



Board of Supervisors

Budget Work Session

~ Notes ~

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215-348-9915

Wednesday, August 23, 2017

4:00 PM

Public Meeting Room

Meeting called to order

In Attendance: Barbara N. Lyons, Chairman, Rick Colello, Vice Chairman, Ken Snyder, Shawn Touhill, Ryan Manion, Stephanie Mason, Township Manager, Ken Wallace, Finance Director, David Tomko, Director of Operations, Ed Ebenbach, Township Budget Analyst, Brenda Bray, Chairman Ways & Means, Robert Salanik, Ways & Means

Approval of July 26, 2017 Ways and Means Minutes: Tabled until their next meeting.

Review of 2017 Forecast (Actuals through July 2017)

Ken Wallace provided a review full year actuals starting out, indicating that throughout the 2017 brought the EIT back to budget or coming in very close to budget. We are expecting \$4.064, 650 for the year.

Keystone indicated about \$4M for the calendar year. We allocated the 4th quarter in the following 2 months of the New Year as it is always adjusted back.

Transfer Tax is running behind from last year. We've collected year to date \$229,367. For the year we are expecting \$525,000. This is less than the \$600,000 that was projected for the 2017 budget.

Apparently housing sales are low and running behind last year. However building permits collected year to day is significantly up. We have already collected \$355,548. The budget was \$235,750. The majority of that is coming from small projects and not "blue birds". Also because of the slow winter it's bringing more funds from building permits as well.

The Neshaminy Greenway Trail – we expect completion later this year. We have already received \$272,000 from the grant. The contract for the next phase has been awarded and we expect the project to wrap up later this year. The trail will be finished with in-kind match on the project.

The revenue for the year \$16.2 M of course includes the bond. We're forecasting \$4.2M just shy if you take out the bond.

Mr. Colello commented about park and recreation revenue and concern by Karen Sweeney, Parks and Recreation Director for the change in facilities from the current Recreation space to the temporary space. Since the space is smaller he indicated that we'll not be able to use the classes the way it was used previously.

On the full year expense summary as of July 31st. Mr. Wallace went over that as well. Expenses year to date are about \$4.2M. That is what is projected. Police Department has seen significant savings because they were short staffed earlier in the year and are still in need of one officer.

Public Works –had a very mild winter. And so, with the light snow expenses and short staffing they too have seen somewhat of a savings of a little over \$100,000.

Park and Rec year to date – hasn't seen significant over time spending. They also have been short staffed for 5 months. And so they are running even.

Mr. Ebenbach and Mr. Wallace will meet with the Department Heads in October as well before the preliminary budget adoptions to make sure things are on target.

Wages are at being budgeted at 2.6 % for non-uniform. Uniform will be per their contract. Fringes and Dental are up some but coming with a positive after building project of \$5,574,003 as a fund balance overall and expenses. The largest coming from savings and public works and the road bid.

Review of 2017 Capital Projects

There is a \$1.4 delta again in the Cap X, the building, and roads are good. It was a good number that came in. A lot came in well under budget. We had \$925,000 budgeted for roads and the bids came in at almost half.

2018 Major Impact Items

In reviewing the full year of 2017 analysis, major variances for wages is \$264,000. In other spending was \$134,000 capital \$327K Revenue \$49K for a positive variance of \$804,800 over all.

Mr. Wallace indicated that we will have another meeting on September 19th after the Board meeting. We will be working towards getting the overall budget book to the manager by October 31 for preliminary adoption at the November 21, 2017 Board meeting.

We've started to collect the estimates for 2018.

Mr. Colello commented on the Fund Balance increasing from year to year and would like to perhaps see some of that allocated perhaps to pension or other areas or projects.

Discussion on Kids Castle:

Mr. Wallace indicated that \$454,000 is the project cost with a \$227,000 matching grant. Funds from DCNR have been requested at \$100,000. They have a balance of about \$245,000.

Mr. Salvati, Chairman for that committee, continues to raise funds for that project.

Road Maintenance:

Director of Operations Dave Tomko has a place holder of \$625,000 for road maintenance next year. The bid in 2017 came in much less than budget.

Mr. Snyder asked, how do we know or can we predict potential problems before the bids go out? How do we know if there is going to be the need for base repair ahead of time for example?

Mr. Tomko indicated part of our program sometimes you know and sometimes you may not know until you actually get out there.

Anticipation of Projects for 2018:

The roads in the Estates are being recommended to be repaved in 2018. Also it has been suggested by the Roads Superintendent that Hidden Way and Windey Way be considered.

Mr. Colello says he'd like to look at those roads further.

Also Mr. Tomko is working to put in the Asset Management Program together for next year and apply to the various roads.

Mr. Salanik questioned when the Public Works Department paves the roads in the Pebble Ridge/Woodridge area, what will happen with the rolled curbing? Will the curb work be part of the project?

Mr. Tomko indicated that it would have to be reviewed as to whether the curbs can be paved over, or whether the curbs would be removed or whether straight curb would be added. Since work won't happen until 2019, we have time to evaluate options.

Chapman Road Bridge - The bridge, Pennoni is going to be doing the inspections coming up shortly and we'll have that information as to whether or not Chapman Road needs to be replaced in 2018 or whether it could be pushed forward a couple of years.

Asset Management Program for 2018 – Mr. Tomko is still reviewing the information for the software and will bring forth a proposal soon.

