



Board of Supervisors

Budget Work Session

~ Notes ~

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

www.facebook.com/doylestowntwp
Twitter: @DoylestownTwp

215-348-9915

Tuesday, June 19, 2018

3:00 PM

Public Meeting Room

Meeting called to order 3:00PM

In Attendance: Barbara N. Lyons, Chairman, Rick Colello, Vice Chairman, Ken Snyder, Jennifer Herring and Ryan Manion; Stephanie Mason, Township Manager, Ken Wallace, Director of Operations, David Tomko.

Ways & Means Committee in attendance were Chairperson; Brenda Bray, Robert Salanik; Vice Chairman, Ed Ebenbach, Joseph Delkat, Mike Paulosky and Kevin Harrigan.

Expectations for meeting:

2018 Capital / Major Spending Program review
Financial Planning Model Review

2018 Capital / Major Spending Program Review:

Mandated DTWP Building Project; Mr. Wallace reported; \$8,453,000 was budgeted for the DTWP Building in 2018. AS an update, it's estimated, \$4,800,000 will be spent for the rest of the year. Construction progressing on the Administration and Police building. Spending is behind plan due to Phase I delays and to a lesser extent for Phase II weather delays. Balance of the project has been pushed to 2019.

Mr. Colello questioned; what the status of the contract breach issues with Phase I is. Mr. Tomko answered; details are being worked out, where a letter will be issued notifying of liquidated damages that will be assessed. Final pay applications for other applicants were recently received and working on wrapping up financials within thirty days or less.

Mr. Snyder questioned; if payments from Phase II are identified under the contract. Mr. Tomko answered; contractors receive payments based upon performance and can submit a certain number of requests per month.

Maintenance Road Surface Restoration & Drainage - \$625,000 was budgeted for road surface restoration and drainage maintenance for The Estates. As an update, \$527,400, plus \$100,000 will be spent from the state liquid fuels fund in 2018.

Maintenance Infrastructure Database: \$85,000 was budgeted and \$23,000 will be spent in 2018. Mr. Snyder commented; most of the cost was for an intern, because the software was at a cost of a couple of thousands of dollars. Mrs. Lyons questioned; if an intern scholarship was applied through BACTO. Ms. Mason answered; the township needs to designate a candidate before applying. Mrs. Lyons suggested to move forward with the application process noting an applicant will be determined.

Mr. Colello questioned; if the Asset Management contracts have been corrected. Ms. Tomko answered; the revisions of the terms and conditions with robotics and C.S. Davidson still need to be worked out.

Mrs. Lyons questioned if it's possible to address the request for road replacement along Hidden Lane. Mr. Tomko answered; with the system proposed, all road repairs will be reviewed and prioritized. All residents will be informed of scheduled repairs.

Maintenance Bridge and Stream Crossing Repairs: \$75,000 was budgeted and as an update, the inspection reports are currently being reviewed to identify and select work candidates. The forecast is to meet the budget amount.

Maintenance Bridge Point Park: wall repair and repointing were budgeted at \$20,000. The current status shows the project is out to bid. Total budget is projected to be spent.

Mr. Colello questioned; if recoverable damages of an automobile accident will be considered. Ms. Mason answered; the automobile accident was a separate item and considered for the front side of the bridge. The proposed wall repair and repointing will be conducted on the back side of the structure.

Mandated pick up truck: \$18,300 is a leased figure. The truck has been ordered and expected delivery is scheduled for August of 2018. The lease percent for three years is 3.32%.

In total, \$823,300 was budgeted, where \$763,700 is forecasted to be spent. Mrs. Lyons requested to clean up comments under the Bridge Point bridge report to reflect repair to a bridge structure.

Mr. Snyder questioned are there any concerns with completing the Asset Management report this year. Mr. Tomko answered; there are some concerns with staffing and identification on how to bid for some items.

Mandated MS4 Programs - Working with B&J to prepare bid package for Best Management Practice (BMP) Modifications at The Ridings. Total budgeted amount of \$92,000 is projected to be spent in 2018.

Maintenance Stormwater Regular Management: \$15,000 has been budgeted and projected to be spent. Routine stormwater maintenance supplies are underway.

Maintenance Park Lighting; Upgrade to LED \ Pole conversion has not begun. \$100,000 was budgeted. B&J was contracted for specs and Armor for installation. \$100,000 is forecasted to be spent in 2018. Ms. Mason added; the specs with Boucher & James is to match the lighting with the new building to provide consistency. Mr. Tomko agreed.

Maintenance for Sandy Ridge Road: \$45,000 was budgeted out of the off-site fund. The project will begin upon tree removal, which was recently approved. The entire \$45,000 is projected to be spent in 2018.

Mandated Neshaminy Greenway Trail, Phase III: The project is finishing and a carryover from 2017. A total of \$45,000 is forecasted to be spent and close out the grant with DCNR within 45 days. All invoices need to be submitted for expenditures on the project.

