

**Board of Supervisors/Ways & Means Committee  
Budget Work Session**

**Notes**

**Tuesday, June 21, 2022  
5:00 p.m.**

**In Attendance:**

*Board of Supervisors:* Chairman Barbara N. Lyons, Jennifer Herring, Dan Wood, and Nancy Santacecilia.

*Ways and Means Committee:* Chairman Brenda Bray

*Pension Advisory Committee:* Chairman Ed Denton

*Others in attendance included:* Township Manager Stephanie Mason, Assistant Township Manager Stacy Crandell, Finance Director Ken Wallace, Director of Operations Dave Tomko, Chief of Police Dean Logan, Lt. Charles Ziegler, Parks and Recreation Director Karen Sweeney, Township Engineer Sean Torpey and Township Budget Analyst Ed Ebenbach.

Ms. Lyons welcomed everyone and called the meeting to order.

**2023-2027 Financial Planning Drivers- Ed Ebenbach, Budget Analyst**

Mr. Ebenbach gave an overview of the analysis that was used to form the 2022 Budget and went over important elements that will affect the forecast for this 2023-2027 Budget cycle. The main highlight is that the EIT came in better in 2021 and is expected to come in better each year and if it continues on this path the 2026 General Fund ending balance will go up from \$1.4million to \$3.4million.

Mr. Ebenbach showed that with EIT revenue being up, it may be possible to forego or postpone the 1.625 mil Real Estate Tax increase that was planned to occur in 2025.

**Accelerated Roads Maintenance Proposal- Dave Tomko, Director of Operations**

Mr. Tomko discussed the proposed accelerated road program which is estimated to cost \$2.4million that will be completed this year. This proposal is separate from the project to complete road repaving in the Pebble Ridge/Woodridge area. It also details the 10-year road program that will have 31 miles of roadway paved in the Township at an estimated cost of \$7.3 million. For the 2022-2023 accelerated program, the tentative schedule would be to have the bids approved at the board meeting in July and the project would begin late August/beginning of September. Mr. Tomko explained the cutoff is November for the work.

Ms. Santacecilia asked if the bids would be opened individually or would it be a one large bid. Mr. Tomko explained that they would be bidding project at once because the larger the bid it is more attractive to contractors.

Ms. Herring stated that she was very impressed with the information that was gathered by Roadbotics and is excited for the program to help improve these roadways. Mr. Tomko explained that they will be updating the Roadbotics information in the upcoming year.

There was some discussion about what the average life span of a roadway would be, and the average is about 20 years. Ms. Mason explained that it also depends upon the amount of traffic on the roadway which can shorten the lifespan. Ms. Lyons explained that the road program has been a challenge due to the fact that some of the roadways are very old and may not have the proper foundation and they need to be rebuilt which would involve more than just a base repair. Mr. Tomko explained that there is 10% built in as a contingency in case this is required.

#### **Funding the Accelerated Road Program - Ken Wallace, Finance Director**

Mr. Wallace explained how the Township recommended funding the 2022-2023 accelerated road program. For 2022, Mr. Wallace explained that the Township plans to utilize the already budgeted \$800,000 and are proposing to add \$910,000 from our ARPA funds since the US Treasury Department has modified the rules on the funding. In addition, Mr. Wallace explained that they will use the \$720,000 the Township received from the sale of the cell tower lease. For 2023, Mr. Wallace recommended a \$3 million borrowing to complete the \$4 million of road maintenance to continue the accelerated road program which will complete 30 miles of roadway in two years.

Mr. Wood asked about ARPA funds which were supposed to be used for stormwater and the MS4 Program. Mr. Wallace explained that the second installment of the ARPA money can be used for this purpose. Mr. Wood asked what areas would be focused on first. Mr. Tomko stated that the project would most likely focus on the Woods of Pebble Hill.

Ms. Santacecilia thanked Township Staff for the creativity on how they came up with the funding for this project.

Mr. Wood asked about borrowing the \$3 million and the higher interest rates. Mr. Wallace explained that they have been in contact with PFM. Mr. Ebenbach said that PFM explained that they can be conservative with rates for bonds/bank loans. Ms. Mason said that it is better to have this discussion in September and normally January/February is a good time for the Township to go out for bond/bank financing.

Ms. Lyons stated that this accelerated road program would be on the regular meeting for approval later this evening.

#### **Status- Parks and Recreation Community Center Project- Stephanie Mason, Township Manager**

Ms. Mason went over the timeline of the Parks and Recreation Community Center Project. She explained that the Township received the completed Feasibility Study which includes the solar and geothermal information. Ms. Mason asked that the Board acknowledge receipt at their business meeting so that the Township Staff can place the document on the website. Ms. Santacecilia stated that she is concerned about some of the assumptions because the analysis was done during Covid. She noted the hourly rate for employees and assumptions on revenue. Ms. Lyons suggested that there be posted on the website with a note that explained that some of the assumptions could change based upon the current economic conditions.

#### **Pension- PAC Recommendation/MMO Payments- Ed Denton, Chairman of PAC**

Mr. Denton gave a presentation regarding financial status of the pension portfolio. The recommendation from the PAC is to stick with the plan for 2023 budget. The PAC recommends that the

Township gradually lower the Discount Rate every 2 years to the Target rate of 6.0%. The PAC also recommends making an “extra mortgage payment” of at least \$160,000 in the off years. This will lower the effective discount rate in that year by a quarter percent. They also recommended that the Township consider being even more aggressive early on with the funding of the Non-Uniform Pension in the light of the high number of retirees in the next 10 years. Ms. Lyons congratulated the committee on the process. Ms. Santacecilia asked about a timeline on when there will be no more employees in non-uniform defined benefit plan? Mr. Denton didn’t have an answer to this question.

The next steps in the budget process were discussed. Mr. Ebenbach will be meeting with Department Heads in July and August. The next budget meeting is scheduled for September 20<sup>th</sup> at 5PM.

Being no further business, the meeting adjourned at 6:08pm.

Respectfully submitted,

A handwritten signature in cursive script that reads "Stephanie J. Mason".

Stephanie J. Mason  
Township Secretary