



Board of Supervisors / Ways & Means Committee

425 Wells Road
Doylestown, PA 18901
<http://doylestownpa.org/>

Budget Work Session

~ Notes ~

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215-348-9915

Tuesday, October 4, 2022

3:00 PM

Public Meeting Room

In Attendance:

Board of Supervisors: Chairman Barbara N. Lyons, Jennifer Herring, Nancy Santacecilia and Dan Wood.

Absent: Ryan Manion, Vice Chairman

Ways and Means Committee: Chairman Brenda Bray, Bob Salanik, and Joe Volk

Doylestown Staff: Ken Wallace, Finance Director; Ed Ebenbach, Budget Analyst; Dave Tomko, Director of Operations; Karen Sweeney, Director of Parks & Recreation; and Stephanie Mason, Township Manager.

Ms. Lyons thanked everyone for being in attendance and called the meeting to order. She also took a moment to thank the Finance Department and staff for preparing the Capital Project documentation that was put together. There is quite a bit here and it is much appreciated.

Preliminary 2023 – 2027 Capital and Major Spending Programs

Mr. Wallace shared with the Board the Capital Spending review of “How did we get here?”, see attached (2 pages).

The document of Capital Programming Proposed Projects is almost 84 pages it attempts to address the increase request for Capital Projects. He indicated that from 2022-2026 Capital Spending requests totaled \$27.7 million. The 2022-2026 Capital Spending Budget was \$24.2 million. As it sits right now the proposed 2023-2027 Capital Spending Requests total \$30.8 million. That is a growth of \$6.6 million over last years budget and \$3.1 million over the 2022 request.

Ms. Lyons asked for clarification, if the proposed Park Recreation Community Center and Accelerated Road Program were included?

Mr. Wallace indicated yes, and it is accounted for and funded through existing funding, borrowing and/or grants.

Ms. Lyons suggested then that we need to deal with the extra \$10 million requested.

Mr. Wallace indicated that Capital Revenue for 2023 – 2027 is grants, taxes and borrowing of \$25.3 million, which leaves an unfunded gap of about \$5.5 million. He also pointed out that unfunded Capital Projects traditionally are paid by for transfers of dollars from the General Fund. This requires available fund balance to fulfill it.

The General Fund available fund balance at 9/30/21 was \$4.5 million comprised of \$3 million for operating cash and \$1.5 million for investments. General Fund available balance as of 9/30/22 is \$3.5 million comprised of \$1.8 million for operating cash and \$1.7 million for investments.

Ms. Lyons questioned if this gap occurs if the Township did everything over the next five years?

Mr. Wallace confirmed, yes.

Mr. Wallace suggested that there are three big causes. The MMO payments of \$1.4 million in 2022, the continuing obligation of monthly principal payments of \$42,000 of Penn Vest loan payments for the Pebble Ridge/Woodridge Sewer Project and \$200,000 increase of wages by contract. He also indicated that the \$1,000,000 grant that the Township received for the Park Recreation/Community Center is very beneficial for the project however, the Township will need to provide those funds up front and seek reimbursement.

Mr. Wallace noted that the staff has recommendations of how to handle this gap. The Township needs to identify its strategic vision and set priorities for the projects, the timing, and the spending level. In addition, we need to identify the projects to be covered by fundraising. For the projects that remain funding source alternatives could be a tax increase for capital of 1 mil, (1 mil produces \$274,000 annually or a cost per residential property of \$41 per year), set up a line of credit, where we can draw down as needed or take a bank note with a staggered pay out schedule. Mr. Wallace indicated that at the present time finance is speaking with PFM and TD about these options.

Going back to the summary of Capital Projects, staff has \$32.8 million of recommended projects over the next five years, while revenue is at \$27.7 million over the next five years.

It is clear that the Township does not have enough money to do everything that has been recommended.

Ms. Lyons indicated one consideration could be to deescalate the road program.

Mr. Ebenbach commented that it was not necessary per se as there is borrowing proposed as part of that project. In addition, after the Accelerated Road Program is completed, the Township returns to a normal program utilizing the road tax funding as a source.

