

# WARRINGTON TOWNSHIP BOARD OF SUPERVISORS

## MINUTES FOR SPECIAL BUDGET MEETING DECEMBER 3, 2008

The special budget meeting of the Warrington Township Board of Supervisors was resumed on December 3, 2008, 7:30 p.m. at the Township Building located at 852 Easton Road, Warrington, PA 18976. The members present were as follows:

### 1. ATTENDANCE:

Paul Plotnick, Chairman; Carol Butterworth, Vice Chairman; Glenn M. McKay, Secretary; and Rebecca A. Kiefer, Member; Timothy J. Tieperman, Township Manager; Michael P. Clarke, Esq.; Township Solicitor; Thomas F. Zarko, Township Engineer; Richard Lesniak, Director of Fire, Inspection and Emergency Services; and Vivian Bell, Finance Director.

### 2. PLEDGE OF ALLEGIANCE

The meeting opened with a pledge to the flag.

3. EXECUTIVE SESSION. Mr. Clarke reported that at the conclusion of the meeting on 12/1/08 the Board held an executive session to discuss personnel matters.

4. FOCUS ON CAPITAL BUDGET AND THE GENERAL FUND. Mr. Tieperman said he wanted to primarily focus on Capital Budget and a recap on the General Fund. He said historically we've always co-mingled and put bond monies into General Fund monies. He has asked Vivian Bell to take out all the bond monies that have been put into capital so that we know exactly what cash monies we have in the General Fund so we know what we have to work with in the General Fund.

Mrs. Bell reviewed the revenues for our General Capital Budget. Mr. Tieperman talked about some of the projects and the status of the ones that started in 2007, 2008, and 2009. Mrs. Bell said the only revenues that go into the General Capital Budget are Interest Income and Tax Dollars Miscellaneous. She said further that the only capital that we depend on to transfer from is the General Fund.

Mr. Tieperman talked about the fund balance for our General Capital. He said if everything comes in on budget we'll have a fund balance at the end of 2009 of \$12,000. He said in 2008 we're ending with an estimated fund balance of about \$75,000 and we're apportioning some of that to 2009 Budget. He reviewed the general expenditures in our General Capital Budget for the 2007 Projects. The figures reflect what we had budgeted and what has been used. He said the traffic study is the major project that is now winding down and some of the other 2007 projects we had budgeted for we're attempting to get them done in 2008 and 2009. The major ones, given our limited funds, are Bristol Road/Turk Road Intersection, the Barclay School Flashing/Warning Device, and the Pickertown & Upper State Intersection.

Mr. Zarko said the figure in the budget for the Bristol Road/Turk Road Intersection is for a right of way acquisition. He said the township is required to get the right of way. He said with the Barclay School Flashing/Warning Device the school district is splitting that cost 50/50. He said the school district got a contractor bid and he believed that it came in below \$24,000. He said the Pickertown & Upper State

Intersection projected cost is for a potential right of way acquisition. He said the developer will be paying for the construction costs of that project.

Mr. McKay asked if the money allocated for the Neshaminy Gardens Drainage Improvements (Phase 1) included the jug handle. No, said Mr. Zarko it does not include the jug handle and further stated that it is a separate project. He said that's the Maple Avenue Extension that is a 2007 Bond Issue Project. Mr. McKay asked if the money appropriated from Valley Square and 99 Restaurant incorporated into these numbers. No, said Mr. Zarko.

Mr. Zarko summarized the Water and Sewer Projects. He said in the Water and Sewer Capital Fund we have a couple of categories including Interest Earnings and Tapping and Connection Fees. He said those are the fees that we're projecting based upon our best guess at what's going to happen in 2009 as far as new projects that come in. He said we have Grants and Transfers. The Total Capital Improvement Fund and Water and Sewer is about \$1 million.

