



## **WARRINGTON TOWNSHIP BOARD OF SUPERVISORS MINUTES FOR SEPTEMBER 17, 2013**

A workshop meeting of the Warrington Township Board of Supervisors was held on September 17, 2013, 7:30 p.m., at the Township Building located at 852 Easton Road, Warrington, PA 18976. The members present were as follows:

### **ATTENDANCE:**

Gerald B. Anderson, Chairperson; John R. Paul, Vice Chairperson; Marianne Achenbach, Secretary/Treasurer; Matthew W. Hallowell, Sr., and Shirley A. Yannich, members. Staff present was Timothy J. Tieperman, Township Manager; William R. Casey, Esq., Township Solicitor; Thomas A. Gockowski, Township Engineer; Barry Lubber, Chief Financial Officer; Fred Achenbach, Manager of Water and Sewer Department and Barbara Livrone, Executive Assistant to the Township Manager.

### **PLEDGE OF ALLEGIANCE**

The meeting opened with a pledge to the flag.

Mr. Anderson stated the public is invited to the workshop but no public participation occurs during the workshop.

### **NEW BUSINESS:**

- **Begin deliberations on 2014 Preliminary Budget and review 2013-2019 revenue and expenditure projections.**

Mr. Anderson asked Mr. Tieperman to present the budget.

Mr. Tieperman began the deliberations with presenting the 2013 revenue and expenditure budgeted projections. Mr. Anderson requested year-to-date figures forwarded to the Board.

Mr. Tieperman proceeded with the presentation of the 2014 budget highlights noting the projected 2014 deficit with no tax increase. Budgetary assumptions focused on the General Fund; Water and Sewer; Debt Service; Internal Service; and Highway Aid Funds. An overall review of the Capital Budget was presented noting the 2008 Bonds (Capital Reserve Fund); Road; Open Space; Water and Sewer and General Obligation Bonds; along with the Fire Capital Fund, Park and Recreation Assessments, Grants Procurement and Capital Projects Fund (Non-Recurring Revenue Fund). Financial Trend Analysis representing long term revenue and expenditure projections for 2013 to 2019 were presented. Major policy issues were discussed and a summary sheet was presented listing all operating and capital funds for 2014. *(See Attachment # 1)*

As a result of this budget review, Mr. Anderson requested the following information from the Finance Department:

- Five (5) Year Plan from Warrington Fire Company
- Prepare an analysis on the impact of Warrington Fire Company
- Funding of the Swim Team
- Health Care premiums and co-pay analysis
- Contact bond counsel to appropriate fund balance without jeopardizing our bond rate.

- File an application with the County to secure monies from the Open Space funds to purchase 2672 Bristol Road, Tax Parcel Number 50-026-014.

Mr. Anderson requested the manager of the water and sewer department to include an article in the upcoming Winter edition of "The Link" listing the Federal and State mandates and their financial impact on the water and sewer department.

Mr. Anderson directed the township engineer to begin the design of the Bristol Road and Route 611 intersection.

- **Any other issue required to be addressed by the Board of Supervisors.**

Mr. Luber presented the items for sale from the closing of the Newtown Swim Club. Included were the number of available items, asking price, price if purchased brand new; quantities needed and the offer price. The Board agreed to review the list and authorize this expenditure at the regular meeting of the Board of Supervisors scheduled for September 24<sup>th</sup>. (*See Attachment # 2*)

## **ADJOURNMENT**


Mr. Anderson adjourned the meeting at 9:10 p.m.

Respectfully Submitted By:




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Timothy J. Tieperman, Township Manager



**TOWNSHIP OF WARRINGTON**



**2014 PRELIMINARY BUDGET**  
*Highlights and Issues*  
September 17, 2013

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**DISCUSSION OUTLINE**

- **2013 Budget Highlights**
  - Revenue Projections
  - Expenditure Projections
  - Noteworthy Variances
- **2014 Preliminary Budget**
  - Budgetary Assumptions
  - Revenue Projections
  - Expenditure Projections
- **2014-2019 Financial Trend Analysis**
- **Policy Issues**

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**2013 BUDGET HIGHLIGHTS**

- **General Fund Revenues**
  - Budgeted Revenues: \$ 11,335,912
  - Actual Revenues: \$ 11,272,152
  - Revenue Variance: \$ 63,760 (+)
- **General Fund Expenditures**
  - Budgeted Expenditures: \$ 10,841,189
  - Actual Expenditure: \$ 11,209,821
  - Unadjusted Expenditure Variance: \$ 368,632 (+)
- **Unadjusted Balance**
  - \$ 700,000 Budget Overage
  - \$ 1,567,996 Fund Balance