It was suggested that we only consider doing mandated projects vs. beneficial. Expenses for the Dog Park for example are paid for by the Dog Park Fund.

It was indicated that the park amenities total around \$1.3 million with the bathroom project, pavilion, and bocce court project. To fit within the budget some of these projects might need to be pushed to 2028 at this point in time.

Ms. Herring indicated that the ability to do the bathrooms with the building, managing it for capacity is a question.

Mr. Tomko indicated that the bathroom project would be put out to bid, and thus could occur at the same time as the PRCC/Sports Court project.

Ms. Lyons indicated that fundraising for the Park/Recreation Community Center needs to be the focus along with the roads.

Mr. Salanik said that people want bathrooms. He indicated that when he was on Park Recreation Board, bathrooms were discussed and recommended.

Ms. Santacecilia indicated that bathrooms should be a high priority. She also raised concern about a "what if" on the price of the Park/Recreation Community Center Building. She suggested that the Township consider doing the courts first and then help with fundraising and the grants for the building. The bathroom should be at the same time as the courts.

Ms. Herring indicated the bathrooms have support from the community, but she doesn't know if everything can be done at once.

There was discussion regarding fundraising for the bathrooms.

Ms. Santacecilia indicated that she didn't think anyone would donate specifically for bathrooms.

Mr. Wood questioned why we would fundraise for the bathrooms? He believes the focus should be on the Park/Recreation Community Center.

There was a question on whether it was an easier sell for the bathrooms, but the question might be why we can't afford the bathrooms along side the Park/Recreation Community Center.

Ms. Santacecilia suggested putting in the bathrooms and the courts all at once.

Ms. Lyons indicated she believes it may be easier to sell the bathroom concept vs. the Park/Recreation Community Center if people are that committed to having bathrooms.

Ms. Brown, Chairman Park/Recreation Board questioned if funding from the Kids Castle account could be used as well for the bathrooms?

Ms. Brown said to focus on the Park/Recreation Community Center and push other park amenities out.

There was discussion regarding the Bocce Courts utilized by the Special Olympics athletes and that rebuilding them should be a priority as well.

Ms. Lyons indicated the Township should focus on what is mandated. She also discussed the Capital Campaign and did not believe that it will bring a lot of money because we would need to identify who people in the community are that could donate.

Ms. Santacecilia suggested that those who give to the Park/Recreation Community Center could receive special access and/or recognition.

Mr. Wood indicated concern and what the number would be that we would have to cut.

Mr. Ebenbach indicated that we'd have a million available, \$5.5 million is not covered over the five years. He indicated that there are just too many things being requested, such as the park amenities and buying Police cars and other vehicles. He believes we could put a million dollars into 2023 figure for long term spending that would cover unfunded projects.

It was again suggested to focus on the mandated projects.

Ms. Santacecilia suggested looking at usage and making decisions based on criteria of usage and driven by data, such as for the roads and the bathrooms.

Mr. Salanik suggested that the Board not get hung up on the five-year plan. He said it's great to look out five years, but the focus should be on what can be accomplished in 2023 and focus on the money needed. He suggested we get through 2023 with the revenue needed. He said that the Township is always conservative with the revenue projections. He believes that if we get out early with all of our bids we should do well in pricing.

Ms. Lyons suggested that the Bocce Courts be put out to bid at the same time and maybe as part of the bond for the Park/Recreation Community Center as well.

Mr. Ebenbach indicated that the Park Master Plan recently adopted has \$18 million worth of projects that the Board may want to do in the future.

Ms. Santacecilia discussed the Bike/Hike planned maintenance and the cost for that.

Mr. Tomko indicated that what was initially budgeted was not enough because we put it out to bid. He believes it can be done in house more cost effectively.

Mr. Tomko also explained what the parking lot maintenance at Turk entailed, which was sealcoating, clean up, and striping of the parking stalls.

Ms. Herring wanted to know if there's a need to move maintenance costs, what do we need to do in the five-year view?

Mr. Ebenbach indicated at this point it is not anticipated to raise taxes except for debt service in 2024.

Mr. Wood suggested we focus on mandated projects, replacement, and maintenance projects.

