

Doylestown Township - Ways and Means Committee

Meeting Minutes for July 22, 2020

Meetings held 4th Wednesdays at 7PM.

No meeting in November, December meeting is 2nd Wednesday.

| Resident Members | IN | Township Participants | IN |
|-------------------------------|----|--|----|
| Brenda Bray Chairman | X | Jennifer Herring- Board of Supervisors - Liaison | X |
| Robert Salanik –Vice-Chairman | X | Stephanie Mason – Township Manager | X |
| Colleen Mullin | X | Ken Wallace – Township Finance Director | X |
| Joe Delikat | X | Dave Tomko - Township Director of Operations | X |
| Mike Paulosky | X | Ed Ebenbach – Budget Consultant | X |
| Eric Cornwell | X | Jaime Doyle PFM Financial Consultant | X |
| Joe Volk | X | | |

Ms. Bray called the meeting to order at 7:00 pm. A quorum was present and the following matters were discussed.

1. Approval of Prior Meeting Minutes

The minutes of the June 24, 2020 meeting were approved unanimously upon a motion by Mr. Delikat and seconded by Ms. Mullin.

2. PFM Report on Borrowing Bank Loan vs. Bond Issue

- Ms. Doyle reviewed the results of the bidding for the townships \$3,000,000 proposed borrowing. The results of this bidding were previously reviewed with the Board of Supervisors (BOS) at their last meeting.
- Ms. Doyle reviewed that handout that she presented to the BOS and forwarded to W/M committee members. Banks bids provided a rate on a 25 year fixed term, or a fixed term of 10 years and adjusted thereafter. Peoples Security Bank, with a branch in Doylestown, had the bid with the lowest true interest cost, for a fixed term of 25 years at 2.39%. The bid does not have a prepayment penalty, and the bank offered the option to draw down funds as needed, for up to 9 months, which would reduce the initial year interest payment.
- The committee also discussed the bid of Quakertown National bank which had a lower interest rate for the first 10 years, and then the rate adjusted. If the township repaid the loan in 10 years this bid would be more economical. Since the borrowing was intended to be for 25 years, it was determined that Peoples Security Bank was the best option. The cost of the Bond Issue exceeded the cost of the bank loan.
- The BOS indicated that they would approve the People Security bank proposal at their next meeting if the Ways and Means Committee members concurred. Upon a motion by Mr. Salanik and seconded by Ms. Mullin the committee unanimously agreed to notify the BOS that they concurred with the Peoples Security bank recommendation.

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3. Status of the 2019 Financial Audit

- Mrs. Bray questioned the status of the 2019 financial audit and when it would be available for review. Mr. Wallace indicated that it is not yet complete and that he anticipates completing The Management Discussion and Analysis (MD&A) shortly, noting that he is awaiting a few numbers from the auditors to plug in. He also reported about \$26,000 in minor reclassification proposed by the auditors and stated that the audit exit conference would be scheduled for the week of August 10th.

4. 2020 Budget Updates

- Mr. Ebenbach reported that they are currently meeting with department heads and discussing the status of the current year's budget.
- Mr. Ebenbach and Mr. Wallace also discussed the current year revenue variances including a shortfall of the Earned Income Tax of 12 % and the excess revenue generated from building permits. They also noted that transfer taxes were lower than last year, however the real estate market is picking up and housing prices are increasing, so it is hoped that the shortfall will be resolved by year end.
- It was also stated that the Earned Income Tax revenue for 2021 is projected to decrease by 10% from the current budget.
- It was noted that there are some current employee position vacancies that have not been filled in order to reduce expenditures in the current year.
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5. Community Recreation Center

- Mr. Tomko gave an update on the requested profession service proposals for the Community Recreation Center. There seems to be significant interest in providing design and construction management services for this project. Proposals for these services are due in early August with BOS action for the design phase scheduled for August and for the Owners Representative perhaps as early as September.

6. Budget 2021

- Mr. Ebenbach indicated that 2020 department meetings are ongoing and not much work is yet completed on the 2021 department budgets.
- It was noted that other than the Environmental Advisory Council no other committees were making a budget request in 2021. Parks and Recreation will not be making any request either, so the W/M committee will propose a budget item for bathrooms at Kids Castle.
- Mr. Delikat discuss a recent administrative recommendation regarding Copier leases and the need for some detailed analysis for these type of recommendations.
- The committee also questioned the Cost Cutting strategies that the administration would be recommending. Ms. Mason replied that these types of recommendations are determined by the BOS.
- It was suggested that the township might wish to engage an outside consultant to review operations of the various departments to include various office automations, such as, financial software and document management. It was suggested that the W/M committee should take the initiative on this.
- Mr. Ebenbach also noted that the Pension Advisory Committee (PAC) budget recommendation for 2021 will be included in the first draft of the budget.
- Mrs. Bray indicated that Mr. Denton the PAC Chair will attend the next W/M committee meeting and present any updates from the 8/10 PAC meeting.

7. Adjournment

- Upon a motion by Mr. Salanik and seconded by Mr. Delikat, the meeting was adjourned at 8:30 pm.

8. Next meeting

- August 26, 2020

Respectfully Submitted
Robert Salanik