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## 2013 BUDGET HIGHLIGHTS

### Budget Overage Explanations

- Ambulance operation not merged into Township operations
  - \$225,000
- BOS release of sequestered funds from Internal Service Fund
  - \$165,000
- Planned Code privatization initiatives were not implemented
  - \$120,000
- Unanticipated workers compensation increase
  - \$75,000
- Lower Nike Park Improvements
  - \$50,000

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## 2014 BUDGET HIGHLIGHTS

- 2014 Projections Assuming No Tax Increase
  - Estimated Revenues: \$ 12,500,000
  - Estimated Expenditures: \$ 12,800,000
  - Projected Deficit: **(\$ 300,000)**
- \$500,000 Projected Non-Recurring Revenues
  - Excess Building Permits: \$ 200,000
  - Real Estate Transfer Tax: \$ 100,000
  - Park and Recreation Assessments: \$200,000
- The projected 2014 deficit excluding non-recurring revenue: **(\$ 800,000)**

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## 2014 BUDGET HIGHLIGHTS

### Budgetary Assumptions: General Fund

- Full funding for four (4) full-time equivalent career firefighters:
  - 2 full-time career firefighters
  - Part-time employees to equal 2 full-time equivalents
  - Estimated Cost: \$330,000
- New police officer to replace retired employee
  - Maintain 30-man force level
  - Estimated Cost: \$90,000 (first year)
- Insurance Premium Hikes:
  - Projected ± 10% Hike in Health and Workers Comp
  - Estimated Cost: \$150,000
  - Drivers: Obamacare and Cancer Presumption Statute

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## 2014 BUDGET HIGHLIGHTS

### Budgetary Assumptions: Water & Sewer Fund

- Proposed 3% Rate Increase:
  - Applied to all Water and Sewer Districts
  - \$24 average annual increase per household
- Reasons For Increase:
  - To build up reserves for anticipated capital and debt service costs
  - To cover rate increases for health and workers comp increases
  - To prepare for long-term infrastructure improvements in older Township neighborhoods and Tradesville plant upgrades

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## 2014 BUDGET HIGHLIGHTS

### Budget Assumptions: Debt Service Fund

- New \$4 Million Issuance
  - To be wrapped around existing debt
  - \$200,000 annual debt service increase
  - Estimated .62 Mill Impact or \$22 average increase
  - Piggy back with W/S Refinancing
- New Projects:
  - Complete Phase 2 Fitouts – Public Works Complex
    - Estimated Cost: \$1,750,000
  - Continue Aggressive Road Repaving Program
    - Estimated Cost: \$1,000,000
  - Other Major Infrastructure Projects
    - Estimated Cost: \$1,250,000

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## 2014 BUDGET HIGHLIGHTS

### Budget Assumptions: Internal Service Fund

- Each township department is charged an annual assessment to fund minor capital items with ≤ 7-year life cycles
- \$317,000 in planned purchases/leases in 2014
  - Police – Replacement vehicles (4)
  - Police – Replacement motorcycles (2)
  - Codes – Replacement vehicle (1)
  - Administration – Replacement hybrid (1)
  - Public Works – Replacement trucks (4)
  - New Police and Fire Radio System
    - Special County Loan Subsidy

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## 2014 BUDGET HIGHLIGHTS

### Budget Assumptions: Highway Aid Fund

- The Highway Aid Fund is the official depository for all state liquid fuel funds
  - Projected 2014 Allocations: \$500,000
- \$254,000 appropriated to debt service for 2012 road bonds
  - \$3,000,000 bond issuance in 2012
  - \$350,000 remains for 2014 road projects
- \$246,000 reserved for snow and ice removal

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## CAPITAL BUDGET REVIEW

*Including 2014-2018 Capital Improvement Plan*

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## CAPITAL BUDGET OVERVIEW

- 2008 Bonds (Capital Reserve Fund)
- 2012 Road Bonds
- 2012 Open Space Bond
- 2014 Water and Sewer Bonds
- 2014 General Obligation Bonds
- Fire Capital Fund
- Park and Recreation Assessments
- Grants Procurement
- Capital Projects Fund ( Non-Recurring Revenue Fund)

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## CAPITAL BUDGET OVERVIEW

- 2008 Bonds (Capital Reserve Fund)
  - \$7.5 Million Bond Issue
    - Fire Station 78 (completed)
    - Palomino Basin (completed)
    - Codes Consolidation (completed)
    - Phase I – Public Works Complex (underway)
  - Fund to be closed-out at year's end

