



**WARRINGTON BOARD OF SUPERVISORS
MINUTES FOR NOVEMBER 11, 2014**

ATTENDANCE

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

MOMENT OF SILENCE & PLEDGE OF ALLEGIANCE

Mr. Anderson opened the meeting and asked for a moment of silence, followed by the pledge of allegiance.

SPECIAL RECOGNITION PRESENTATION – BENEFICIAL BANK

Mr. Anderson yielded the floor to John Paul, who formally recognized Beneficial Bank for being a gold sponsor for Warrington Day. Accepting the award on behalf of Beneficial Bank were Chris Jacobsen, Linda McLaughlin and Terri Weber.

EXECUTIVE SESSION REPORT:

There was no executive session report.

APPROVAL OF BILL LIST:

1. October 28, 2014 – November 11, 2014: \$ 913,394.07

Mrs. Achenbach motioned, seconded by Mr. Paul, to approve the bill list from October 28, 2014 through November 11, 2014 totaling \$ 913,394.07. By roll call vote, the motion passed unanimously 5-0.

APPROVAL OF MINUTES:

2. October 14, 2014

Mr. Paul motioned, seconded by Mr. Hallowell, to approve the October 14, 2014 Meeting Minutes. The motion passed unanimously 5-0.

MINUTES FOR POSTING:

3. October 28, 2014

Mr. Paul motioned, seconded by Mr. Hallowell, to approve the posting of the October 28, 2014 Meeting Minutes. The motion passed unanimously 4-0. Mr. Anderson abstained as he was not at that meeting.

PUBLIC COMMENT (*The Board will hear from any interested resident or taxpayer who would like to comment on an item not on this evening's agenda. Respondents are asked to keep their comments to 3 minutes.*)

There was no public comment.

PUBLIC HEARING: None

OLD BUSINESS (ACTION/DISCUSSION ITEMS):

4. Consider adoption of a new Floodplain Management Ordinance creating a new Chapter 8 in the Township Code (Advertised October 28 and November 4, 2014):

Mr. Anderson explained the purpose of this proposed Ordinance, which was to create a specially designated Floodplain Ordinance to comply with new EPA standards. There being no further comments from either the Board or the public, he asked for a motion.

Mr. Paul motioned, seconded by Mrs. Achenbach, to approve the creation of a new Chapter 8 (Floodplain Management Ordinance) in the Township Code of Ordinances. The motion passed unanimously 5-0.

5. Consider adoption of an Ordinance amending Chapter 27 (Zoning), Section 2303 (Floodplain Restriction Overlay) of the Township Code to regulate the Floodplain Management Ordinance. (Advertised October 28, 2014 and November 4, 2014)

Mr. Anderson explained the purpose of this Ordinance, which amends the Township's Zoning Code to establish regulatory zoning restrictions to accompany Chapter 8 above. There being no further comments from either the Board or the public, Mr. Anderson asked for a motion.

Mr. Paul motioned, seconded by Mr. Hallowell to adopt an Ordinance amending Chapter 27 (Zoning), Section 2303 (Floodplain Restriction Overlay) of the Township Code to regulate the Floodplain Management Ordinance. The motion passed unanimously 5-0.

NEW BUSINESS (ACTION/DISCUSSION ITEMS):

6. Joint discussion with Warrington Planning Commission

Mr. Anderson welcomed the following members from the Warrington Township Planning Commission (WTPC): Fred Gaines, Ben Redd and Vince Evans. They were in attendance to discuss with the Supervisors the Commission's next steps. The discussion's primary focus centered on the 2016 Comprehensive Plan Update.

The following are a summary of the noteworthy comments from the joint discussion:

- The Commission presented federal census data indicating a one-third (1/3) population growth between 2000 and 2010. Accompanying this growth was a similar increase in housing units. Warrington Township is no longer a rural, semi-suburban community but a thriving suburban community.
- Once the BOS approves the Plan Update, then Chapter 22 – Subdivision and Land Development Ordinance (SALDO), Chapter 27 (Zoning) and the Zoning Map must be also updated.
- In 1957 the Township passed its first Comprehensive Plan. Warrington's population was 2336. The Plan's goals then were to maintain the Township's rural character. Most 1950 land uses were agricultural, and farm-based activities dominated the tax base.
- The Board of Supervisors must decide whether the Comprehensive Plan should be modified to slow down, maintain or expedite growth. Proper services must meet any new trends.

