

SOLEBURY TOWNSHIP BOARD OF SUPERVISORS
August 10, 2016 – 10:00 A.M.
Solebury Township Hall

BUDGET WORK SESSION
MINUTES

Attendance: Helen Tai, Chair, James Searing, Vice-chair, Noel Barrett, Paul Cosdon and Kevin Morrissey. Dennis H. Carney, Manager, Gretchen K. Rice, Assistant Manager and Michele Blood, Finance Director were also in attendance.

The Chair called the work session to order.

2017 Budget - Discussion and prioritization of Capital Projects

The Finance Director began the discussion by explaining that the preliminary budget before the Board provides for a 2% increase in most line item expenses; a conservative projected increase in revenues; a new salt storage building and the proposed renovations to the police department. It does not at this time include the additional \$20,000 recently requested by the Free Library of New Hope & Solebury.

The Township Manager noted that the capital projects that are included do not impact the general fund other than money is transferred annually into the capital reserve fund from which the associated expenses would be paid.

Ms. Tai asked the Board to confirm whether or not they felt the proposed items, e.g. salt building, multi-purpose field (in location of pole barn to be demolished), police locker room and entrance, were all necessary. No contrary opinion was expressed by the Board.

Ms. Tai noted that the P&R Board has not presented their justification for an additional field as previously requested and opined that she would want to hear that presentation first.

The Manager commented that the area where the current pole barn is located, whether or not it is made into a playing field, must be returned to a grass area. He estimated the cost to make the area a safe playing field to be about \$15,000.

Mr. Searing noted that there is money in the P&R Capital Fund that could be used to cover that cost.

The Manager added that he would explore possibilities of selling the pole barn on Municibid in an effort to recoup some funds. He will also explore options to determine if it is feasible to repair the police entrances rather than rebuild or replace the entire entrance.

In response to questions regarding the life of the current pole barn, the Manager stated that it is possible that there might be a couple more years left, noting that it is rusted and the roof leaks.

Mr. Morrissey questioned if the improvements to the police department could be undertaken over two budget cycles. The Manager responded that the first thing to do would be to have architectural plans prepared. Assuming the same architect would be used (Phillips & Donovan) that would take approximately six months and then the project could be bid in 2017 with a goal of construction taking

place in 2018. If however, the Board determined that they wanted to consider retaining a different architect, an RFP would need to be created, interviews held, and a final selection made before any architectural plans could be prepared and those plans would take longer because a different architect would have to start from the beginning. Under that scenario, the Township would likely be looking at nine months or more before being in a position to bid the project.

The Manager recommended the following timeline: 1) The salt storage building architectural plans are already completed so that part of the project could go to bid and that project could move forward in 2017. 2) During that same time, using the same architect, the architectural plans for the police department could be prepared and go to bid in 2017 followed by construction in 2018. 3) Following those two projects, the chiller replacement could take place in 2019.

The Finance Director and Manager pointed out that the \$50,000 for architectural drawings on page 12 could be split into two years, \$28,000 in 2017 and \$22,000 in 2018.

Mr. Morrissey opined that he would probably prioritize the police improvements before the salt building.

Mr. Cosdon cautioned about waiting on the salt building, noting the cost will only continue to rise and there is always the possibility that the pole barn could collapse from further deterioration. In addition, since the drawings are already completed, it seems prudent to move forward with that building first.

Chief Bellizzie commented that he and his department are aware of the proposed sequencing of projects and the police department is fine with their improvements following the salt building project.

Mr. Searing commented that in totality the expenditures for all of the proposed projects are fairly modest and would result in getting the Township's infrastructure into good shape. He would consider taking advantage of the low interest rates today and borrowing at least some of the funds.

Ms. Tai asked if both the salt building and the police improvements could be done in 2017, to which the Manager responded that the preliminary budget before the Board would need to be revised to reflect all of those expenditures in 2017.

Mr. Searing expressed that he would be more comfortable addressing one project at a time.

Mr. Morrissey commented that he would prefer not to borrow for the projects unless it is necessary.

The Finance Director noted that the Township has sufficient funds to do all of the projects without borrowing if the Board decides to use existing reserves.

Mr. Cosdon recommended taking advantage of the low interest rates and borrowing the funds, but structuring the borrowing so that the money is only drawn on as needed similar to the Township's last borrowing.

No tax increase is anticipated for 2017 at this time.

Pension Discussion - Mr. Searing opened the discussion by noting that the administration's non-uniform pension plan is fully funded and the police pension plan is funded at approximately 77%, leaving a 1.5 million gap that the Township should work towards closing. If an additional \$100,000 is paid on an annual basis over and above the MMO dollar amount required, it would take about 12 years to close the gap.

The Finance Director and Manager pointed out that a new line item had already been included in the preliminary budget before the Board for budgeting additional funds annually toward the police pension plan. The figure currently listed is \$25,000. This figure could be changed to a percentage of the MMO being paid, or a different dollar figure at the discretion of the Board annually based upon the financial circumstances at the time.

The consensus of the Board was to base the additional contribution to the police pension on 10% of the Minimum Municipal Obligation amount annually.

The Finance Director stated that the Commonwealth has now indicated by letter that Solebury Township pension plans are not distressed, and has assigned a "0" distress rating to the Township. The letter does not state the reason or logic behind the designation.

General Fund Balance Policy - There was discussion about setting a formal policy or designating a minimum dollar amount to maintain on an annual basis as a guideline. Mr. Searing suggested that the Board strive to maintain at least enough general fund balance to maintain its current Aa rating. The Board will undertake further discussion of this matter in the future.

Conversion to Electronic Records - The Board briefly discussed steps to convert to electronic records. Mr. Carney will reach out to PSATS and the BC Consortium for input. This topic will be discussed and further considered going forward.

Additional Library Funding - A discussion regarding the additional \$20,000 funding requested by the Library was deferred to the September 6th Budget Session.

Fundraising Effort for Aquetong Spring Park - A brief discussion was held concerning a fundraising effort for the Aquetong Spring Park. Ms. Tai liked the idea but opined that it might be better to develop the overall vision for the site first, and then focus on educating the public on that vision before requesting contributions. Mr. Cosdon and Mr. Barrett expressed agreement.

Once the vision for the site is complete, the EAC newsletter might be a good avenue to begin the education process.

Committee Expenses - Mr. Morrissey recommended a line item be added to the budget to allow for approved expenses for the Farm Committee. It was suggested to establish the line item in the amount of \$2,000 but label it "Committee Expenses" so that it would not be exclusive to any particular committee.

Misc. Comments - For future consideration and discussion, Mr. Cosdon raised the possibility of adopting an annual fee for flea market vendors as a way to increase revenues.

Responding to questions from Mr. Barrett, an explanation was provided regarding the proposed decrease in ZHB revenues for 2017.

Public Comment

- Resident Ed McGahan suggested that the expenses associated with the police department improvements be spread across a longer period of time much the same as the open space is handled because the benefits are long term.
- Resident Dominic Marano recommended the Board borrow the funds for the projects and keep the cash reserves strong.
- Mr. Marano also commented that it is always good for the pension to be underfunded and the Board should be looking at how the fund is administered and invested as well as upcoming retirements, etc., adding that those who are charged with the investments should be accountable.

Res. 2016-105 – Upon a motion by Ms. Tai, seconded by Mr. Morrissey, the work session was adjourned.

Following adjournment the Board went into executive session to discuss employee benefits.

Respectfully submitted,
Gretchen K. Rice
Asst. Manager