Mr. Zarko identified a number of capital projects that we're looking to do in 2009. He said the one project that is going to fall under the Wastewater Collection is the installation of a public sewer system that is going to provide sewer service to the fire company as well as the township's Mill Creek Building. Also as part of the capital budget going to be putting in a mainline sewer extension to provide sewer service to the Sequoia Supply site as well as two other properties along Easton Road. The initial cost will be paid by the township but then reimbursement through special purpose tapping fees.

Mr. Zarko said another capital project for 2009 is the Phelps sewer extension. This property is currently served by an on-lot system and as a result of the proposed County Line Road widening that is going to be wiped out so their septic system has to be replaced by a connection to public sewer. Initially, the cost would be paid by the township but then reimbursement by PennDOT.

Mr. Zarko said we have a number of water projects that are proposed and reflected in the budget spreadsheet. He said the first one is Shetland Water Tank. What we will be doing next year is repainting the tank both inside and outside. He said the Water and Sewer Department have their tanks inspected on a periodic basis by a consulting firm and that one has been recommended for maintenance for 2009. He said the cost of the water storage tank and Fairways storage tank based upon prior inspections there is some miscellaneous work that has to be done at each of those facilities; some pipe work or some corrections in order to bring those up to snuff.

Mr. Zarko said the cost for the Orchard Hill water storage tank of \$21,000 reflecting the engineering effort to prepare bid specs to paint that in 2010. He said the next project, the Costner Stripping Tower replacement is a treatment system that the township has at Costner well site. He said the stripping tower has been in place for 30 years and is in need of replacement. We were originally proposing to do that in 2008 but the project was deferred into 2009.

Mr. Zarko talked about the capacity purchase from the North Wales Water Authority. He said that \$17,000 figure really just reflects 10,000 gallons per day. After discussing operational issues with the Water and Sewer Department personnel we're recommending that it be opted to 20,000 gallons. He said the cost would be around \$34,000. Those monies reflect 25% payment of the overall cost for purchasing that capacity and the remaining 75% would be financed through an arrangement with the North Wales Water Authority over whatever period that the township desires.

Mr. McKay asked a question with any of these capital funds, because of the economy, if we're trying to cutback on capital expenditures he would like to know if we have cut into anything that we could deem as critically needed for 2009. Mr. Tieperman said he talked to Mr. Lesniak about the painting on the Shetland tower and he said we're already behind schedule. Mr. Zarko said knowing the situation we're with finances we tried to focus on the most important projects and we've deferred projects that we originally proposed for 2009 into future years.

Mr. Tieperman said if you looked at the revenues for the Park and Recreation Capital we received a lot of little things over the years. He said we received the Legislative Initiative Grant for the War Memorial. He said we received the County lease payments that came in for a portion of the Trail project. He said we're putting the Growing Greener Grant into this project. He said one of the reasons that we have a separate Park and Recreation Capital is because we want to do a separate accounting of some of the assessments that we get from developers. He said we're trying to be somewhat conservative with what we're bringing in special assessments in 2009. He said in 2007 we had budgeted \$100,000 and we had a pretty good year and actuals in that category but it has gone down since then so we're budgeting \$30,000 in 2009.

Mr. Tieperman talked about revenues on Parks and Recreation. He said we've gotten some private donations for the Barness Project. We received our DCNR Trail Grant that we budgeted in for 2008 and we got the Bucks County Open Space and we're budgeting a little over half of that for 2009. He referenced the expenditures for Parks and Recreation. He said this gives you an idea of what we have budgeted in some of the projects. Some of the projects changed in priority over the past couple of years. He said the County agreed to reimburse the township for a portion of the trail that was in the leased area but that entire project included a little bit more than the actual leased property.

Mr. Tieperman talked about Streets and Road Capital. He said we had an ambitious plan a couple of years ago before the fiscal crisis hit to try to put all of our liquid fuels money and capital contributions from General Fund to do our pavement management. He said we cancelled our pavement contract for 2008. He said we're looking at reducing the scope of our 2009 project mainly to match what we have in liquid fuels funds and we're trying to use a little of that to cover snow and ice costs, which is reflected in the General Fund. Under the pavement management program for 2009 the primary roads would be Stuckert Road, Elbow Lane, and Pickertown Road.