- WTPC members are seeking BOS input before beginning the Update. They want to ensure that the Update reflects the Board's vision and that the vision should be realistic and pragmatic. Above all the vision should be realistic, pragmatic and accept the economic and population changes that have occurred.
- The WTPC would like to develop a statement of objectives concerning the Township's future development (or redevelopment). The Board suggested utilizing a survey instrument to query Warrington residents about the Township's future. Mr. Anderson commented that a similar survey commissioned over 30 years ago produced a comprehensive vision to which the Township has evolved today.
- The Board addressed concerns over issues with the Township's tax generators as well as options for generating additional tax revenue. Part of the economic development challenges preventing the attraction of additional industrial tax bases are the high school property taxes. WTPC suggested preparing a fiscal stability analysis for Warrington as it approaches build-out.
- WTPC members commented that Warrington is rapidly becoming a *bedroom community*, leading to some discussions on resurrecting the Eureka Village and concept and exploring more cluster options. They noted that the RA District does not work and that the Board may want to explore higher density options while preserving open space.

Both BOS and WTPC members agreed to reconvene in January to continue these discussions. Everyone decided to meet up in early January to continue this discussion.

7. **Received brief presentation on 2015 Preliminary Budget and consider authorizing advertisement of 20-day public review period as required under Section 3202 of the Second Class Township Code.**

Mr. Tieperman briefly summarized the 2015 Preliminary Budget, as outlined in his attached transmittal letter. Noteworthy summary bullets are as follows:

- Total budget pie is \$34,460,231, of which \$21,810,231 comprises operating expenditures; \$12,650,000, capital expenditures.
- There is sizable growth in the major revenue categories of earned income, real estate and real estate transfer taxes.
- Major budgetary spikes were reported in police pension and insurance costs. Health insurance costs were projected downward to 7% from 10%.
- Major non-recurring revenue sources were transferred to various Township capital accounts.

Following the presentation, Mr. Tieperman fielded some follow-up questions from various Supervisors. Mrs. Yannich asked whether it was advisable to not budget any offsetting revenues in the budget to prepare for the eventual phase-out of the SAFER Grant. Mr. Tieperman stated that this will definitely need to be addressed in next year's operating budget.

Mrs. Yannich also asked about the succession plans for when Mr. Achenbach officially steps down as the Water/Sewer Director. Mr. Tieperman responded that included in the water/sewer operating budget is a full-time understudy to work closely with Fred over the next few months. Some aspects of the water/sewer division will be evaluated over the course of the year to determine what/if any management operations will be farmed out.

Mrs. Achenbach asked about the status of the 2015 pay/performance reviews. Mr. Tieperman stated that this is underway and that filing recommendations will be forwarded to the Supervisors shortly. He stated no official rate increases have been announced to the non-union staff, pending the Board's review of next year's pay structure.

She also asked the status of the old DPW building. Mr. Luber explained that there is a placeholder in the budget to cover any unforeseen costs to allow the building to continue as a DPW auxiliary building.

Finally, Mrs. Achenbach stated that in reviewing Township staffing levels, she believes the Township is now a very lean organization based on the limited staff growth over the past few years in light of the Township's overall growth.

There being no further comments from either the Board or the public, Mr. Anderson motioned, seconded by Mr. Paul, to authorize the advertisement of the 2015 Preliminary Budget for the 20-day review period required by the Second Class Township Code. The motion unanimously passed 5-0.

8. **Consider \$111,020 bid award to Trenton, NJ-based Mid-Atlantic Construction and Design, Inc. for Family Pool Renovations at Mary Barness Swim Club, being the lowest responsible bidder.**

Mr. Paul motioned, seconded by Mr. Hallowell, to award a \$111,020 bid to Trenton, NJ-based Mid-Atlantic Construction and Design, Inc. for Family Pool Renovations at Mary Barness Swim Club, being the lowest responsible bidder within budgetary limitations. The motion passed unanimously 5-0.

9. **Consider \$144,311 bid award to Media, PA-based Out of Sight Infrastructure, Inc. for the Penn Valley Pump Water Extension and Sewer Service Project, being the lowest responsible bidder.**

Mr. Anderson moved, seconded by Mr. Paul, to award the Penn Valley Pump Water Extension Project Bid to Media, PA-based Out of Sight Infrastructure, Inc. for \$144,311, being the lowest responsible bidder within budgetary limitations. The motion passed unanimously 5-0.

