

Budget Work Session Meeting Notes

October 15, 2019

In attendance from the Board of Supervisors: Ken Snyder, Vice Chairman; Rick Colello and Jennifer Herring.

Absent: Barbara N. Lyons, Chairman and Ryan Manion

From the Ways and Means Committee: Bob Salanik, Vice Chairman and Joe Delikat.

Absent: Brenda Bray, Chairman; Colleen Mullin and Mike Paulusky.

From the Township Staff: Stephanie Mason, Township Manager; Ken Wallace, Finance Director; Ed Ebenbach, Budget Analyst and Dean Logan, Chief of Police.

Meeting called to order at 3:00 pm by Mr. Snyder.

Mr. Snyder stated that he wants to make sure the Board gives guidance to the staff for the budgeting process.

Mr. Ebenbach started off the discussion by asking for direction on three specific topics so that he can put the results into the plan in time to provide the Board with the detailed budget model at a final work session tentatively scheduled for October 29th.

1) Pebble Ridge/ Woodridge

Two scenarios relative to how project is to be completed over a 3 year period. What direction does the Board want to take on the curb replacement? The options consist of replace all rolled curbs (costing \$4.7m) vs. repair the damaged rolled curbs (\$3.2m). Mr. Ebenbach further indicated that the additional \$1.5m expense for replacement would be financed through Bond debt.

Ms. Mason spoke about the neighborhood walk-through that occurred to look at the roads and curbs. She asked if there were questions or comments. Mr. Tomko summarized the walk-through by stating that he and the Road Superintendent, Mr. Garr, addressed curb and drainage needs. Ultimately, the right thing to do is replace the rolled curb with vertical curb. Mr. Tomko thinks its money well spent and the value is in the replacement instead of repair. Originally Mr. Tomko suggested repair but after identification of the area he recommends that about 90% of properties need the curbs to be replaced.

Mr. Tomko further stated that the plan is to follow Bucks County Water and Sewer through the neighborhood. The project is scheduled to be complete in the fall of 2020 and will include multiple phases working with contractors. BCWSA will also work with Mr. Garr to fix drainage that needs attention using pipes and other materials already on hand.

Mr. Snyder then asked about treating vertical curb like any other assets in the Township while Mrs. Herring expressed concern of taking on more debt and how it would affect the debt ratio. Mr. Snyder asked the cost of debt service for replacement, and Mr. Ebenbach estimated it to be \$80,000 per year.

Mr. Colello expressed that he is in favor of replacing the rolled curb with vertical curb and in addressing any drainage issues.

Chapman Road Bridge

Mr. Snyder asked when the last time the bridge was inspected and Ms. Mason responded that it is inspected every two years on a cycle and will be inspected next in 2020. She informed the members that the Public Works has done maintenance and that the bridge should hold up for another five years before further steps would need to be taken. There will be a cost to maintain the bridge but it will come out of the roads and bridges fund.

The Board agreed that the cost of replacing the Chapman Road Bridge could be deferred beyond the 2024 planning horizon, and the debt service this freed up directed to the Pebble Ridge – Woodridge curbing project instead..

2) Pension

A suggestion from Pension Committee was to increase the payments in two ways:

One, every two years where the opportunity arises, decrease the discount rate by ¼%. Each of these steps increases the MMO amount that we pay and will therefore improve the plan funding levels.

Two, The Pension Advisory Committee also recommended an additional payment of \$300,000 a year. The combination of these two methods will push payments up. The questions arose how do we pay for it? The answer was suggested to either raise taxes or find other ways to cut spending to accommodate it. Mr. Ebenbach indicated that he needed to know what level of payment is acceptable to the board.

The Way and Means Committee commented on the allocated percentage and projects that Mrs. Brede provides for the Township.

Mr. Colello summarized that the conversations are working to get to an agreement and percent so the Board needs to decide if they want \$300,000 or \$200,000? Mrs. Herring agrees with adjusting the discount rate as she thinks both Plans are currently underfunded.

After further discussion the Board agreed that adjusting discount rate ¼% every two years was the way to go. Mr. Ebenbach was given direction to build the budget to include an additional payment of approximately \$125K to \$150K every year. This will be included in the long range forecast as well.

3) Community Center

Mr. Ebenbach stated that as of now there is a place holder in 2022 forecast for a Community Center, with \$4m of Bond borrowing, and \$4m of construction spending. Mr. Snyder agrees that the Board

wants a place holder. Mr. Salanik asked if the revenue side of the community center had been included, and Mr. Ebenbach answered “no”.

Mrs. Mason commented that the Township needs to make sure the General Fund is paid back the \$1.6m it loaned to the Building Construction fund during 2019. It was suggested that all borrowing (Community Center, Curbs, and General Fund repayment) occur together. The plan will have Bond proceeds occurring in 2021, and Debt service payments starting in 2022. Given the total size of the borrowing (\$7.1m) we are talking about a bond borrowing.

The Board agreed to hold the next budget work session on October 29th @ 4pm.

Being no further business the work session adjourned at 4:03pm.

Respectfully submitted,

Stephanie J. Mason
Secretary