Mandated MTL Loader: The loader was delivered and budgeted for \$31,700 as a one-year lease payment. Total lease purchase arrived at \$28,600 and in service.

Mandated Turk II Backstop Replacement: The backstop was budgeted at \$25,000, where the work is scheduled to replace the current deteriorated backstop is scheduled for the fall. The entire \$25,000 is projected to be spent in 2018.

Mandated Chipper: the chipper was delivered and currently in service. The budget was set at \$15,000, where \$13,500 was spent as a lease payment. Mrs. Lyons questioned if the lease will be shared. Mr. Tomko indicated no.

Mandated Pre-Fab storage building: \$250,000 was budgeted and the currently under the design process under study. Planning site preparations to be completed in house. Review of necessary permitting is underway. Evaluating potential design firms and building firms. \$250,000 is projected to be spent in 2018.

Continuation LSR TAP Grant RT 202 Parkway to YMCA: Is completed and budgeted at \$650,000 in 2018. No additional invoicing was received and \$650,000 is projected to be spent for 2018.

Mandated Kids Castle Project: \$400,000 was budgeted to rehabilitate Kid Castle playground area to make assessable and usable for individuals with disabilities. A grant was obtained, and the project has begun with utilized, donated engineering. Finalization of design and obtaining a permit is pending. Balance of the project is due for completion in 2019. \$175,000 is projected to be spent in 2018.

Beneficial Open Space Comprehensive Plan Update: \$20,000 was budgeted and started. The study committee met on June 13th and consultants are in place. \$20,000 is projected to be spent on the project.

In total, \$10,875,000 was budgeted. Total forecasted to be spent in 2018 is \$6,977,800.

Mr. Ebenbach provided an overview of the newly organized capital spending spreadsheet and commented; the consent is to provide updates as clear as possible and to show where the numbers began. Mrs. Lyons questioned; if a quarterly update can be scheduled. Mr. Ebenbach agreed. Mr. Snyder requested to inform the Board of projects that will unable to be completed within budget.

Mrs. Lyons questioned; if the Parks and Recreation projects should be included in the Capital / Major Spending Program review. Mr. Tomko answered; most funds will be withdrawn as routine Dog Park maintenance and not Capital spending fund. He added; budgeted amounts are provided early in the year to move up when a project becomes available. Mrs. Lyons requested the report be designed for the public to understand.

Financial Planning Model Review:

Mr. Ebenbach referenced the first page of the model and reported; under the graph, it shows the April Budget Work Session results and through 2017. The graph also shows the township's financial improvement by approximately \$600,000. As a result, a fund balance for over five years was created in the amount of \$1,600,000. To become more efficient and avoid borrowing, the township has several options. The first is to take the model into the 2018 budget and equate some financial gains by keeping the assumptions the same and change items one at a time to research any major change. In the 2018 plan, there is no tax or real estate increase proposed and a 1 milage increase in 2019. After repeating the assumptions in another plan, Mr. Ebenbach found no major changes.

Mr. Colello suggested to consider a 0 mil increase in 2019. Mr. Ebenbach explained; of the tax increase plan with ½ mil in total went to roads and bridges. Everything else went to debt services fund. The debt service fund was utilized to pay back the Roads and Bridges balance. The obligation in the 2018 plan was slightly over \$12,000,000. Mr. Snyder agreed with Mr. Colello and suggested to design several different scenarios of different milage for the Board's review. As per Ms. Manion's question, Ms. Mason clarified; the committee to provide different reports showing, zero, one half mils instead of only one mil.

Ms. Mason commented; what the assumptions should be for 2019 and ideas should be brought to the table. Mr. Ebenbach responded; ideas to better operate the township is needed utilizing the current funds. Additionally, funds may be moved around to avoid the need to borrow. As an example; the building estimate for the proposed complex increased by \$3,000,000. After manipulating the budget, the increase was reduced by \$800,000. The goal of the effort is to find a better use of available funds and push the benefit towards the general fund.

Mr. Colello referenced item 3C of the model and commented; the road paving portion of the sewer project will not be completed in 2019. Mr. Ebenbach responded; \$3,000,000 includes the road paving as part of the sewer project from the 2017 budget and the only figure he must work with. He added; in two to three months, the fund balance sheet will have new figures added. Mr. Colello suggested having Mr. Tomko provide accurate figures. Mr. Tomko indicated; if the pump station begins in August, a schedule may be provided to potentially begin paving certain areas in 2019. Mr. Colello commented; many of the sewer projects may be able to be completed in 2019, such as the curbing and paving, once the pipes are installed. Mr. Tomko offered to provide the schedule as soon as received.

Mr. Ebenbach indicated; upon previous comments in allocating the tax appropriately for parks. Today, ¾ mills are allocated for real estate tax, which will arrive at \$200,000. \$540,000 will be transferred from the general fund. The mills were reallocated away from the general fund and towards parks by 1.23 mils. As a result, there was no change in a financial point of view. Mr. Wallace added; it shows the revenue at approximately \$100,000 in expenses and transfers. The general funds will how a number of transfers.