Mr. Ebenbach indicated there's \$10.2 million over five years that's mandated. There's \$1.6 million not paid for mandated over five years. Maintenance, mandated and replacement are necessary to go forward.

Chief Logan indicated that the Ways & Means years ago through Lee Schwartz sat with him and created a schedule on the vehicles and when replacement should be needed. By not doing replacements of vehicles, you're kicking the can down the road.

The consensus was that replacement, maintenance, and mandated projects need to be the focus.

At this point the Board began to review the CapX sheets focusing on those three areas.

Kids Castle has a fund that could be used for the cameras, which are for a liability purpose. This is an item that is beneficial. At this point there is no revenue available as indicated in the chart.

There was also discussion about Central Park Kids Castle Trail improvements that are also considered beneficial, however, before utilizing any of those funds it was suggested to talk to Mr. Salvati, Chairman of the Friends of Kids Castle Committee and perhaps not do that these projects at this time. They believe the Board of Supervisors should have a say in how funds are spent when there's not a renovation project on the horizon.

Ms. Lyons indicated that donations are typically for equipment at Kids Castle, and it is earmarked as such. Spending from the fund there should be reviewed with Mr. Salvati.

Ms. Herring and Mr. Wood had some concerns that they raised regarding Kids Castle and requested that they would like Mr. Salvati to come to the Board and tell the Board, what if any future projects he has planned for Kids Castle.

Mr. Tomko indicated that the proposed bathroom facility does tie in with the electric to the Castle and installation of cameras, obviously some of these things are interconnected.

Chief Logan indicated that in his professional opinion, we are flirting with disaster by not having cameras at Kids Castle for safety purposes. He also indicated that such a system needs to be easily accessible.

Ms. Sweeney indicated that the Board could take off the proposed Central Park Pavilion at the Amphitheater.

Ms. Brown suggested that the Sauerman Park Pavilion and Sport Court could be put off as well or reevaluated and resubmitted. The proposed estimated price of \$506,000 was much higher than what the Park/Recreation Board thought. They assumed it would be a \$40,000 +/- project for a pavilion. They would like the opportunity to reevaluate and resubmit next year as it is something that isn't planned until 2025.

Ms. Sweeney indicated that the Bocce Courts are coming to end of life, need to be redone, need to have ADA upgrade replacement as it is used by the Bucks County Special Olympics.

Mr. Ebenbach suggested one approach would be, to determine how much is needed for 2024 – 2027 in park amenities and have programs resubmit.

At this point stream bank stabilization, could be kept as maintenance in for 2026.

Ms. Santacecilia joins the Park/Recreation Board in the need for bathrooms she believes there are not enough for all attendees at park events.

Ms. Herring indicated that she'd like to see the bathrooms in the five-year forecast but perhaps we could scale it.

Ms. Lyons indicated that at this time she is a not for bathrooms, but we'll keep it in at this point in time in the five-year forecast at \$633,000.

Turk Park Trail could be pushed to 2028 as the County Trail Project has not been finalized.

There was discussion regarding vehicles and the need to replace them, there was some discussion about utilizing electric vehicles but unfortunately for the larger trucks the technology just isn't there yet.

It was agreed that the Code Department could possibly buy electric, however vehicles that have been ordered are still on back order due to the pandemic.

Financial software, time and attendance should continue to be evaluated and included.

The administration building lobby security upgrade is partially being funded with a safety grant from Delaware Valley Insurance Trust of about \$3,000 to \$4,000 the project does need to be bid but it has been identified as being necessary from the insurance as a risk management issue.

Ms. Santacecilia questioned the Park/Recreation Community Center and when the bids go out, if they come in higher than anticipated, what would we do?

Mr. Wood indicated that we would have to talk about it and make decisions at that point in time.

Mr. Ebenbach indicated that the next steps would be to put together the capital as discussed today along with the operations and come back with a modified five-year capital plan along with the operations.

We will be able to discuss this at the meeting on October 18th and at that point time we can discuss how things are funded and any necessary tax implications.

Being no further business, the meeting adjourned by the chairman at 4:38PM.

The next budget meeting is scheduled for October 18th at 5PM.

Respectfully submitted,



Stephanie J. Mason, Township Secretary