10. **Consider approval of \$30,433.50 final adjusting change order credit for Oak Avenue Water Extension Project.**

Mr. Anderson moved, seconded by Mr. Paul, to approve the \$30,433.50 change order credit for Oak Avenue Water Extension Project. The motion passed unanimously 5-0.

11. **MANAGER'S REPORT:**

a. **2015 Hometown Press Contract:**

The Board unanimously granted its consent to continue its relationship with Hometown Press for the printing of four (4) quarterly editions of The Link in 2015.

b. **Proposed amendments to Public Gathering Ordinance**

Mr. Tieperman reported that over the past few months, he's been working the Police Command Staff to amend our current Public Gathering Ordinance. Supervisors were provided a copy of a proposed ordinance amendment, including the highlighted changes. He stated that in working with the Township Solicitor, Staff tried to strike a balance between public safety and the constitutional right to assembly. Mr. Anderson responded that he would like more time to study the document before authorizing its advertisement. The remaining Board members consented to his request for tabling.

c. **40th Bucks County Designer House and Gardens**

Mr. Tieperman reported that The Doylestown Village Improvement Association (VIA) has selected 745 Stump Road in Warrington as the site for the 40th Bucks County Designer House. The VIA is a 501(c)(3) women's organization that founded and still governs Doylestown Hospital today. The Designer House is the VIA's annual fundraiser for Doylestown Hospital. Each year the VIA works with a willing local homeowner to decorate a home reflective of the Bucks County lifestyle. It's open to the public for house tours. This year's event will run from April 26 to May 30.

The VIA has asked whether the Township would consider waiving any permit fees should they be required. Mr. Anderson commented that this is a worthwhile charity event and that he had no problems with waiving any required fees for this event. The remaining members agreed. The consensus was unanimous to waive the fees.

d. **Proposed removal of dormers at Meridian Buildings 1000-4000**

Mr. Tieperman stated that the new Meridian contractor is seeking Township approval to remove the dormers from Meridian Buildings 1000-4000. These dormers have been the source of water leaks and their removal would reduce the buildings' susceptibility to further water damage. This approval is necessary because the dormers themselves were part of an overall architectural design approved under the Township's Corridor Overlay Ordinance.

There was substantial Board discussion on why this poor construction was not detected during the inspection process. Mr. Anderson asked Mr. Tieperman to research this and get back to the Board. The Board gave its consent to the dormers' removal 4-0-1. Mrs. Yannich abstained because she is a Meridian resident.

12. CHAIRMAN'S REPORT:

a. **Set date for adoption of 2015 Final Budget**

Mr. Anderson confirmed that December 9, 2014 shall be the date the Board approves the 2015 Final Budget.

13. ENGINEER'S REPORT:

a. **2014 Road Program Update**

Mr. Gockowski provided a 2014 Road Program Update. He stated the project has been delayed because of difficulties getting the handicap ramps designed, approved and constructed as part of the 23 streets in the program. Because of the lateness of the season, he has directed the contractor to cease milling any additional streets and to focus on the areas already milled. Thus far JDM has only paved 11 of the 23 streets. Mr. Gockowski stated that if the weather does not cooperate, there's a possibility some of these roads will not get done until next year. He stated also that they are pressing the contractor to focus first on completing Oak and Honora Streets.

14. SOLICITOR'S REPORT:

a. **Report on PSATS Solicitors Colloquium**

Mr. Casey gave a brief report on the Fall Solicitor's Colloquium he recently attended at PSATS Enola headquarters. He reported there is universal disappointment over the General Assembly's failure in passing some long anticipated reforms to the PA Right to Know Law. He also reported that

PennDOT has issued a ridiculous new rule requiring all public works departments to use a shadow vehicle when mowing large tracts of land.

15. ESCROW AND MAINTENANCE BOND RELEASES:

a. Valley Gate Site Development Escrow Release #12: \$1,992,572.30

Mr. Anderson moved, seconded by Mr. Paul, to approve the Valley Gate Site Development Escrow Release #12 in the amount of \$1,992,572.30. The motion passed unanimously 5-0.

16. EXTENSION REQUESTS: None

17. DEDICATION REQUESTS: None

SUPERVISOR COMMENTS:

Mr. Paul updated the Board members on some items that arose at the October 28 meeting, regarding the noise and nuisance complaints emanating from the Verizon cell tower units at 2210 Shetland Drive. He stated he is exploring with Staff the installation of some sound barriers to shield abutting residences from noise and light pollution. M. Anderson asked that Staff take some decibel readings at the site and report back to the Board.

