tax fund as well as all 2019 requests. In addition, Mr. Brill discussed an illustration of the fund balance split between the operating and the capital reserve of the fire tax fund. Due to the increase in the fire tax portion of the real estate tax in 2017, growth in the fire company's reserve fund increased by \$47,686 and is expected to increase to \$143,058 in 2019, showing that the increase imposed in 2017 is fulfilling its intended purpose.
- Mr. Sharkey discussed the line item detail of the fire company requests. He requested that the Board include an increase in their funding to enable the FC to continue the stipend reimbursement program that has been very successful. Previously this program was funded by Commonwealth of PA grants. At least temporarily, these grants are not funded by the Commonwealth, but is hoped that this funding will be restored in 2020 by the Commonwealth of PA.

- Mr. Sharkey discussed the capital improvement requests to repair the roof at an estimated cost of \$40,000 in 2019.
- Mr. Sharkey then discussed the current fleet and the 2 to 5-year vehicle rehab/replacement needs of the Company. In 2020 Mr. Sharkey recommended we either refurbish (\$250,000) or replace the Tower (\$1,000,000). Then in 2025 replace (\$600,000) the Squad 80. Mr. Santi thanked Mr. Sharkey for discussing the Fire Company's longer-term capital needs and asked him to continue his research and bring back his findings to the BOC for further discussion during next year's budget cycle in 2019 for 2020. Mr. Brill mentioned that at the end of 2018 the Township will have in reserves dedicated for the Fire Company \$1,037,000 that could be used to fund or help fund these needs.

Fire Marshal and Emergency Management Coordinator (EMC) - Jeff Tomczak

- Mr. Tomczak started with a recommendation for the Township to consider transitioning the Fire Marshall position to a full-time paid position in 2020. Mr. Santi asked Mr. Tomczak if any nearby Townships have a full-time position and if so, what would the pay be. Mr. Tomczak mentioned Limerick and Upper Providence have full-time position and the pay would be \$55,000 to \$60,000 per year. Mr. Tomczak indicated the position work load is expected to increase with law changes by the State.
- Mr. Tomczak discussed his 2020 budget request for Fire Marshall and Emergency Management Coordinator which is in line with 2018's budget and forecast.

Police – Chief Dave Duffy

- Chief Duffy discussed his department's 2019 Objectives Scorecard. He indicated hiring an officer in advance of the Deputy Chief's retirement was an objective to manage the transition in the department with the necessary position moves. He also discussed the implementation of body-worn cameras in the department for 2019.
- Mr. Brill discussed standard budget categories for the Police Department. Mr. Brill described prior year's spending trends, 2018 forecasted performance to budget and 2019 requests from the Department Head and staff.
- Chief Duffy then discussed the 2019 capital plan to include the purchase of 5 body worn-cameras. He expressed to the Board the plan is to first rollout 5 cameras and then evaluate if full department rollout in 2020 makes sense. The replacement of two patrol cars was discussed. This replacement follows the accepted replacement cycle of the patrol fleet (2 one year then the following year 1).

Sanitary Sewer System – Lee Honeywell, WWTP Superintendent and Rebecca Mason, Deputy Director of Wastewater Operations

- Ms. Mason discussed her department's 2019 Objectives Scorecard. She outlined the succession plan for 3 full-time employees with 2 new hires, finishing Swedesford Road manholes, and completing the PLC conversion with integration with plant expansion.
- Mr. Brill discussed standard budget categories for the WWTP and Collection System. Mr. Brill described prior year's spending trends, 2018 forecasted performance to budget and 2019 requests from the Superintendent. Mr. Brill highlighted in revenue the \$100,000 grant the Township received from DCED to partially fund the remaining PLC upgrades.
- Mr. Honeywell discussed the 2019 WWTP capital project list which includes the continued upgrade of the PLC controls, replacement of a 2000 GMC truck, and various other projects.
- Mr. Brill discussed the summary page of the sanitary sewer system where it reflects the fund surplus deficit, both using full accrual method of accounting which includes depreciation and on a cash basis accounting which excludes depreciation. In addition, Mr. Brill discussed the level of depreciation suggested to be funded via current utility rates, being the amount related to the consumable

equipment controls, equipment and vehicles at the plant. This number was determined with discussions with our Engineer, Township Manager and Assistant Township Manager.

- Mr. Brill then discussed the sewer capital fund by providing a summary of the funding and spending related to the sewer diversion project since 2015 through the 2019 request. Mr. Brill indicated that a bank loan will be needed in the 4th QTR of 2019 for approximately \$8 to \$10 million to fund the balance of the diversion project. Mr. Brill then stated, the debt service of this loan will be funded by the sewer rental currently paid to Towamencin Township, less the EDU's left behind due to economics, less the anticipated plant and pumping station cost increase with the higher flow to our plant.
- Mr. Brill then discussed the sewer capital fund, the major maintenance reserve activity in 2018 and planned in 2019, as well as noting the major maintenance reserve balance at the end of 2019 is expected to be \$373,500.