Storm Water Management - We're finalizing costs for the necessary drainage work we need to do under our storm water permit and how we're going to implement a plan within the next five years to reduce the total maximum daily load (TMDL) throughout the Township.

Staffing for 2018 - Ms. Mason indicated that, since the last Budget Work Session, the Special Projects Coordinator left for a position with Tobyhanna Twp. as an Asst. Twp. Manager. She provided information on staffing needs for Special Projects Coordinator/Admin. Asst. requesting one fulltime person. Also, there has been discussion regarding the need for a Public Information/Social Media Coordinator. That would be another need for a fulltime person. Also discussion on increasing the amount of part-time interns that are utilized was discussed. Also discussed was utilizing another part-time receptionist while the person currently splitting time between finance and reception would be allocated to finance and DTMA. DTMA would cover

those administrative costs. Also in Public Works another fulltime employee to bring on in 2018 and then in 2019 when Mr. Froehlich retires, promote a new Superintendent and then hire another fulltime laborer in the Parks.

Ms. Manion indicated the administrator may be a position with \$30,000 that could grow into perhaps an Asst. Twp. Manager at some point and perhaps that person could do social media and public information and combining them together. However, you have to pay a commensurate salary.

Another suggestion she had was to advertise for an Admin. Asst., Public Information Officer and an Asst. Twp. Manager and see the type of candidates we'd get for each of those areas. But the key would be to provide the appropriate amount of funding so that once you see the pool of candidates you can determine the best method of filling the one position and/or two positions.

Ms. Lyons indicated that we'd have to pay appropriately for the one person with an Asst. Twp. Manager position.

Mr. Snyder commented that he's thought about things differently with the various things that occurred this year from a communications standpoint i.e. the sewer project, emergencies, and he believes the Township could be more effective with one person being designated for overall communications. He also suggested using contracted services.

Some further comments from Board members didn't believe contracted services was workable and it would be better to have these as two positions or one more encompassing position. One discussion was pulling out the stormwater aspect as that was a large aspect of the special project coordinator position. The suggest Ms. Lyons had was to have that work go back to the Director of Operations and provide him an intern to assist with paperwork associated with the stormwater requirements.

After further discussion, the consensus was to budget \$100,000 of which \$20,000 would be for benefits and prepare three ads for an administrative assistant, public information officer and an assistant township manager and see where we go from there. Also, reducing the number of interns from three to two was suggested. It was also the consensus of the Board to bring one intern on at this time since we have saving from our existing Special Projects Coordinator salary.

There was discussion regarding the part-time receptionist and the need for assistance to the DTMA. Mr. Wallace, Finance Officer, addressed this matter. Since the DTMA pays \$.75 on the dollar towards this position it would be very beneficial. He indicated that he has spoken with Mr. Hass, Exec. Dir. of DTMA, and believes more administrative help would be appropriate and utilizing a staff member already familiar with their operation.

Mr. Snyder wanted to know what work is not getting done. Knowing that may be helpful he suggested.

Mr. Colello asked if the staff could bring back more information on that topic.

There was further discussion on Public Works needs for another fulltime employee. The Board and Ways & Means Committee thought it was a replacement at the end of 2018 for a retiring staff member. Mr. Tomko indicated that at the end of the day he would like to see four people in

that department based on the work load and maintenance lacking in the parks would helpful. With 27 miles plus of trails, three people are on the low end of the scale with 400 acres of active park land to be maintained is on the low end of the scale and the need is there.

Also more information on the road infrastructure program and software that we need would be helpful.

Regarding Pension

The Pension Task Force will be presenting to the Ways & Means Committee at the end of September with their final report.

Mr. Ebenbach made a comment about having appropriate funding available in the budget at \$400,000.

Ms. Bray indicated that she would like to hear the Task Force's final report on Sept. 27th and perhaps at the Oct. 3rd meeting review those recommendations with the Board of Supervisors and the impact on the budget going forward before making suggestions.

Stormwater

The estimate over 5-year period is about \$2M. This will be further reviewed at the Sept. 19th Budget Work Session.

Mr. Colello reiterated that hiring an intern now would help with the stormwater duties is appropriate. The majority present had the same consensus.

Also there was discussion about having the department heads present their budgets i.e. police and public works. About 15 mins. each at the next meeting on the 19th.

The General Obligation Bonds for the Building and Bridge Project

Ms. Mason indicated that initially, at last year budget work sessions we planned for a \$10M Bond in 2017 and a \$2M Bond for 2018. A total of \$12M would be issued in a bond. Some of the estimates for the building at present are pushing \$15M. Therefore a larger borrowing or alternatives may need to be considered.

Mr. Colello indicated that he understood the \$12M but is not in favor of seeing that go up any further and would ask that the building committee look at ways to reduce that number if in fact it's pushing \$15M.

Ms. Lyons commented that she said it would be at least that amount last year when we discussed it.

Mr. Snyder presented the estimates from the building renovation verses the tear down and the site work costs that were not part of any of the projected building construction costs. The Building Committee just learned of this the end of July and will continue to refine numbers going forward and will certainly bring back recommendations during the upcoming Budget Work Sessions.

Mr. Wallace said staff will do the appropriate additional financial analysis as we move forward for the agenda on Sept. 19th.

Tasks -

Define the Stormwater further

Further vet salaries and define further for potential new hires in 2018.

The Pension Update

The Asset Management Software

The General Obligation Bonds - need further vetting

Being no further business the meeting adjourned at 6:20 PM.

Respectfully submitted by

Stephanie J. Mason
Township Manager/Secretary