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## CAPITAL BUDGET OVERVIEW

- 2012 Road Bonds
  - \$3,000,000 funded from state liquid fuels proceeds
  - \$300,000 to be applied to 2013 Road Fund
  - Fund will be closed out at year's end

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## CAPITAL BUDGET SUMMARY

- 2012 Open Space Bond
  - \$3,000,000 authorized by voters in 2012
    - \$2,200,000 in open space bonds issued as part of a larger refinancing packages
    - \$800,000 scheduled for issuance in early 2014
  - Planned funding targets:
    - PECO Trail Extension (County Line to Street)
    - Barnes Park Extension (Snyder Property)
    - Trail Easement Acquisitions & Development (Undesignated)

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## CAPITAL BUDGET OVERVIEW

- 2014 Water and Sewer Bonds
  - Refinancing of 2007 Bond Issues
    - 5 Year Call Provision
    - Current Rate: 4.55%
  - \$10 Million New Money Issues
    - Tradesville Retrofits
    - Planned sewer line upgrades

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## CAPITAL BUDGET OVERVIEW

- Fire Capital Fund
  - Current Balance: \$476,000
  - Station 29 Improvement Plans
  - 5 Year Capital Equipment Plan

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## CAPITAL BUDGET OVERVIEW

- Park and Recreation Assessments:
  - \$2,000 assessment for each new construction unit
  - \$230,000 projected assessments in 2014
- Proposed Projects:
  - Lower Nike Park Improvements
  - Palomino Tennis Court Rehabilitation
  - Swim Club Study and Asset Purchases
  - Philadelphia Avenue Tot Lot
  - Lower Nike Hockey Rink Rehabilitation
  - Other Undesignated Park Improvements

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## CAPITAL BUDGET OVERVIEW

- Grants Procurement
  - County Open Space Funds
    - \$375,000 balance expires in 2014
  - Community Development Block Grant Program
    - Neshaminy Gardens Storm Drainage
  - Automatic Red Light Enforcement Grant (ARLE)
    - Traffic Grant
  - State DCNR Grant
    - Trail Feasibility
  - SAFER Grant
    - Resubmission of 2013 Grant (Career Firefighters)

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## CAPITAL BUDGET OVERVIEW

- Capital Improvement Fund (Non-Recurring Revenue Fund (CNRE))
  - New Fund Proposed for 2013
  - Repository for all major one-time revenue windfalls
    - Excess Building Permit Revenues
    - Excess Real Estate Transfer Taxes
    - Major Sale(s) of Assets
  - \$400,000 in non-recurring revenues proposed to be transferred in 2013

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## CAPITAL BUDGET OVERVIEW

- Target CNRE Projects
  - Street Sign Reflectivity Project
  - MS4 Mapping Project
  - Township Building Improvements
  - Township-wide Security Improvements

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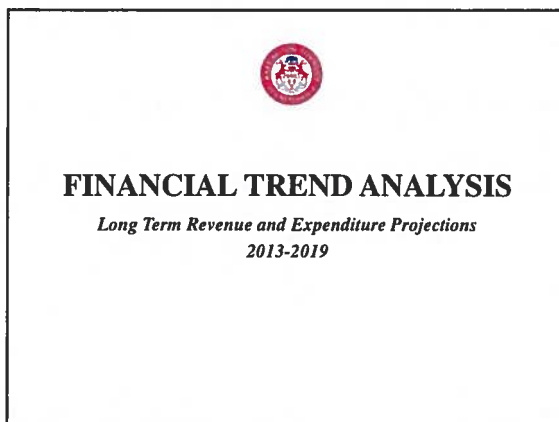
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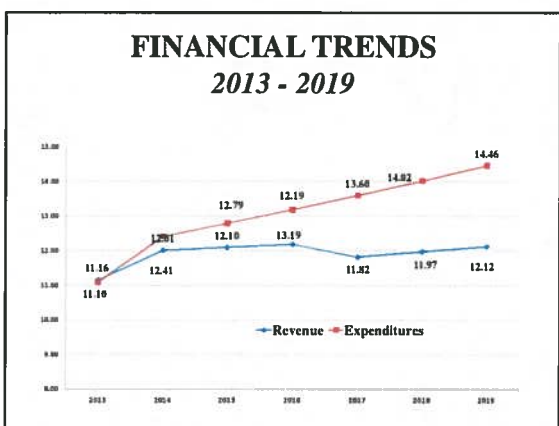
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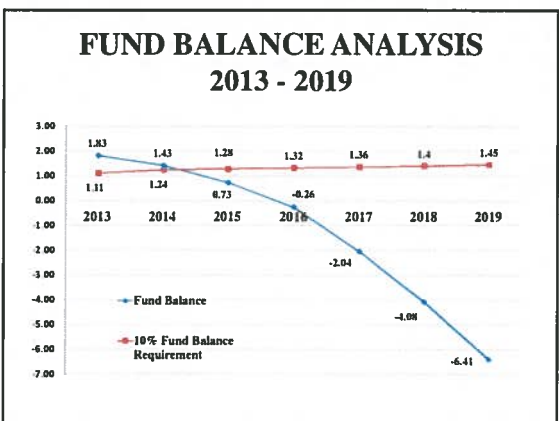
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## MAJOR POLICY ISSUES