ADJOURNMENT

There being no further business Mr. Paul motioned, seconded by Mrs. Achenbach, to adjourn the meeting at 9:53 p.m. The motion passed unanimously 5-0.

Respectfully Submitted By:



Timothy J. Tieperman, Township Manager

Warrington



Township

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BOARD OF SUPERVISORS
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MATTHEW W. HALLOWELL, SR., Member
SHIRLEY A. YANNICH, Member

TOWNSHIP MANAGER
TIMOTHY J. TIEPERMAN

November 3, 2014

MEMO TO: BOARD OF SUPERVISORS

FROM:  TIMOTHY J. TIEPERMAN

RE: 2015 PRELIMINARY BUDGET RECOMMENDATIONS

General Economic Conditions

We are entering the 2015 budget year on the heels of a very positive year economically speaking. While the national unemployment rate remains stubbornly high and the economy as a whole perilously fragile, Warrington's local economic indicators have bucked this trend, posting gains across all major categories.

We expect both commercial and residential sectors to remain strong in 2015. Major subdivisions such as Warrington Pointe, Warrington Springs, High Grove Manor and Valley Gate should be well underway next year. These new developments will positively spike Public Safety Permit and Park/Rec Assessment Fees as well collections in Real Estate, Local Services and Earned Income Taxes.

GENERAL FUND BUDGET

2014 Projections

For 2014 we are projecting a \$2.2 million end-of-year (EOY) fund balance and \$12.7 million in total projected expenditures in the Township's General Fund. This reflects a 17.5% fund balance.

2015 Proposed Spending Plan

For 2015 we are proposing a fiscally conservative and balanced budget without the need of a property tax increase. Projected expenditures are \$12.8 million as compared to the \$12.7 million projected for 2014.

There will be an anticipated increase in the refuse/recycling fee that is assessed to all homeowners residing within the Willow Knoll special services district. This is due in part to a new collections contract that will be going into effect January 1, 2015. Since there is no functioning homeowners association responsible for this service, the Township created this special services district several years ago.

TABLE I
General Fund Budget Summaries: 2012-2015
(In Millions)

Description	2012 Actual	2013 Actual	2014 Projected	2015 Proposed
EXPENDITURES	9.57	11.16	12.73	12.81
REVENUES	10.29	12.21	12.74	12.82
NET CHANGE IN FUND BALANCE	.72	1.05	.01	.01
ENDING FUND BALANCE	1.77	2.22	2.23	2.24
% FUND BALANCE TO NET EXPENDITURES	18.51 %	19.87 %	17.22 %	17.48 %

2015 Cost Drivers and Budget Variations

The proposed budget maintains last year's expenditure levels despite some noteworthy cost drivers which we were able to absorb into the 2015 spending plan:

Police Pension Obligations

There will be an \$87,000 increase in the Township's (MMO) Minimum Municipal Obligation to the police pension plan. The \$762,000 line item represents a 13% increase in pension obligations.

Health Insurance

Health costs continue to spike. We are projecting a \$118,000 premium increase for both the police and non-uniform plans, representing a 7% increase. Many of these costs correlate directly with Affordable Care Act (ACA) mandates. It seems that every day new regulations are being drafted with future potential cost impacts.

Zero Ambulance Revenues

The 2014 budget did not include a \$200,000 budget payment to the General Fund on the premise that the Township would be absorbing ambulance operations. This has not yet happened, and as of today we do not have sufficient confidence to include it in the 2015 budget. Therefore, there was an unbudgeted \$200,000 negative impact to the General Fund.

When removing the 2014 General Fund capital projects (\$546,000), the remaining \$12.2 million represents the true 2014 operating costs versus the recommended \$12.8 million 2015 operating plan. Table II below lists all major 2015 budget variances and non-capital budget items that are \geq \$50,000:

TABLE II
2015 Budget Variances \geq \$50,000

REVENUES	EXPENSES	EXPLANATION	VARIANCE
119,000		Real Estate Tax Growth	119,000
100,000		Real Estate Transfer Tax	219,000
375,000		Earned Income Tax	594,000
284,000		Public Safety Permits	878,000
100,000		General Fund Transfer (Fire Capital)	978,000
	100,000	General Fund Transfer (Fire Capital)	878,000
	118,000	Health Benefits (7% increase)	760,000
	200,000	Ambulance Operational Revenue (removed)	560,000
	50,000	Public Works Wages (under budgeted 2014)	510,000
	87,000	Police Pension MMO Increase	423,000
	580,000	General Fund Transfer to CIP (non-recurring revenues)	157,000

Separation of Non-Recurring Costs

The Township's growing fund balance reserves are a welcome relief since the dark days of the Great Recession, when our declining fund balance reserves prompted Moody's to place the Township on its "negative watch" list.

