

Doylestown Township Budget Work Session

Notes

June 15, 2021

Welcome

Barbara N Lyons called the meeting to order at 5:00pm with introduction acknowledgement of Ways and Means and other boards and Committees.

Members in attendance:

Board of Supervisors – Barbara N. Lyons, Chairman; Ryan Manion, Vice Chairman; Jennifer V. Herring, Nancy Santacecilia and Dan Wood.

Ways & Means Committee - Brenda Bray, Chairman, Bob Salanik and Joe Volk.

Absent - Colleen Mullin, Mike Paulosky, Joe Delikat and Eric Cornwell

Staff – Stephanie J. Mason, Township Manager; Ken Wallace, Finance Officer; Ed Ebenbach, Budget Analyst, Chief Dean Logan; Lt. Chuck Ziegler; Karen Sweeney, Parks & Recreation Director; Sinclair Salisbury, Director of Code Enforcement; Aaron Walizer, Special Projects Coordinator and Sean Torpey, Township Engineer.

Guests: Ken Ballard of Ballard* King Associations; Ryan Kennedy and Megan Henry of MKSD architects.

OVERALL THEME: MAJOR BUDGET FINANCIAL DRIVING FACTORS:

Mr. Ebenbach stated the primary drivers are salaries and fringe benefits but there are additional planning considerations as noted on the agenda under a, b, and c. A brief overview of the agenda was discussed as well as the timeline needed to be followed. Mr. Ebenbach turned over the meeting to Mr. Tomko and Mr. Torpey, Township Engineer to discuss the roads program.

A.) ROAD PROGRAMS:

Mr. Tomko stated additional details and information have been added to the April 2021 paving plan, which will be described by the township engineer Sean Torpey.

Mr. Torpey stated an anticipated schedule based on additional information and additional scheduling updated the schedule for paving and curbing in the Pebble Ridge/Woodridge and Vicinity sewer project area, and that residents are expressing enthusiasm in seeing progress. Reviewing slides from the April 2021 budget work session a review of the expenditures on roads since 2008 were revisited. The RoadBotics 2018 road assessment was reviewed by Mr. Torpey and Mr. Tomko.

Mr. Tomko stated that he would like to update the assessment of the road conditions to reflect current conditions more accurately and would likely ask for additional road funds in the 2022 budget process.

Mr. Torpey stated If green roads are removed from the study, it allows localized areas to be identified which will help guide future needs and planning.

Mr. Tomko stated the goal is to listen to the concerns of the residence and plan accordingly while balancing overall township road needs. Part 2 of the 2021 road program will take place this year and will focus on some smaller areas outside of the sewer project area.

Mr. Torpey stated that beyond 2021 there are two additional phases planned for development but there is additional information and planning needed to narrow the focus and scope. Mr. Torpey showed a slide with a list of roads to be paved. The 2021-part 2 roads plan was base bid at \$367,015 with an alternate bid of \$128,520. Base bid covers Dogwood Ln, Greentree drive, oak drive, pebble wood drive north, spring drive. Mr. Torpey stated for the road plan for 2022-2025 the proposed road program would cover 7.05 miles and cost \$1.554 million dollars for part 1, part 2 and would cover 7.18 miles and cost \$1.72 million dollars. The combined total cost of the 2022-2025 road projects is \$3.26 million dollars.

Mr. Wood asked Mr. Tomko how they would keep from missing the roads in need of re-paving that are not included in the areas identified for the 2022-2025 plan.

Mr. Tomko responded by saying the basis will be based on what the township administration is hearing and on what the 2018 roads survey identified. There must also be a balance to ensure the greater needs are met and not necessarily those who have the most vocal residents. It can be hard to balance these competing interests and do so in a judicious manor.

Ms. Santacecilia asked how are we trying to patch roads now and how are we capturing those costs when considering the larger roads projects?

Mr. Tomko responded by stating the way that we track those cost is material cost and time cost of the labor to install those supplies.

Ms. Santacecilia stated my goal would be to capture all road costs more holistically from big to small, not necessarily segregate current efforts.

Mr. Tomko suggested one way to avoid chasing potholes and a troubled area is to mill out a bad section and install base without doing the complete road. This allows for more balance addressing intersections and highly travelled and problematic areas.

Ms. Santacecilia asked are we basing our program on the last time roads were paved or off the data created by the robotics study?

Mr. Tomko responded stating we are looking at the 2018 data primarily for making paving decisions. The difficult conversation is that current planning requires \$1.5 million dollars per year in paving, which is not sustainable. I would like to ask for some additions to our budget so we can make some smaller inroads to help alleviate current concerns.

Mr. Torpey further stated using the current budget through 2025 there is a variance of -\$810,000 dollars which is the point of bringing this concern forward. In a projection of 2026-2031 the road program would require an additional \$4.1 million dollars in expenditures beyond the current budget. If the township allocates \$1,000,000 dollars per year in road paving cost the township would be able to address 50 miles of roads over the next 10 years. The townships total road milage is 75 miles.

Ms. Lyons asked for any comments regarding Mr. Tomko and Mr. Torpey's presentation, there were no additional questions.

