



Board of Supervisors

Budget Work Session

~ Notes ~

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215-348-9915

Tuesday, June 18, 2019

3:00 PM

Temporary Trailer Meeting room

Board of Supervisors	Pension Advisory Committee Participants	Ways & Means Committee Participants	Staff Participants
Barbara N. Lyons, Chairman	Ed Denton, Vice Chairman, absent	Bob Salanik, Vice Chairman	Ken Wallace, Finance Director
Ken Snyder, Vice Chairman		Joseph Delikat	Stephanie Mason, Township Manager
Richard F. Colello		Colleen Mullin	Dave Tomko, Director of Operations
Ryan Manion			Dean Logan, Police Chief
Jennifer Herring			Ed Ebenbach, Budget Analyst

1. Ms. Lyons called the meeting to order at 3:00 PM.

2. **Review 2019 Capital/ Major Spending Programs**

Mr. Wallace reviewed the 2019 Capital expenditure plan for 2019, and noted that as of May 31, 2019 we have only spent \$333.1K of the \$2.9 million dollar budget, or a little over 10% of the capital projects plan. The projects review discussions were:

- a. **New Township Building Project** – We had an adopted budget of \$5 million; with \$3.3m spent as of May 31. We are forecasting an additional \$2.0 million dollars for the balance of the year. The Finance Department will complete a reconciliation of total expenditures in July 2019. During May, the funds from the 2017 Bond were depleted. As a result, Mr. Wallace has set up the first Due to – Due from transaction to cover the building expenditures until such time as the balance of borrowing occurs. About \$0.8m of building project costs are being picked up by the Capital Reserve fund.

b. Public Works - Roads

Mr. Tomko and Mr. Wallace spoke about the various programs within the plan:

Road surface restoration 2019 projects- Mr. Tomko has an adopted budget of \$550K, with \$400K coming from the Roads and Bridges fund, and \$150K from the State Liquid Fuels fund. The bids for the road program are out to potential bidders now. We anticipate having a recommendation for the July 16th Board meeting.

Green Light Go Project is pending PennDOT approval. Likelihood of spending this year is low as we are still awaiting approval. Once received, engineering work could begin.

Swamp/Easton Road Traffic Signal Upgrade – ARLE Grant was approved for \$380K. We expect to spend \$26.5K for engineering by end of year.

Bridges & Streams Crossing Repairs- Ongoing minor repairs- under design and out to bid.

International Truck –has left the factory and is on its way to a 3rd party for addition of optional equipment. The truck will be delivered in fall. The lease payments will be made when the truck is ready for delivery. The TD Bank lease rate has been lowered from 3.5% to 3.25%.

Rectangular Rapid Flashing Beacon- Design and bid is in the works. Ken Snyder asked if the money will be spent this year, and Mr. Tomko responded that it is unlikely that we would spend the total in 2019. Construction will carry over into 2020. Pennoni is doing design, and then it will need to go bid.

Bridge Point Park wall repair – Budgeted at \$20K. The status is pending and the project has not yet started. Mr. Snyder suggested taking this item off the list because it has been on the list for two years. Mrs. Lyons asked if we will bid it out, and Mr. Tomko responded affirmatively.

MS4 programs- Construction and Engineering- 2019 Budget of \$168K for approval, design, build – This budget is part of a \$3m project within the 5 year time frame for the permit completion. The biggest project is the steam bank restoration project. We are still waiting for approval from DEP to move forward with the programs. Ms. Mason communicated with former Township Engineer Mr. Canales, who has assured her that our project is in the queue to be reviewed with DEP. Ms. Mason mentioned that the Township met with Doylestown Borough to talk about doing joint MS4 project in order to both meet the sediment reduction requirements and save money.

c. Public Works – Parks

Shady Retreat Road to Doyle Trail - Shared used trail - \$86K budgeted. Currently we have spent about \$54K on engineering. The design is underway.

Park Lighting- Replace and upgrade to LED. Budget is set at \$235K. Nothing has been spent to date. A question was raised will the current lights last until the upgrade? It was recommended that the areas in

which the community center is being proposed stay off the list for upgrades. New park lighting will need to be designed to make sure it meets Township code, which will likely require more lights and poles with lower heights because the light-spread is less.