While our recent economic growth has restored these reserves, a substantial portion of these new revenues is non-recurring and should not be included with the Township's operating reserves.

In accordance with the Township's new Capital Finance Policy, we are recommending that \$580,000 in non-recurring funds be transferred to the Capital Improvement Fund.

Also beginning in 2015, capital projects previously budgeted in the General Fund will be incorporated into the Capital Improvement Fund. Historically, these projects were funded through park and recreation assessment fees and grants. Separating these revenue sources will allow the General Fund to reflect only recurring revenues and will make it easier for Staff to compare year to year operating revenues and expenses.

GENERAL FUND FISCAL TREND ANALYSIS: 2015 –2019

The Illusion of Adequate Revenues

We often are tempted to assess fiscal stability by judging current economic conditions. At the beginning of this memorandum we stated that the current building boom has restored the Township's reserves through an additional mix of new revenue sources. However, it would be to our peril if we rested on these current laurels.

This current building boom is temporary and we need not look any further than 2016 to start seeing the corrosive impact on our fund balance reserves if we don't start addressing soon the serious fiscal issues that await us in the next 3-5 years. One such issue is the SAFER Grant which expires in 2016 and coincides with the completion of the Township's build out. If the Board intends to maintain this expanded level of emergency services beyond 2016, then decisions should be made now to cushion this future fiscal spike.

Secondly, as our permit fees, real estate transfer taxes and other growth-driven revenues begin to decline in 2016; our fixed costs will only continue to increase. Hence, one can observe the yawning budget gaps in 2016 and beyond.

Moody's and the other bond rating agencies will be watching us very carefully as we navigate these stormy fiscal waters. We strongly encourage the Board to enforce the necessary fiscal discipline to preserve the fund balances.

Table III below summarizes our fiscal trend projections through 2019 based on current tax policies and cost trends. Refer to Attachment B for a more detailed breakdown of these fiscal forecasts:

TABLE III
2015-2019 Fiscal Trend Analysis

Description	2015 Proposed	2016 Forecast	2017 Forecast	2018 Forecast	2019 Forecast
EXPENDITURES	12.8	12.67	12.85	13.24	13.61
REVENUES	12.8	12.42	12.17	12.27	12.46
NET CHANGE IN FUND BALANCE	0	.25	.68	.97	1.15
ENDING FUND BALANCE	2.23	1.98	1.30	.33	.83
% FUND BALANCE TO NET EXPENDITURES	18.51 %	15.63%	10.12%	2.49%	(6.19%)

WATER AND SEWER BUDGET

Beginning with the 2015 Preliminary Budget, Water/Sewer (WS) Fund activities have been separated into three (3) funds: WS Operating Fund (08), WS 2014 Bond Fund (09) and WS Capital Projects (06). We did this for two reasons: To make it easier to evaluate the operating fund's fiscal health by removing all one-time (1X) revenue/expenditure line items; and secondly, to satisfy bond counsel's request to segregate all 2014 bond proceeds and related expenses.

2014 Projections

For 2014 we are projecting a \$3.8 million end-of-year (EOY) fund balance and \$5.53 million in total projected expenditures in the Township's WS Fund. This reflects a 69.1% fund balance. The Director has recommended a 3% rate increase but based on current and future fund balance reserves, we are not supporting his recommendation for rate increase this year.

2015 Proposed Spending Plan

For 2015 the Water and Sewer Department is proposing \$6.23 million in expenditures. Table IV on the next page shows the 2012-2015 departmental budget summaries.

Succession Planning

Succession planning has become essential as we expect more retirements in 2015. In response to Mr. Achenbach's recently announced retirement, we are planning to retain a management trainee who will shadow him for the next several months. Fred's job is 75% customer-service related for which this new employee will be primarily trained. All finance-related responsibilities and oversight will be absorbed by the CFO's office. Any remaining issues will be handled by my office as needed as the new person grows into the position. I plan to take a more active role in all WS staff meetings next year.

