



Board of Supervisors

Budget Work Session

~ Notes ~

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215-348-9915

Tuesday, October 3, 2017

2:00 PM

Public Meeting Room

Meeting called to order

In Attendance:

Board of Supervisors: Chairman Barbara N. Lyons, Vice Chairman Rick Colello, Ken Snyder, and Ryan Manion. Sean Touhill was absent.

Ways and Means Committee: Ed Denton, Robert Salanik, and Joe Delikat.

Others: Township Manager Stephanie Mason, Lt. Matt O'Connor, Finance Director Ken Wallace, Director of Operations Dave Tomko and Township Budget Analyst Ed Ebenbach

Ken Snyder suggested that we address the schedule a little bit better for next year. He was reminded that the next Budget Work Session is October 17, 2017 at 4:00PM. His suggestion was to move it to 3:00PM since the Bicentennial Committee moved their meeting.

The consensus was to move it to 3:00 PM.

Identification of Supervisors Observations and Concerns from the Last Meeting

Also provided from our Budget Analyst was a bridge analysis for 2017-2022 which Mr. Wallace reviewed where the General Fund balance was estimated to be \$1.2 in 2022 and after doing bridge analysis and going back and refining the budget proposal the 2022 General Fund balance would be \$1,700,054.70 million.

Mr. Wallace reviewed the savings in Administration, Engineering, General Fund Transfers, State Pension Aid, which was up, the Workers' Comp, which was less than anticipated, the Grant Revenue for Turk Park was addressed and the email service increase that occurred. Also, included is a provision for cost of growth and millage reallocation.

Mr. Colello indicated that if the information he provided on the building permit anticipated revenue was reviewed. Mr. Wallace indicated that it was and that it was helpful.

Mr. Salanik questioned the Fund Balance change of about \$500,000 in operating revenue. The impact of changes increase Fund Balance from where we are.

Mr. Ebenbach indicated that there is about \$1 million we're trying to retain 5 years out. Sometimes difficult to look ahead that far out.

Mr. Delikat commented on the millage increase in the out-years and ends up at 14.75 mills and doesn't account for change in pension which does not seem to be included. As proposed there is a mill increase in 2019, 2020 and ½ mill in 2021. Taking everything at this moment out to 2022.

Mr. Salanik indicated that we're using the Fund Balance to pay for operations costs and really not increasing revenue. He would like to see expenditures going down further. He believes there should be a policy.

Mr. Denton also indicated that we should be taking steps further on the operating expenses and things growing at the same rate, yet utilizing the Fund Balance. The Township has to play out the long term finances again in operating expenses and any new growth.

Mr. Colello indicated that he'd like to see some cutting of expenses going on both tracks. Believing that there are two types of growth and increase in new staff.

Mr. Delikat based it on last year's plan of borrowing and is concerned about what will happen in 2023.

Mr. Snyder indicated it seems that Ways and Means suggested looking at expenses further.

Mr. Ebenbach commented that the Township takes a conservative approach to expenditures. Making an assumption that people stay in positions forever but in reality there are always people coming and going and project costs going up and down. He indicated that things are always looked at year by year.

Ms. Lyons indicated that it seems that we are hinting of money in balance at end projects, but there is a lot of big issues to tackle like pension, buildings, roads, bridges and of course the roads in the Pebble Ridge/Woodridge area. Looking at things 3 to 4 years out and trying to manage them in a positive way by minimizing tax increases, but committed to maintenance on top of all of it and addressing how we end up 2022 and 2023 is important.

Mr. Denton commented that we don't have to always have a tax increase because we are relying on the Fund Balance. But it does address it for the debt service.

Mr. Salanik questioned going forward and taking a look at staffing.

Ms. Lyons said that there should be a new plan.

Ms. Manion indicated that we look at the ratio minimum to budget on staff replacement and hires, but it is always good to invest in human capital. We need to operate.

Mr. Denton indicated that the Ways and Means Committee agrees but with the proposed increases it is a bit of a concern especially when we need to address pension issues and operating expenses, increasing at 11%.

Ms. Manion commented that it depends if it is spread out or is it one place in the budget.

At this time the Board and Way and Means looked at the full year expense summary.

Mr. Wallace directed everyone to the Full Year Expense Summary and focused on the wages and fringe benefits as proposed. He indicated that the medical is \$140,000 which is based on approximately 5%. He indicated that we have not reduced anything with the rate stabilization funding or our multi-trust discount and waiting for a final number from DVHT.

Mr. Delikat questioned the premiums and the percentage that the employees contribute to the premiums.

It was indicated that employees hired after 1/1/2012 pay in 5% of the premium while employees hired prior to that date including police pay 1%.

Mr. Delikat indicated that in his research that the national average is around 17% per singles and 35% for families.

Ms. Lyons indicated that it would have to be something that would be brought up in negotiations and also if Mr. Denton brought up the funds needed in the MMOs for the pension and how we are trying to work that through 2019.