1. Long-Term Structural Deficit
2. Reduce dependency on borrowing and identify dedicated revenue source for capital projects.
3. Evaluate Emergency Service Committee Recommendation(s) and identify long-term funding issues
4. Restoring fiscal health to Police Pension Fund
5. Continue to explore ways to improve operational efficiencies and productivity.

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## 2014 ALL FUNDS SUMMARY

*Including All Operating and Capital Funds*

Funds	2013 Beginning Balances	2013 Estimated Revenues	2013 Estimated Expenses	2013 Ending Balances	2014 Proposed Revenues	2014 Proposed Expenses	2014 Ending Balances
General	1,770,768	11,272,152	11,209,821	1,833,099	12,513,700	12,844,997	1,501,802
Water/Sewer	2,216,594	7,174,144	7,660,953	1,729,785	7,216,150	7,238,536	1,707,399
Open Space	0	2,164,942	132,000	2,032,942	839,558	1,500,000	1,372,500
Capital Bonds- Roads	669,092	1,500	350,000	320,592	500	321,092	0
Capital Projects - (2014 Bonds)	0	0	0	0	4,001,500	1,750,000	2,251,500
Capital Reserve (2008 Bonds)	1,984,633	1,300	1,985,933	0	0	0	0
Capital Improvement	0	400,100	0	400,100	400	295,000	105,500
Debt Service Fund	17,832	1,660,709	1,543,615	134,925	2,181,952	1,967,778	349,099
Highway Aid	433,523	473,191	397,509	509,205	471,500	849,409	131,296
Internal Services	226,971	340,810	410,379	157,402	360,000	394,040	123,362
<b>TOTALS</b>	<b>\$7,319,412</b>	<b>\$23,488,848</b>	<b>\$23,698,210</b>	<b>\$7,118,850</b>	<b>\$27,385,268</b>	<b>\$27,168,852</b>	<b>\$7,542,458</b>

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## ??? QUESTIONS ???




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# Newtown Swim Club

Items for Sale	how many Asking available price		if bought (10-20%) new		quantity offer needed		offer price
Chaise Lounge chairs	100+	45	250-500	35	50	1,750	
round table + umbrella + 4 chairs	100+	200	800	150	10	1,500	
various plastic play equipment	4-8 pieces		2,000	400	4	1,600	
concrete/wood park benches	12		450	50	12	600	
Brills	9	25	219	22	9	198	
Ship/Castle/Fire truck wooden play structure	3		3000-3400	625	3	1,875	
water fountains	2 - 3		425	80	2	160	
ladder	1		1,400	150	1	150	
alligator/fire truck playground bobble toy	2		600	60	2	120	
tent	1	1,000	8100-9500*	900	1	900	
video arcade games/rock wall/sports equip	15	10,000	1000-1500	8,000	1	8,000	
vending machines	3	800	300-750	150	2	300	
6 Swing set	1		1900	300	1	300	
wheelbarrows	2		150-200	20	2	40	
pool vaccums	3	900	1,600	600	1	600	
water ice machine/water ice freezer	1	1,500	6500 - 7500	1,500	1	1,500	
Conference table and chairs	1 set			500	1	500	
Dry-Erase Board	1		500	50	1	50	
Sentry Safe	many		250-500	50	1	50	
front desk	1		1250-2500	500	1	500	
Shelving	17		200-250	23	17	383	
mail slot	1			5	1	5	
Bicycles/treadmills/weight machines	25+	13,000		13,000	1	13,000	
backhoe	1						
bobcat	1						
round and rectangular tables	50+						
banquet chairs	100+						
picnic tables and benches	25- 50	200	455				
plastic trash containers	50- 100	25					

water slides	1
coffee machine	1
lockers	4 sets of 6
refrigerator/freezer	1
ice cream freezer	1
pizza display case	1
soft ice cream maker	1
cash registers	3

#### throw -ins

beer tubs	
plastic beverage cooler on wheels	
igloo water coolers	
paper products	
clock	
2 lifeguard floats	

total

34,081

\*price of arcade games is for used games - new games would cost substantially more.