Department of Public Works (DPW) – Willard Troxel, Superintendent

- Mr. Troxel discussed his department's 2019 Objectives Scorecard. He outlined the key objectives including improved compliance with ADA regulations, improving staff skill levels, replace budgeted feet of failed pipe, TV storm sewers in the Villages, and develop an estimate and Plan for the TWP.
- Mr. Brill discussed 2018 forecast vs budget as well as 2019 requests for the main spending items. Of note, within the labor categories.
- Mr. Troxel discussed the road maintenance program for 2019 (\$876,080 for milling, overlay, micro surfacing).
- Mr. Brill discussed the status of the 2018 infrastructure projects. The Conrad Avenue Basin Stormwater Drainage project has been completed. The NFWF Stormwater Projects will carry over into 2019. Mr. Troxel discussed his funding requests for 2019 for traffic signal detection as well as battery back-up for traffic lights and ongoing LED light change out. Mr. Brill discussed the inclusion of \$330,000 for a Best Management Practice Stormwater Project shared with Merck at 28.2% as well as \$871,820 for the rehab of the Sumneytown Pike over the Wissahickon Creek.
- Mr. Troxel discussed his 2019 request for a new backhoe (with existing going to P&R) and a Pathfinder Camera for televising storm sewer piping.

Parks and Recreation – Alex Kaker, Parks and Recreation Director

- Mr. Kaker discussed his department's 2019 Objectives Scorecard. He outlined the key objectives including upgrading the Center Street entrance/path, improving West Point Basketball Court including new hoops, planting trees near pickleball court, additional flower bed plantings at the gazebo and Parkside entrance, and increasing soccer league registrations by 20%.
- Mr. Kaker indicated for 2018 the cost of activities is expected to be \$279,739 and revenue \$252,288 leaving a modest \$27,451 shortfall. Alex mentioned he believes the rates for activities are fair and in-line with surrounding municipalities. For 2019 program revenues and expenses are planned to be comparable with 2018.
- Mr. Kaker also noted that for the 2019 Budget the Township funds \$735,697 (5.4%) from the General Fund to provide residents other services like maintenance of open space, maintenance of parks & playgrounds, tennis facilities, and pickleball.
- Mr. Kaker did a presentation of the overall success and growth of many of the program offerings of the Township.

Planning & Zoning

- Mr. Brill discussed the department's 2019 Objectives Scorecard. He outlined the key department objectives including continuing the update of the Comprehensive Plan and by year end having 50% of property files scanned into document management software.
- Mr. Brill discussed the department's performance to budget, noting that all line items are within budget except for the start of the Comp Plan Update being delayed to 2019 resulting in a favorable spending versus budget of \$37,500. Mr. Brill also indicated the permit fees are adequately covering the cost of the department.

General Fund Revenue, Administrative Expenses, and Insurance – Dave Brill

- Mr. Brill discussed the Admin's department's 2019 Objectives Scorecard. He outlined the key departments objectives including taking in-house the Fire Department's Accounting & integrating their independent audit with the timing of the TWP's, continue to scan and catalogue TWP records as well as put in place procedures and desktop scanners to scan daily activity going forward, go-live with the new accounting system by Jul 2019, start quarterly financial reporting to BOC & Dept Mgrs., and maintain focus on evaluation process by including scorecards in TWP Mgr. monthly staff meetings.
- Mr. Brill discussed the General Funds revenue sources. He indicated the Homestead Exemption is proposed to remain at \$30,000 per qualified owner-occupied residential property. Mr. Brill provided an update on State and County Grant revenue. Mr. Brill indicated the Township anticipates utilizing \$523,000 liquid fuels revenue for the 2019 Township road maintenance program, and \$578,900 of the \$1,066,000 capital reserve fund to fund the 2019 PW backhoe, BMP Project and a storm-sewer camera, Police replacement of two patrol cars, P&R West Point Basketball Court Improvements, and Admin roof repairs.
- Mr. Brill recommended to the BOC to increase the 2018 budgeted allocation to the Capital Reserve Fund to take advantage of the receipt of unbudgeted transfer and EIT tax by \$389,000.
- Mr. Brill reviewed the line item expenses contained in the Administrative section of the budget. The major expenses in this section involve payroll, healthcare insurance, employee benefits, and liability insurance. A list of traditional charitable contributions to local non-profits was discussed.
- Mr. Brill discussed the 2019 IT department request, noting that the plan is to continue scanning permanent records as well as the replacement and upgrade of the accounting suite.
- Mr. Brill discussed the 2019 debt service being the same as in 2018. The principal balance of the outstanding debt will be \$3.0 M which is well below our non-electoral debt limit of \$25 M as of December 2019.
- Mr. Brill stated that the Township healthcare benefits via DVHT will be flat with anticipated inflation offset by the efficiency of the Trust as well as the Plan changes made by the BOC.

The BOC directed Alex Kaker and Dave Brill to meet with each Manager and identify discretionary budget items the BOC can consider removing from the 2019 request to reduce the General Fund deficit of \$509,768 and/or improve the cash basis surplus in the Sewer Fund.

The above concluded the Township Department budget overviews.

Respectfully Submitted,

Alex Kaker
Township Secretary

Approved February 25, 2019