

**Doylestown Township
Ways and Means Committee – Meeting Minutes
August 24, 2011**

Resident Members	IN	Township Participants	IN
Mark Glassman – Chairman	Y	Barbara Lyons – Board of Supervisors Liaison	Y
Lee Schwarz – Vice Chairman	Y	Rick Colello – Board of Supervisors	Y
Ed Denton – Secretary	Y	Stephanie Mason – Township Manager	Y
Brenda Bray	Y	Sandra Zadell – Asst. Township Manager	Y
Ed Ebenbach	Y	Ken Wallace – Township Finance Director	Y
		Richard John – Township Operations	Y

Mr. Glassman called the meeting to order at 7pm. A quorum was present and the following matters were discussed.

- 1) Minutes from August 3, 2011 meeting were approved.
- 2) Handouts:
 - July 2011 Full Year Forecast Highlights.
 - Full year 2011 and Draft 2012 Revenue and Expense forecast comparison.
 - Preliminary 2012 Budget (Draft 1) Adjusted Equivalent Millage estimate.
 - 2012 Pension Plan Financial Requirement and Minimum Municipal Obligation estimate.
- 3) A motion was made to appoint Lee Schwarz as Committee Vice Chairman and Ed Denton Secretary. Motion was approved.
- 4) July 2011 Full Year Forecast was presented by Ed Ebenbach.
 - Township Staff updated their projections for 2011 as a first step toward a preliminary 2012 budget.
 - 2011 Revenue forecast increased by \$157,000 vs. the June Forecast reflecting an increase in projected RE Tax receipts, Oktoberfest revenue and Building Permit fees.
 - Projected 2011 Operations Expense increased \$61,500 reflecting higher snow/ice provision, gasoline, Building Maintenance, Heating Fuel and Web streaming costs.
 - Capital Expense was reduced by \$50,000 reflecting the removal of the Sauerman Traffic calming project.
 - The projected Ending Cash Balances for the General Fund is now \$1.5 million and the projected balance for all funds is \$3.4 million.
- 5) The 2012 Preliminary Budget Keys Assumptions were then reviewed by Ed Ebenbach and Ken Wallace.
 - Preliminary Budget assumes that Total Real Estate Tax and Earned Income Tax remain flat.
 - A reduction in Real Estate Transfer tax receipts is assumed (from \$270,000 in 2011 to \$250,000 in 2012) due to the continued softness in real estate sales. Several members voiced concern that 2012 receipts could be even lower, perhaps only averaging \$15,000 to \$20,000 per month. Mark suggested that the Committee revisit this assumption again later in the 2012 planning process.

- After reviewing the all components of preliminary 2012 revenue forecast (totaling \$9.4 million vs. \$9.9 million in 2011), it was generally concluded that there appeared to be limited upside and that there was a real risk that 2012 revenue receipts could run lower than this preliminary estimate.
 - Ed and Ken then walked the Committee through the Preliminary Expense projections.
 - Wages assumed no headcount increases and a 3.25% increase in non-uniform salary increase.
 - Pension MMO obligations per the consultant (smoothed method) assumed a 5% employee contribution.
 - Medical insurance premiums were assumed to increase 2%. Barb Lyons suggested that this be adjusted to 4%.
 - Snow/ice expenses were reduced to a normal 6 storm winter.
 - The Capital Budget assumed a reduction from \$1.3 million in 2011 to \$1.0 million in 2012.
 - Ed Ebenbach suggested that the Oktoberfest Revenue and Expenses be reported together to facilitate better understanding of the event's economics.
 - It was suggested that the new Police radios be financed over a five year period.
- 6) Mark Glassman then walked the Committee through the Preliminary Budget Summary Reports which were based on the reports that Ed Ebenbach and Ken Wallace prepared.
- The Committee agreed that there was a need to develop a good method to manage the capital reserve and appropriately connect it into the millage.
 - Ken pointed out that if we continue to deplete the reserves at the current rate, they may be completely exhausted by 2013.
 - Given the solid progress made on the preliminary 2012 Budget and that the next Board of Supervisors meeting is on Sept. 20th, it was suggested that the Supervisors be invited to the next Ways & Means Committee meeting on September 28 to update them on the progress made and to schedule this Fall's Budget Working sessions.

7) Meeting adjourned 8:35pm

Respectfully submitted.

Edward Denton
Secretary