



Board of Supervisors / Ways & Means Committee

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

Budget Work Session

~ Notes ~

www.facebook.com/doylestowntpw
Twitter: @DoylestownTwp

215-348-9915

Tuesday, April 19, 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 and Robert Salanik. Colleen Mullin, Joe Delikat, Joe Volk, Eric Cornwell, and Mike Paulosky were absent.

Others in attendance included: Township Manager Stephanie Mason, Finance Director Ken Wallace, Director of Operations Dave Tomko, Chief of Police Dena Logan Lt. Ziegler, Parks & Recreation Director Karen Sweeney, Township Engineer Sean Torpey and Township Budget Analyst Ed Ebenbach

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

2021 Preliminary Final Results – Ken Wallace, Finance Director

Mr. Wallace reviewed the 2021 revenues, expenses, fund balances and current audit status with the Board and Ways & Means.

Mr. Wallace indicated that there is a positive variance from the forecast last fall when we were working on the 2022 budget. EIT & LST revenue are up. We are up \$716,777.00 from Budget in earned income tax which is a 10% growth over last year in earned income tax.

In addition, the Parks & Recreation programs were strong by \$324,215.00.

There was a \$200,000.00+ fee in lieu of one-time contribution from the Toll Development.

Building Permits were strong again however, most were due to small projects.

In the CapEx area there were some delayed projects such as the ARLE and Safe Routes to School. We did receive \$910,000.00 in the ARP funding.

The Parks & Recreation Community Center funding was delayed.

We had budgeted Operations revenues of \$10,133,050.00 and total year to date revenues was \$11,471,658.00.

Including pass throughs, the total year revenues was \$13,540,109.00 to a \$12,276,397.00 budget.

In expense we budgeted \$11,031,159.00 and spent \$10,961,447.00.

Overall, it was a good year.

Ms. Lyons inquired about the phraseology and the terms of *better worse* or *over under, higher lower* and she requested that going forward we try to be consistent in phraseology used.

If we compare the budget to our October forecast, it was a great year Mr. Wallace said.

At this time, we are about \$600,000.00 higher than we forecasted in our net revenues.

Ms. Santacecilia asked about the Questica software and if it will provide timing information and trend reporting and direction in forecasting.

Mr. Ebenbach said, no it is a more in time numbers, staff will still need to do the interpretations and reporting.

Ms. Santacecilia expanded indicating that she is looking for a more general point in time impact of monitoring.

Mr. Ebenbach indicated that expenses and variances from October to now are reflected in the forecast.

2022 Accelerated Roads Maintenance, Proposals and Financing – Dave Tomko, Director of Operations

Mr. Tomko indicated that the staff and Ways & Means provided the Board with information at the March Board meeting on and Accelerated Roads Maintenance Program whereby the Township would borrow funds and accelerate in the next three years road improvements and then return to a more normal 2.5 - 3 miles per year in the outyears.

It is a time sensitive subject. We have had help from the Ways & Means Committee and there is no financial penalty or requirement of a tax increase to implement such a project. We would utilize a portion of the existing Road Tax Funds to pay the debt on the borrowing to due the Accelerated Road Program.

The hope is to borrow money through a bank loan at a low interest rate and amortize it over a 20-year period which is typically the life of a road. We do not need to change the tax structure.

Ms. Lyons polled the Board to obtain a level of interest.

Ms. Manion, Ms. Lyons, and Ms. Herring were favorable of the concept.

Mr. Wood and Ms. Santacecilia indicated that they had questions and would like more information.

Mr. Wood is concerned about doing thirty-seven versus forty-five miles of roads and inquired if it will be beneficial in the long term versus just increasing the road tax in later years. He is also concerned about adding debt.

Mr. Wood also indicated that the Public Water & Sewer Advisory Board is looking at drafts of updating the 537 Plan and is concerned about future sewer projects and does not want to end up in a situation where we are holding off on doing roads versus sewers and timing.

Mr. Wood had concerns that some of these roads were oiled and chipped some time ago and whether it would be beneficial to pave now or hold off.

Mr. Wood also had concerns about the RoadBotics schedule with that pending he was anticipating if it would be done by the third quarter.

Ms. Santacecilia commented that there is no metrics for the work that the road crew does when they are patching potholes and making repairs, and whether or not it would be more cost effective.

Mr. Tomko indicated that once the Pebble Ridge / Woodridge Roads, Militia Hill and Forge receive the wearing course and Turk Road which the improvements will be shared with Warrington Township, we anticipate we would have about \$280,000 remaining to pave other roads.

There was a question on the typical cost of a road. For example, in last year the alternate bid for Briarwood Court came in at \$95,000.00+/-.

After discussion Mr. Wood indicated that he had concerns about borrowing and interest rates.

Mr. Salanik from Ways & Means indicated that the Ways & Means Committee has been discussing this since the Budget Work Sessions in the fall and would suggest that the \$600,000.00 savings in the budget could be put towards the road program, reducing funding and debt going forward.