Mr. Colello made MOTION the Doylestown Township Board of Supervisors adopt the transfer of Park & Recreation funds back and forth to the General Funds.

MOTION FAILED due to a lack of a second.

Mr. Ebenbach suggested first locating a budgeting process and creating a better policy for Board approval.

Mr. Colello made a MOTION; seconded by Ms. Manion the Doylestown Township Board of Supervisors adopt changing the allocation of transferring funds from the General fund to Park and Recreation.

MOTION was ADOPTED 5 to 0.

For Road Maintenance, Mr. Ebenbach reported; for a five-year plan there is \$3.1 million worth of roads and approximately \$300,000 from the State Liquid Fuels. With a chance of the State taken away the funding, it's proposed to remove \$300,000 and allocate to roads and bridges and remove a ½ mil of total balance. As a result, \$470,000 at a net of \$540,00 will be an additional balance of the general fund. This will be a better use for State Liquid Fuels and help with debts. Mr. Tomko agreed, and the funds should be used instead of having it accumulate.

The Doylestown Township Board of Supervisors agreed by consensus to increase the State Liquid Fuel funding to \$175,000.

For the Storm water program, Mr. Ebenbach explained; due to timing, the last two years were reviewed at 1.4 mils and spread out three years, instead of two. As a result, \$463,000 can be allocated into the sixth year and reduces the MS4 spending to be used towards requirements for stormwater, since the capital is funded by transfers to the general fund. The changes resulted as \$465,000 in the general fund at 2.6 mils.

The Doylestown Township Board of Supervisors agreed by consensus to extend the funding of the Stormwater program from two years to three years.

For the Chapman Bridge, Mr. Ebenbach indicated; the revision may have little difference financially. However, once a report is received by Pickering, Corts & Summerson, the township will have a better idea when the bridge is to be repaired and if PennDot will consider as part of their repair list. Mr. Tomko indicated; the township applied for a Retro Reimbursement Grant. One of the requirements is having noted on a bridge bill or on a bridge list, which doesn't currently exist.

Upon reviewing other options, such as small repairs or closing the bridge, Mr. Ebenbach reported; in the 2018 plan, there is \$1.3 million for spending of the bridge in 2021. Borrow \$1.3 million to pay for it and place milage for the debt service. Assuming outside the time, the debt service will not be paid. As a result, over time the township will save \$68,000. Mrs. Lyons responded; if the township needs a new bridge, the choice is to repair or replace. Mr. Tomko reported; Penonni & Associates created a list proposed list of repairs, which were minor and doesn't suspect the Pickering, Corts &

Summerson's report will differ. Mr. Ebenbach noted; upon entering the next planning cycle, another \$68,000 in debt services will be added for the following year.

The Doylestown Township Board of Supervisors agreed by consensus to remove the option of either closing or extending repairs to the Chapman Bridge.

For spending of the proposed Municipal Complex building, Mr. Ebenbach reported; the debt services were first reviewed. In 2019, approximately over more than the \$2,000,000 previously borrowed. With the plan and interest rates changing, a new estimate from PFM was requested as to what must be spent. The project is on a different time scale, it's proposed to pick up the borrowing to 2019 and update the amount need to spend in debt service. As a result, there is no change noted and no benefit.

Other considerations include, Mr. Ebenbach referenced page five and reported; renovations of the existing building, which was previous at \$10.9 million at 12 mils. Changes include, considering furniture and fixtures not included previously. For the 2018 plan, \$12.5 million was allocated for the building and \$1.3 million for the bridge.

The figures for the building all have been moved from \$12.5 million to \$15.2 million, including \$11.2 million for the police and administration building, \$3 million for a park building project and a \$1 million of FFE. When the model is updated with cost estimates, the capital reserve will have a negative balance of \$93.8. The capital reserve has a potential from monetizing the asset. However, will have a negative effect of \$8 million. As a benefit, the general funds transferred back into the building fund to wash the totals. As a result, the general fund has a balance of \$1.5 million and the capital reserve has a balance of \$600,000. The scope of the building may be brought down, or the township can borrow more funds.

Mr. Colello commented; direction will be provided soon. However, for the record, the Board did not approve \$3 million dollars to be spent on the park and recreation building. Mr. Snyder clarified; once figures are finalized, the Building Committee will review before it's presented to the Board for approval with some form of plan.

Ms. Herring requested to have the basic needs presented to have available funds to access. Mr. Ebenbach answered; through the budget work session process, all figures will be transparent, such as revenue, roads, and capital program in detail throughout the year.

With no other business, Mr. Colello made a MOTION; seconded by Mr. Snyder the June 19th Budget Work Session be adjourned at 4:15pm.

Respectfully submitted by

Stephanie J. Mason, Secretary