B.) COMMUNITY RECREATION CENTER:

Mr. Ebenbach began by bringing up a slide covering the general cost of the three different models for the proposed Community Recreation Center which are being presented. This covered what the buildings would have in them at each option level. The debit costs of each option were also presented in the slide. There are also projects for revenues and building assumptions in each estimate as well.

Mr. Ballard stated there are some basic assumptions when the operation projects were created. Some of the key factors were an opening date of 2023 which was used for salary creation. It was also assumed public works would maintain the building. Also, a *high* (81 hours per week) level of rental and use was assumed for the spaces in the prospective structures. Those activities may also occur outside those assumed business hours. A rate structure was also assumed for both residents and non-residents.

Mr. Ballard stated the operating numbers were created in concert with Ms. Sweeney in trying to obtain a good/accurate baseline. Our summary used this work and knowledge as well as some minor capital improvement costs. We also assumed healthy rental revenue based on the demographics and population in and around the township. In this model we did not assume any new full time staff members and only created part time staff. This includes a front desk greeter, a gym attendant for the gym option, a facility attendant to help setup equipment, and a rental assistant for help during rental times which are primarily on the weekend. There were also assumptions made on gym drop in use and fees gathered from those sources. There was also a projection based on programming for the various uses of the spaces and time of year. There are a lot of data points and a detailed model that has been created for the three different options and their respective revenues and expenditures. The largest option of the 3 buildings has a net revenue of approximately \$90,000 dollars per year and by far performs the best. The smaller gym option would have a net operating loss of approximately \$9,000 per year. While the option with no gym would have a net positive operating revenue of \$20,000 but this relies on high rental rates and uses for the classrooms.

Mr. Salanik asked what are the hours of operation which were assumed for your model?

Mr. Ballard responded the model assumed operating from early morning to late night on all days except Sunday which started at 12 noon. Gyms can be important for driving revenue and that is why there are two options with gyms in them. It must also be taken into consideration that sometimes gym space may be taken by non-sport multi-purpose use activities. In our model we tried to not create single mode operational models.

Ms. Santacecilia stated one of my concerns is that our teen programming in the township is minimal. Also, having an opportunity for drop in and an indoor place to walk in inclement weather would be important to me for the more senior demographic identified in the study.

Mr. Ballard responded that he agreed it is important to take into consideration that the space not solely be used for classic sports related uses and creating a good balance use case especially considering Doylestown Townships aging demographics.

Mr. Wood asked if we continue to have free outdoor courts are we competing with ourselves in building a recreation center?

Mr. Ballard responded that generally I do not believe it to be a competing demand as the use cases usually revolve around the seasons and compliment each other as opposed to compete.

Ms. Herring asked if \$12 per hour was an appropriate wage for part time?

Mr. Wallace stated no, we currently pay \$10-11 per hour.

Mr. Salvati asked how are we taking expansion into account?

Mr. Ballard responded that will be included in the presentation given in the general Board of Supervisors meeting occurring after this meeting.

C.) PENSIONS:

Mr. Wallace opened by stating he wanted to talk about the status of our current pension holdings. In our most recent summary, our actuaries are using our most recent discount rate of 7.25% as well as new mortality tables. Using this the non-uniform level as of 1/1/21 is 94% fund and uniform level is 93% funded. The current stress level of the accounts is at 0 out of 100. Which is very good. Previously, we were a level 1. Since 2019 our liabilities have changed from \$4.1 million dollars to \$1.4 million dollars. I would also like to remind the board the MMO using the 7.25% discount rate will be used in the budget process. Based on this information the Pension Advisory Committee has derived an IPS and is working on doing an RFP for new services. The conclusion is to maintain the course that we have planned and continue to carry it out.

D.) STAFFING:

Ms. Mason stated that there are no requests for new full-time employees in 2022. We would like to maintain our level of interns and keep providing those opportunities.

Ms. Lyons asked are we pursuing any scholarships or grants for the internships through BCATO?

Ms. Mason responded by stating we can start to pursue the grant again. As we did receive it prior to COVID.

E.) EMPLOYMENT VACANCY FACTOR:

Mr. Ebenbach stated using the standards established by GFOA is that if we clump employees by each functional group, we can determine that Administration went 0.39% over budget based on just salary dollars. If we apply a 1% vacancy factor it provides \$350k-\$400k total relief over the next 5 years.

Ms. Lyons asked are we allowed to use a float in our budgeting process?

Mr. Ebenbach responded this would not be used for a budget but in off years as part of the projections to capture staffing turnover when forecasting the budget.

Ms. Santacecilia asked why are we not including longevity and other employee costs?

Mr. Ebenbach responded that we just looked at the base salary as this was the GFOA recommendation as a best practice.

Ms. Herring stated this does not mean we are not budgeting for all those additional costs however, using base salary for this calculation makes sense from an accounting standpoint.

Ms. Lyons asked for any additional questions or comments? No Responses were noted.

Ms. Lyons adjourned the meeting at approximately 5:48pm.

Respectfully submitted,

Stephanie J. Mason
Township Manager/Secretary