There was a question by Mr. Delikat about our 36 non-uniformed employees. Mr. Lyons that service is what we provide to our residents and the staff is vital and they are good, they are smart, they are courteous, dedicated and typically we pay the average for the area. It is important that we be fair in the treatment of our hires and employees.

Mr. Denton indicated that was a practical point of view.

Mr. Salanik indicated that the Central Bucks School District employees are also dedicated and that they pay more for their benefits.

Ms. Lyons commented that the salary scale may not be comparable.

Ms. Manion asked if it was too difficult to address anything to in 2018.

Mr. Colello commented that going from 1% to 2% maybe able to be accomplished verses waiting until 2019.

Mr. Ebenbach indicated that we will look at the whole package and bring further information to the next budget work session. However, he cautioned that it may be better to wait until 2019 to implement, especially if we do police negotiations in 2018.

Ms. Lyons indicated that the Township does try to be consistent.

Mr. Denton indicated that with the increase in expenditures the increase for millage in 2019, the work with the building, the pension, perhaps delaying new hires and various projects may not a bad approach.

Mr. Wallace commented about the retirees in 2017 and 2018 and the non-uniform number is based at 2.6% while the uniform salary increases at 3.5% per contract.

There was also further question on the savings of overtime for the police when they are at full complement. Lt. O'Connor commented that there are 100 hours over last year's overtime. As the numbers officers they have been down 2 officers and with requirements for training, and trying to get to full staff, it's caused the need for overtime. Not necessarily forecasted it is the same for 2018.

Public Works - there is discussion from Mr. Wallace regarding the tree trimming for 2018, which is up based on the Ash Borer problems. Street sweeping its up which would be used to offset things with storm water requirements. We have the money for the new employees. General liability is up. Workers Comp including the volunteer fire and rate stabilization fund and multi-plan discount information was just received as well and how that increased over the years.

Mr. Ebenbach indicated that things still need to be finalized and there will be further meetings with the staff next week that will be able to be incorporated in the 10/17 budget work session.

On the bond issue, it was planned last year that there would be another borrowing of about \$2M. With some of the discussion regarding the building he asked if the Board wanted it modeled at \$13M. Ms. Lyons thought that was prudent.

Discussed that the review of the building permit revenue which is coming in very favorable.

Ms. Lyons talked about the bond issue and ways to spread that out over a number of years, maybe beyond 2020.

Additional funding needed for the Fire Company was discussed. They requested support for stipend program of approximately \$39,0000. This is a program that the Fire Company started in 2016 to assist in their nighttime responses. They have four volunteer crew members who stay overnight and pay them a \$30 stipend. They are also asking Doylestown Borough to contribute at the same level. In addition to the Act 172 additional information will be obtained from the Fire Company and try to implement this as well. This can fit into the Budget, we are asking for some further information from them. In addition to the Act 172 that will go to the three fire departments as well.

The Board reviewed the staffing needs for 2018. Ms. Manion suggested that we just replace the Special Projects position as is, not increase that at all to an Assistant Manager, and try to stay in the same salary range as the previous employee who held that position.

Stormwater Management intern, we are going to continue to retain moving forward the two interns that we have at the present time.

Public Works, one is a replacement position, which we are going to try hire between now and the end of the year. There would be one more that would come on in the summer time prior to Mr. Froehlich's retirement.

One is a replacement police officer and one is a part-time receptionist, moving current staff member who is fulltime more into finance and DTMA.

Consensus of the Board was to move forward with those recommendations at this time.

Mr. Colello indicated that he would like the staff to work the building construction in as to what was initially proposed in budgeting process last year.

Mr. Salanik commented about the park and recreation site work. He thinks it is excessive but he'd rather see those funds put towards a building, not site work. That should be reviewed and brought to fruition as best as possible. He believes that a facility that has higher ceilings and

could accommodate volleyball, basketball, and the like maybe at Turk Road or another site in Central Park could be beneficial. Park and Recreation is going to be looking at that change and will discuss it at their next meeting.

The next budget work session is October 17, 2017 at 3:00PM. The preliminary budget proposal will be presented for the November 21, 2017 meeting.

The items for review for that meeting will be: updated requests in staffing needs, the health benefit 1% increase cost, another addition in borrowing review, Chapman Road Bridge discussion being pushed to 2021.

Mr. Snyder commented on the rating 4/10 on the bridge trying to keep it in 2021. Mr. Tomko believes it is doable saved on Pennoni report. In addition PennDOT will work on it in 2018. The Fire Company \$39,000 and Act 172 money should be reviewed.

Mr. Colello commented that the Township being eligible for FEMA money. Mr. Wallace indicated that he would look into further.

Being no further business the meeting adjourned at 3:45 PM.

Respectfully submitted by

Stephanie J. Mason
Township Manager/Secretary