Pre Fab Storage Building- The purpose of this project is to provide a storage facility. \$195K is budgeted. The design quote we received is pending approvals. CB Structures provided the quote to do the design for the building and when that is complete we can go to bid. Ms. Lyons spoke about the CB Structure relationship with the Township.

Turk Road trail feasibility study – this is an ongoing study with the Bike/Hike Committee.

Turk II Backstop Replacements – Field 5 is complete and Field 6 will be completed late summer.

Turk 2 Playground- poured-in-place replacement: Waiting for the completion of the Kids Castle project before moving forward. It was recommended to bring this work forward and complete Turk 2 poured in place while the new play structure is being installed at Kids Castle. It was suggested to get them done at the same time. Ms. Sweeney, Parks and Rec. Director, suggests Turk 1 playground replacement and Turk 2 poured in place can be done simultaneously. All agreed that these projects need to move forward now.

Turk 1- same as Turk 2.

Central Park repaving- \$50K budget- pending Community Center location decision. The item was suggested to be tabled for now by Ms. Lyons. The Board concurred.

Sandy Ridge Road Trail Repairs- Regularly required maintenance which needs to be done. This project will be worked on in the late summer of 2019.

d. **Parks- Services and Management**

Kids Castle Project- Budgeted \$400,000 in which we have spent \$8,800 – the project is underway and the major equipment is on its way. Onsite work such as the footer installation is being done now. Equipment will be arriving on site- approx. 30 day install for the large play area because it includes a lot of equipment. The Equipment is installed first and then the poured-in-pace surfacing is poured.

Open Space Comp. Plan- \$5,000 budgeted. Next step is to hold a public meeting on Sept. 19, 2019. The goal is to provide the best opportunities for public participation outside of summer and vacation months. It was suggested Judy Stern-Goldstein and Karen Sweeney will chair the public meeting.

e. **Police**

Marked Patrol Car- Car has been delivered and is in service. We have already made our first lease payment.

f. **Proposed New Project - Turk Road/Pebble Ridge Road Pedestrian Crossing**

A memo from Ms. Mason and information from Mr. Bob Salanik regarding a pedestrian crossing at Turk and Pebble Ridge Roads was discussed.

Ms. Mason mentioned that Bucks County Planning Commission plans to construct a trail system along Easton Road and along Almshouse Road and into Warrington Township (Kings Park). As part of the project they will bring trail to the referenced intersection. This was not a project that Doylestown Township added to the 2019 budget as it was something that the County was to address.

At their meeting on 6/18, the Bike and Hike Committee recommended that this project should move forward now. However, there are some items that need more attention:

An easement is needed from one of the property owner's on the corner. It was suggested that options be presented that are less intrusive to homeowner's property. Mr. Colello commented that in either case we need to obtain the easement (hopefully for free), and then we can address the other issues.

Township staff has not talked to the homeowners yet. Mr. Salanik indicated that one of the homeowners is aware of the proposed project as he signed the petition in favor of a crosswalk. The plan proposed moves the walkway off the intersection so it takes more of his property than originally envisioned. However, this has not been shared with the homeowner yet. Mr. Salanik indicated that he thought that it would be easy to go straight through the tree line instead of going around trees. However it moves the trail away from little league field.

It was discussed that the Engineer had two other designs. Though the other design showed a shorter connection it would not be a compliant crosswalk. Township wants to make sure the design is compliant and large enough for ADA compliance. The design must improve sight distance as recommended by the professionals.

It was suggested that the Township should meet with the resident. Mr. Salanik has a relationship with homeowner. Mr. Snyder suggested making the easement a priority as we are not sure what amount of money may be needed to obtain the easement.

Chief Logan commented about his concern with sight distance, and that the telephone pole appears to be creating a sight distance issue. Ms. Mason would like to meet with property owners to explain regulations and see what we can and cannot do. Ms. Lyons stated that until we know from the township engineer if there are other designs that are less intrusive choices nothing should be done. The other Board members agreed. It was suggested that the staff should check with the township engineer and come back to the Board. Then the Board will be in a position to determine how best to proceed.

Chief Logan mentioned installing a 3 way stop sign – he believes it would be supported by the Traffic Advisory Committee. Ms. Mason will coordinate with township engineer regarding the area needed for a minimal easement from the property owners. Mr. Tomko will follow up on the warrants for the 3 way stop sign.