Mr. Tieperman gave the Board an update on the 2007 Bond Issue. He said we refinanced the Open Space issues, had some storm water projects, a road project, and some park projects. Mr. Zarko updated the Board on the storm water projects. He said all of the storm water projects, with the exception of the Greyhorse Drive drainage channel have been completed. He said Greyhorse Drive was pulled out of the project because of permitting issues and that is now a part of a 2008 Bond Issue project. He said the contractor for the King Park Improvement Project finished up that project very recently and will be presenting the final pay estimate to the Board probably at next week's meeting. He said the final project in the 2007 Bond Issue is the Maple Avenue Extension that is into hard design right now. We're anticipating that project will be let for bids in early 2009 and completed in 2009.

Mr. Zarko gave an update on the 2008 Bond Projects. He said basically we have the fire station. We proposed police and fire building expansion is programmed for design in 2008 and implementation will start in 2009. He reviewed the other projects that included: 1) The salt storage facility on Pickertown Road; 2) Neshaminy Gardens Drainage Improvements, Phase 2; 3) Greyhorse Drive Drainage Improvements; 4) Palomino Farms Basin Retrofit is in design right now; 5) Upper State Road Culvert Replacement Project; 6) Palomino Farms Stormwater Conveyance Channel; 7) Mill Creek Road Culvert Project; and 8) Mary Barness Swim Club Improvements. He reported that the improvements to the Mary Barness Swim Club were completed in 2008.

Mr. Zarko reported that the 2009 Projects are just projecting out when we anticipate those projects that are identified as part of the 2008 Bond Issue would be implemented.

Mr. Tieperman reported that Mrs. Hanel has been working on finding a lesser expensive facility for the Twin Oaks Park Building and he believes that we're coming up with a design project that is going to be substantially less than the \$250,000. Mr. Zarko said the design has been completed on the salt storage facility but we're delaying bidding that until the site work gets further along with the fire company project.

Mr. Zarko updated the Board on the Palomino Farms Basin Retrofit. He said that we're in the design phase of the project and we had a special surveying crew out there that specializes in doing surveys of silted up structures for purposes of estimating dredging. They are actually out there today doing the survey work. He anticipates that this project to be a mid to late spring bid project for 2009.

Mr. Tieperman reported that we took out the per capita with Act 511. He said everything has changed with cable franchise. He and Mr. Lesniak had a long meeting this morning on some fees and he's double checking square footages for fire inspection fees. Right now we're keeping it at \$59,325. He said the other building permits we're leaving unchanged. We've gone through all of the electrical permits and they remain the same. He said fines are remaining pretty much level at \$170,000. On Investment Income he said we haven't changed any of those figures. He said the State and Federal Grants are pretty much statutory grants and we haven't made any changes there. He said the Doylestown Hospital lease will be ending and the sub-lessee will be taking over that lease so we'll be losing \$20,000.

Mr. Tieperman said we haven't really changed anything under current service charges. He said nothing has changed with miscellaneous revenues. He said one item that we added under Interfund Transfers and put in an assessment figure for the fire fund. We added \$28,000 in that account.

Mr. Tieperman reported on the expenditures for the Township Administration. He said we brought the figure down for Dues and Membership under the Board of Supervisors. He said that was over budgeted. He said in that category he has PSATS and League of Cities memberships. He said items haven't changed in the Township Manager's account. He said items haven't changed under Administrative Support Services. He said in the Communications and Media Relations account we had \$30,000 for the newsletter and contracted services. He said items haven't changed under the Mill Creek Building. He said items haven't changed under the Pickertown Building. He said we were able to confirm that there was some miscodes on the Utilities for the Township Administration Building Account. He said there were some street lights bills were inadvertently expensed against the township administration building account. He believed that we could take \$20,000 out of the utilities category. He said contracted services was high because of our HVAC issue.

Mr. Tieperman said the benefits haven't changed on the Old Schoolhouse and the items on the other township buildings, planning administration, and Planning Commission haven't changed. He said he made an adjustment on the special legal services under the Zoning Hearing Board category.

