



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 18, 2022

5:00 PM

Public Meeting Room

In Attendance:

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

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

Others in attendance included: Township Manager Stephanie Mason, Assistant Township Manager Stacy Crandell, Finance Director Ken Wallace, Director of Operations Dave Tomko, Chief Dean Logan, Lt. Charles Ziegler, and Township Budget Analyst Ed Ebenbach.

Ms. Lyons welcomed everyone and called the meeting to order.

Capital Recap- Ken Wallace, Director of Finance/Ed Ebenbach, Budget Analyst

Mr. Wallace and Mr. Ebenbach explained that at the conclusion of the meeting, they are looking for approval to start producing the 2023 budget book.

Mr. Wallace and Mr. Ebenbach summarized the adjusted capital spending forecast based on the capital projects discussion at the previous budget meeting. Here are some highlights that were noted:

- New Community Center Building, Sports Court Relocation, Bocce Court Upgrade, and Bathrooms were combined into one project utilizing bond financing. The project total cost estimate is \$10.2 million, and the Township is recommending borrowing \$7.9 million, and this is scheduled for 2023. Ms. Lyons added she made the suggestion to loop the bathrooms in this project because it was something that was supported and wanted for the park. Ms. Mason added that combining everything would come in line with the upcoming 30th Anniversary of the opening of Central Park. Ms. Manion agreed that the restrooms were an important piece for the park. Ms. Santacecilia asked if this was everything and if the bond borrowing would need to be higher depending upon the bids. Mr. Ebenbach explained that the Township does have an advantage of being able to borrow more if needed, however it important to keep the bond borrowing amount under \$10 million. Ms. Herring asked when the Township was going to hear about the other grants. Ms. Mason explained that we needed to withdraw the Local Shared Revenue Grant until we have the bond funding, but we do have an option to reapply. Ms. Mason explained that the second RACP grant was submitted, and the Township may hopefully hear by the end of the year. In addition, Ms. Mason stated that a DCNR grant which is on the agenda for the Board this evening is going to be submitted for the relocation of the athletic courts.
- Accelerated Roads Program Part 2 will pave 15.6 miles in 2023, after paving 10 miles in 2022. This program is recommended to be funded through a bank note borrowing for \$2.7 million with the associated debt service payments covered by the reallocation of road tax millage.

- 2023 Capital Projects without funding will be covered by transfer from General Fund.
- 2024-2027 Capital Projects without funding will be covered by a Capital Note, which includes borrowing a total of \$2.2 million. Associated debt service payments will be covered by tax millage which are estimated to reach 0.5 mill in 2027.

Preliminary Five-Year Plan- Ken Wallace, Director of Finance/Ed Ebenbach, Budget Analyst

Mr. Ebenbach gave an overview of debt service by millage by purpose and explained the buildup over time. This information is subject to change as the Township is currently working with PFM on the borrowing for next year. Mr. Ebenbach stated that we were waiting for up to date borrowing advice and rates to finalize the budget plan. Ms. Santacecilia asked why there was big difference between 2023 and 2024 for the debt service. Mr. Ebenbach explained that is because the new debt service payments would not start until 2024.

Mr. Wallace went over the 2023 Operations Forecast and the following was highlighted:

- There is no proposed tax increase. The increase of 0.25 mills for parks will be covered by reallocation.
- It is a balance budget of \$13.6 million Revenue/ \$13.6 million expenses.
- Non-Uniformed Salary Increases are proposed at 4% and Uniformed Salary Increases are at 3.5% (based on their current contract). Ms. Lyons asked that these are assumptions and that none of these were approved yet. The Township stills needs to add updated costs for benefits as the numbers are available.
- The Township has strong reserves and the necessary resources to continue to provide appropriate residents services.

Mr. Wallace went over the **2024-2027 Operation Forecast** and the following was highlighted:

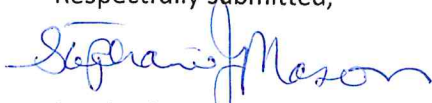
- There will be tax increase for increases in the debt service for 2024, 2025, and 2026 which follow the borrowing plan. In addition, there will be tax increases in the general fund millage in 2024 and 2025 to handle MMO payments, which was recommended by the PAC and salary growth.
- EIT Revenue year to year growth forecast at 1.75%
- Non-Uniform Salary Increases at 3.25%/Uniform at 3.5% (current contract).

Ms. Santacecilia asked about emergency services. Ms. Mason explained that this would have to be done by referendum. Mr. Wood asked to clarify that the millage increase is 3.675 over the five years. Mr. Wallace and Mr. Ebenbach confirmed that was what was contained in the plan presented. Ms. Lyons noted that fund balance projections were low and were concerning in 2027. Mr. Salanik felt that the Township's projections on the EIT were very conservative so the fund balance should hopefully be higher as EIT seems to be trending up.

Ms. Manion asked about the capital spending for Kids Castle items because she was told that the money in that account is earmarked for certain equipment in the Kids Castle. Ms. Crandell asked about the accounting for that fund as far as if that information about donations for certain equipment was provided in writing as backup documentation to the Township. Ms. Manion explained that Mr. Salvati would be at the Board of Supervisors Regular Meeting to provide this information.

With no further business, the Budget Work Session was adjourned at 5:44pm.

Respectfully submitted,

A handwritten signature in blue ink that reads "Stephanie J. Mason". The signature is written in a cursive style.

Stephanie J. Mason, Township Secretary/Manager