3. Pension Committee Update

Mr. Snyder gave a brief review of the committee's objectives and goals. It was mentioned that meetings with Ms. Brede have been scheduled.

New information from Mr. Kennedy showed what the MMO would be if

- Discount rate of 7.75 % - \$1.1m
- Discount rate of 6.00 % - \$2.17m

Mr. Snyder's evaluation of this data shows that our MMO jumps \$1m a year just to break even. If this is the plan, we will not get to 100% until 30 years from now. We will need to give Pension Advisory Committee direction as to what year we want to be caught up and that will drive the amount of MMO or MMO plus additional contribution will be required annually. Mr. Snyder's opinion was that it will be okay not to get to 100%. It is expected that the Pension Advisory Board will come up with an initial decision, and reevaluate it each year.

A recommendation to be made will be at the Budget Workshop on Sept. 17.

4. *Financial Planning Elements*

Mr. Ebenbach, Budget Analyst, spoke about the means and benefits to tightening the long range forecast accuracy. He explained that too conservative budgeting predicts higher long range spending, which leads to overly low predicted long range fund balances. He proposed amending existing processes and forecasting practices to permit better accuracy. Mr. Ebenbach supported his presentation with graphs and data. He also discussed increasing usage of State Liquid Fuels funding.

Mr. Ebenbach reported on the results of studying three elements of our forecast:

- Wage actual results vs forecasts (41% of spending)

Uniform staff wages – graphical analysis shows that the model that we have used for the last two years has worked well, and that there is no need for further change.

Non-uniform staff wages – results are mixed, with forecasts missing both positively and negatively. An analysis into the underlying data showed that over the 2015 - 2018 period, a few specific wage line items were consistently underspent. The take away – tighten up the way we forecast those line items. Three such line items were identified which would lead to an almost 60% reduction in that variance.

- Influence of vacancies on actual results

Mr. Ebenbach showed the results of a study detailing five years of personnel changes- hiring's and departures. He used that study to calculate the gap in time between when a person leaves and when he/she is replaced, and thus the savings in wages spending that occurred during that time gap. Since we normally budget for full staffing, the gap results in budget money that is not spent.

He went on to say that he is not ready to recommend applying the gaps identified as a factor in our forecasts, since their application makes the forecast results less accurate. This item needs further study.

Chief Logan commented that vacancy time is dropping, as the approval to rehire/replace is coming more quickly, so the gap should be decreasing.

- Use of state liquid fuels revenue

An analysis into the underlying data showed that over the 2015 - 2018 period, eight specific line items were consistently underspent, resulting in a \$880K underspend variance over four years. He discussed that the Snow and Ice removal budget line items are almost always planned for a worst case scenario, which rarely, if ever occurs. Mr. Ebenbach showed a prediction that tightening these forecast items could result in there being as much as \$670K of more State Liquid Fuels funding being available over the next four year period. He suggested a number of possible uses for these funds (which are required to be used for Road Maintenance types of projects), all of which will be explored during the 2020 budget process with an eye to making better use of the State Liquid Fuels fund balance, while freeing up other township funding sources for other purposes.

5. Community Center

Sketch plans have been received from consultants. P&R board selected the options to present to the board. They plan to make the presentation for the Community Center at the July 16 Boar of Supervisors meeting.

Timing of decision for 2nd borrowing – The goal is to have it in place by the end of the year, so we should have a direction as to which way we should go during September.

6. 2020 Staffing Plan

Ms. Mason explained the need for increased staffing for 2020.

- Front office staffing- another part timer in the front office to help cover busy times.
- Increase use of interns for Operations, Finance and Admin - Septage Management Program.
- Code has asked to increase the hours of our part time inspector.

Ms. Lyons suggested that further conversation regarding part time employees in the front office versus utilizing interns for the same thing should be considered.

A conversation ensued about the current phone system. It was suggested that staff and the Township consider switching to an automated phone system versus having a person answer all incoming calls. Although, utilized by a number of businesses, the Township has not recommended that approach in the past. Traditionally, residents and callers have enjoyed speaking with a live person. This approach provides residents the time and attention they deserve when they call the administrative phone line.

Due to a tight time line, future conversation about the 2020 staffing plan was put off until the next meeting

Being no further business the budget work session adjourned at 4:45 PM.

Respectfully submitted,

Stephanie J. Mason
Township Secretary