



# Board of Supervisors

## Budget Work Session

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215-348-9915

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Tuesday, September 19, 2017

6:00 PM

Public Meeting Room

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### Meeting called to order

#### In Attendance:

*Board of Supervisors:* Chairman Barbara N. Lyons, Vice Chairman Rick Colello, Ken Snyder, Shawn Touhill and Ryan Manion.

*Ways and Means Committee:* Chairman Brenda Bray, Ed Denton, Robert Salanik, and Joe Delikat.

*Others:* Township Manager Stephanie Mason, Chief of Police Dean Logan, Finance Director Ken Wallace and Township Budget Analyst Ed Ebenbach

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

#### Preliminary 2018 Estimates

*The Summary of Comparisons 2017 – 2018 – completed by Mr. Wallace*

Mr. Wallace reviewed the revenues for 2017 on a forecast basis with proposed 2018 estimates and whether they would be higher or lower.

The bond revenue in 2017 was adjusted out for the projections in 2018 with a little over \$2M bond in 2018 versus the \$9M+ bond in 2017.

Real Estate Transfer Taxes are projected down at this point in time.

Building Permits tend to be up.

Mr. Wallace then reviewed proposed expenses from 2017 forecast to 2018 estimates which show additional spending. Overall change of over \$2M. Fund Balance is project ending balance at 2018 at \$6,630,870.30.

Mr. Denton commented that revenue/expenses need to be looked at closer with the budget. He sees the expenses up by about 7% and revenue up by about 1%.

There was discussion regarding Kids Castle grant and spending between this year and next year and the continued fundraising that Mr. Salvati is doing for that project.

Other areas of concern; the cell tower revenue and insurance reimbursement. Cell tower coming down somewhat as carriers are coming off.

Mr. Wallace continued to review revenues line by line for the full year showing the actuals from 2015 and 2016. Also the budget comparison forecast and preliminary 2018, showing whether that particular line item is going to be higher or lower.

Subtotal Operations Revenues for the forecast would be \$12,287,894. The preliminary estimate for 2018 is \$12,373,956.

Revenue from the DTMA is lower because of the debt obligation was paid off this year.

In response to a question regarding how the forecasts are done, Mr. Wallace indicated that he believes in realistic forecasts is projected if real estate and EIT and building permits not being too conservative or too frivolous.

He then reviewed the full year expense summary by the various departments. Some of the departments were not at full staffing so that impact but the hope that is in 2018 all departments will be at full staffing.

There was a question on whether or not the Police Department, if at full staffing in 2018, would eliminate over time completely. Chief Logan responded that with the 12 hour shift it should assist in reducing over time but there is always a possibility of a specific detail or incident that could impact over time. However time off by officers is not allowed to impact over time.

Mr. Denton indicated that we are seeing flat revenue with increased spending.

Some of the areas that the staff is directed to drill down a little further such as in the engineering, and the drivers for insurance especially related to workers comp for fire fighters, which is a pass through Doylestown Borough.

A question on repair of vehicles from 2016 – 2018. Mr. Denton thought was significant in the police department. Mr. Wallace indicated that that was for the outfitting of new police cars.

Public Works – Areas related to roads supplies for snow and ice and storm sewer maintenance and snow removal tree trimming are increasing in 2018.

Parks and Recreation – We are seeing the cost for the open space comprehensive plan. There is a grant that is pending that would cover a portion of that cost.

Maintenance – Tree trimming, several areas have the ash trees and the Ash Borer and the treatment and the removal of those trees is necessary and costly.

Code – This line reflects the clerical staff that will be at a full year versus in 2017, where they were short staffed. The scanning project was completed.

Fringes – At this point Mr. Wallace indicated that we have not received the pricing from the Trust nor the Multi-Trust discount or the RSF information. We should have it in October.

We reviewed the Cap X projects plus 5 yr. forecast.

Road Budget – for road restoration had been budgeted over \$900,000 however, with the actual for 2017 came in at \$525,000. However projected projects for 2018-2022 remain at over \$900,000. After some discussion it was consensus that it should be reduced to \$625,000 going forward. Still trying to increase paving from 3 miles per year to 5 miles per year.

Mr. Tomko indicated that Mr. Canales would be doing the cost estimate for the Estates, which is the 2018 project and well as the Pebble Ridge/Woodridge area, which will be the 2019-2020 project. Also Pennoni will be doing the inspection for the Chapman Road Bridge. It is anticipated that it will not need to be replaced until sometime after 2020. There is funding for general bridge and stream crossing repairs.

There was discussion regarding prefab storage, completing it for \$200,000. Park lighting at \$100,000. This was questioned. Mr. Tomko indicated that the poles are 23 years old and they were direct bury and the wood poles are beginning to crack and so it's a liability situation. He would like to see those replaced being consistent with whatever lighting is used around the new Municipal Complex. Of course we have the building project in there as well to complete. With that included estimating expenditures around \$8,327,000.

Mr. Ebenbach pointed out the impacts through 2022. Also some of the trail projects that are below the line that would be reimbursed through grants if received.

#### *Staffing Changes*

Were reviewed and the impact of those positions in public works returning to the 12 full-time plus and additional for \$130,000 in 2018. Mr. Tomko would like to hire the person budgeted for in 2017, if possible by year end.

One patrol officer returning to full staffing at \$109,000.

The redefined Admin roll. Either upgrading to an Asst. Township Manager or 2 administrative positions that would handle Special Projects and Public Information at \$40,000.

Retaining an intern for the Dir. of Operations at \$17,000 and a receptionist to assist with DTMA support moving that at \$13,800. Details on staffing were presented along with positions last time. Details will be shared again.

Mr. Colello raised concerns as to where or not the information has been vetted with the DTMA.

Mr. Wallace indicated that if it's the Board's consensus is to include it then the Exec. Director would present at the DTMA Board.

#### **Preliminary 2017-2022 View**

##### *Fund Balances*

Mr. Ebenbach reviewed that at present the general fund and other restricted funds remain above the line going forward. However, the capital projects and the roads and bridges do fall below the line starting in 2020.

The projected ending fund balances year to year were also reviewed. Retaining over \$1M in the general fund. However, the capital projects would go negative in 2020 as do the roads and bridges. With adjustments, this can be corrected.

The fund balances are being used to support certain projects and with transfers from the general fund as well.

Mr. Ebenbach also reviewed the real estate tax millage allocation that was reviewed at the 2016 budget work session and the direction provided. There is no tax millage increases imposed in 2018. Although in 2019, 2020 and 2021 there are slight increase of 1 mill to 1.5 mills.

TD Bank and PFM have provided information on bond funding and small loan funding that could be used for the bridge and the balance of the building construction.

Mr. Ebenbach indicated that the road program at \$900,000 cannot be supported. The general fund is propping up the other Cap X projects.

Mr. Salanik asked why we were relying on the transfers when we are allocating mills. He doesn't believe that they add up to meet the requirement and so transfers are required. He suggested that it might be easier to put everything in the general fund and allocate from there.

Ms. Lyons commented that she likes to take the mills and put them where they are allocated, although Mr. Salanik suggestion is understandable.

A package was handed out for the preliminary 2017 – 2022 to be reviewed at the next meeting and it will be discussed in more detail at future budget work sessions.

At the present the budget is at \$60,000 positive to budget position.

Being no further business the meeting adjourned at 8:34 PM.

Respectfully submitted by

Stephanie J. Mason  
Township Manager/Secretary