Mr. Clarke wanted to check and confirm that we pulled the proposed site lease agreement for the company that is going to build the cell tower on Street Road. He said they'll pay us rent beginning 60 days after the issuance of a building permit. He said if we were to approve this site lease agreement next Tuesday and we were able to make certain determinations regarding whether or not there is a need for a conditional use hearing or not and they can be told they are ready to move forward the early part of 2009. He said there is no reason to think that they wouldn't be able to have a building permit issued by the beginning of the second quarter of 2009.

Mr. Tieperman said there is no change in the accounting services category under Finance.

Mr. Lesniak highlighted what he and Mr. Tieperman had talked about the Mill Creek Building. He said we plan to replace the one air conditioning unit that is not working and use the window units. He said that will be \$7,000 off of the Mill Creek Building. He said we'll be doing our own cleaning at this building to save some money. He said under the Office of Fire Marshal we're reducing the communications portion of the budget by \$1,000 bringing the total down to \$3,000.

Mr. Tieperman said there have been no changes made in the highway operations of the Public Works Department other than the fact that we have put a budget line item in for the Public Works Director. He said he's keeping \$180,000 budgeted under the Snow and Ice Control category with the understanding that when we do have snow and ice emergencies we're actually going to take that out of liquid fuels. He said the only change that we're going to have to make is that adjustment is that miscode on utilities for traffic and street lights. He said we're going to have a higher projected number. He said we're going to change the utilities account on traffic lights. He said there will be major changes in storm water management.

Mr. Tieperman said he met with Chief Miller and the operating supplies account can be reduced by \$10,000 making the new budget line item total to be \$19,500. Also reduce the training and development account figure by \$10,000 making the new budget line item total to be \$11,000. The minor equipment account figure can be reduced by \$9,500 making the new budget line item total to be \$19,500. He said Chief Miller thought there may be a calculation error in projected costs for the non-union command staff. He said the old sheet had the figure of \$288,000 being over budget. He said he thinks that is an error in our accounting system and we can bring that figure down by \$8,000 making the new projected budget line item total to be \$280,800. He said operating supplies, minor equipment and training, and the projected figure for 2008 is now \$38,000. He said there was an error in the retiree medical benefits and the civilian medical benefits. He said we had over-budgeted the civilian police retiree budget by \$20,000 so the new line item total would be \$23,880. The Board agreed that we should reduce the motor fuel account by \$10,000 making the new line item total to be \$84,500.


Mr. Tieperman said the one thing that is not reflected in the budget that the Chief wanted brought to the Board's attention is that this shows the full cost of some of our retirees benefits and some of our retirees do reimburse the township a certain percentage and that's not reflected in this budget. He said you're looking at \$11,000 for training.

Mr. Tieperman talked about the debt service budget. He said right now the debt service budget has about 1 mill of increases in taxes for the debt service. Mr. Plotnick said but due to our fund balance we can reduce that to .5 mills for 2008. Mr. Tieperman said has been talking to our financial advisor and if the Board wants to do this we could split the increase in 2008 and 2009. He said instead of doing the 1 mill we could do the .5 mill. He said the total debt service for 2009 will be \$1.32 million.

Mr. Tieperman said some of this debt service we include some transfers from the fire capital fund to cover the debt service portion of the West End Fire Station. Mr. McKay asked if there is one line item that increases revenue there that allows us just to charge .5 mills. Mrs. Kiefer asked what was the bottom line. She asked what are we talking about a mill increase. Mr. Tieperman said we have a fund balance and the debt service fund that he thinks will allow us to get by with .5 mills in 2008 and we can go up .5 mills in 2009.

4. ADJOURNMENT

Motion – It was moved by Mr. McKay, seconded by Mrs. Kiefer, that the Board of Supervisors voted to adjourn the meeting at 10:20 p.m. This motion passed by a vote of 4-0.

  
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Timothy J. Tieperman  
Township Manager

2/13/09  
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Date