Parks & Recreation Community Center Review of Key Issues –

Mr. Ebenbach prepared the attached sheet which provided the Board with the starting point that was shown in the 2022 Budget and the current status of the proposed facility.

He provided the Board with the base building site costs, the court relocation costs, the optional geothermal system and solar powering of the facility and the opportunity to obtain an owner's representative.

The size of the building went from 16,800 sq. ft. with an 8,000 sq. ft. gym to approximately 17,200 sq. ft, there is an additional 126 parking spaces. So, the total estimated cost is about \$7.2m which is a change of \$200,000.00. With the court relocation costs there is a need for an additional seventy-seven parking spaces, the courts, and the parking lot increase by \$1.6 m.

The building cost and site costs are up about \$1.8 million. The anticipation would be to borrow about \$8.2 million. Debt service would be up approximately \$100,000 or 4/10 of a mil.

Ms. Manion indicated the court relocation seems to be up significantly but initially there was no discussion about the need for parking, obviously parking is important as many times Central Park is lacking spaces to park when there are events.

So, the scope has changed. The size of the building is a slight increase. Also, it was noted that there is a big escalation clause of about 25%.

Ms. Santacecilia indicated she is looking for a detailed budget with the building and the courts together. She would like to know what the return on investment will be versus the current temporary spaces being rented.

Ms. Manion indicated that a lot of that information had been shared previously in the September and February meetings when presentations by the consultants were made as part of the feasibility study.

Mr. Ebenbach discussed the optional geothermal which is over \$750,000.00 improvement and estimated \$3 million for the solar panels. It has been indicated that there is insufficient roof space to cover a sizable portion of electrical needs for the proposed building.

The Environmental Advisory Council had made a presentation to the Board previously that the Township should look at an overall solar project that would be more beneficial than just one facility. This would be similar to the West Rockhill project that the EAC shared with the Board, Ms. Mason pointed out.

Mr. Wood suggested breaking it out and talking to Bucks County about a larger solar project as well.

After some discussion it was the consensus of the Board not to pursue the solar panels on the building but to look for a larger project that could benefit the Township as a whole and to suspend consideration of the geothermal.

Ms. Santacecilia said it does not make sense to include solar and geothermal as the cost is significant.

Ms. Herring indicated that talking about projects like this with the EAC could be beneficial on a larger scale.

Ms. Brown, Parks & Recreation Board Chairman, indicated to the Board that the Township has been waiting six years and has been working on this building for the same length of time. She believes that it is time to move forward and complete the project. She knows it is going to be a big part of Central Park and believes that doing it now and working collectively will be beneficial to the entire community.

Ms. Manion indicated that she agrees with Ms. Brown.

Ms. Santacecilia indicated that she is acting for the community and trying to make the best choices. Moved to table action on the Park Recreation Community Center building. Motion failed for lack of second.

Ms. Manion indicated that Ms. Sweeney has indicated and talked about the need for additional parking in the park for a long time with the Park Recreation Board.

Owners' representative – Mr. Tomko indicated the Township had put out RFP's when we selected MKSD. Those proposals are stale, he is suggesting that new proposal be solicited. He thinks it will be helpful having an owners' rep going forward now that we have detailed information.

Ms. Lyons indicated this might be a time to form a building committee that will interact with the owners' rep and the contractors once we receive the bids. Maybe having Ken Snyder, who assisted with the Township Building Committee when he was a Supervisor with the Township Admin/Police Building was built, could be beneficial.

Ms. Herring, Ms. Manion, Mr. Wood, Ms. Santacecilia and Ms. Lyons agreed that revising the RFP for a owners' rep would be beneficial and should be put out.

2023 Budget Planning Schedule of Events –

Ms. Mason reviewed the attached schedule of upcoming events. The next meeting will be June 21st at 5PM.

Mr. Ebenbach indicated that we plan to begin our capital forecasting a bit earlier in the process to aid in reviewing the information.

Mr. Ebenbach reminded the Board of the major 2022 plan assumptions for EIT, pension, the PRCC and the roads and bridges maintenance plan as well as the 2022 tax and real estate plan along with projections in 2025 & 2026. He indicated that regarding pension we have been using the PAC recommendations to reduce the discount rate and will continue to do so. There is a placeholder increase in millage for the General Fund in 2025 (to accommodate increasing Pension Payments), and a millage increase for the Chapman Road Bridge in 2026 (for Debt Service). Obviously, if the Chapman Road Bridge is added to the state funded project list, then a millage increase would not be needed.

He reminded the Board that if they have any suggestions for the June meeting, to please share them ahead of time.

Ms. Bray indicated that continuing to work on EIT, accelerated road program and the Parks Rec Community Center. Ways & Means will continue to assist staff in this regard.

Being no further business, the meeting adjourned at 6:07 PM.

Respectfully submitted by

Stephanie J. Mason, Secretary