TABLE IV
Water and Sewer Budget Summaries: 2012-2015
(In Millions)

Description	2012 Actual	2013 Actual	2014 Projected	2015 Proposed
EXPENDITURES	5.58	5.15	5.52	6.23
REVENUES	5.59	5.35	6.41	6.40
NET CHANGE IN FUND BALANCE	.01	.20	.87	.17
ENDING FUND BALANCE	2.31	2.94	3.82	3.99
% FUND BALANCE TO NET EXPENDITURES	41.51 %	57.08 %	69.09 %	64.00%

WATER AND SEWER CAPITAL FUND

We created this fund to track all the funding and expenditures of all capital projects not included in the 2014 WS bond issues. These planned projects are itemized below:

TABLE V
Water and Sewer Capital Projects

PROJECT DESCRIPTION	AMOUNT
Equipment	25,000
Vehicles	50,000
County Line Sewer	130,000
Pump Station Upgrades	60,000
Sewer System Improvements	30,000
Bristol Road Sewer	230,000
Street Road Water District	100,000
Tradesville Driveway	100,000
Water System Improvement/Distribution	15,000
Pickertown Road	29,000
	769,000

WATER AND SEWER BOND FUND – 2014

We created this fund to track all proceeds and expenditures associated with the \$10 million water/sewer bond. Planned 2015 projects are included in Table VI below:

TABLE VI
Water and Sewer Bond Projects

Project Description	Amount
Palomino Sewer Rehabilitation	1,550,000
Valley Road Upgrade	100,000
Tradesville Processing Upgrade	1,535,000
Tank Repainting	875,000
NWWA Capacity Purchase	687,000
	4,747,000

CAPITAL BONDS ROADS FUND – 2012

The remaining funds from the 2012 road bonds will be fully expended at year's end after the completion of the 2014 road program.

OPEN SPACE FUND

After Warrington voters approved the 2012 \$3 million open space referendum, in 2013, the Township issued \$2.1 million in bonds and just issued the remaining \$925,000 as part of the 2014 bond issue.

Barness Park Improvements

Earlier this year the Township acquired and demolished 2672 Bristol Road, which is adjacent to Barness Park. This property will be used to expand parking and reconfigure the park's entrances and exits. We anticipate completing the infrastructure upgrades to Barness Park in the Spring 2015, including the repaving and lining of the parking lot, stormwater improvements and field lighting. TDR proceeds will be used to complete the majority of this project. The remainder will be covered from open space bond proceeds.

Twin Oaks

Because of declining day camp enrollment coupled with a strong need for additional playing fields, Staff is recommending razing the Twin Oaks day camp facilities and in their place constructing two (2) fields.

Swim Club & Day Camp Operations

In connection with this project, we are also recommending the construction of a modest, all-purpose building at the Swim Club to house a downsized day camp program. This facility would accommodate other recreational programs and special events. Additionally, we are recommending renovating the Swim Club bathrooms, which have been the source of many member complaints.

Trail Development and Open Space Acquisition

With the recently completion of the University of Maryland's Environmental Finance Center's Final Report and the Board's recent procurement of a land trust consultant, we expect major progress in 2015 as we begin to expand our trail network, redevelop Barnes Park and preserve additional lands as they become available. In working with the land trust consultant, a major goal will be to seek out and leverage grant funds with both Township and County open space funds to stretch these open space dollars.

GENERAL CAPITAL BOND FUND – 2014

The Township just settled on a \$4 million issue, the proceeds of which will fund several planned capital projects, including the retroactive funding of some projects that have already commenced. These projects are included in Table VII below:

TABLE VII
2014 General Bond Projects

Project Description	Amount
Renovations to old Public Works Building	100,000
Palomino Basin Retrofit	400,000
Streambank Stabilization	750,000
Valley Road Culvert	230,000
Road Repaving	350,000
Completion of DPW Facility – Phase 1	150,000
DPW Facility Fit-Outs – Phase 2	1,925,000
	4,005,000

GENERAL CAPITAL BOND FUND – 2008 (To Be Closed-Out)

This fund derived all its revenue from the 2008 bond issue and will be officially closed-out. The lion's share of these remaining funds was allocated to the new Public Works Facility – Phase 1 in 2013 and 2014 (\$1.88 million). A minor share was appropriated to the 2014 Road Paving Program (\$30,000) and the Palomino Basin Retrofit Project (\$20,000).

CAPITAL IMPROVEMENT FUND

The Board authorized the creation of a new fund to serve as the repository for all non-recurring revenue sources received in the General Fund. In 2014 the General Fund transferred \$400,000 to this new Capital Improvement Fund to finance several projects such as the

Township Building Roof Replacement, Barness Swim Club Renovations as well as partial funding of the 2014 Road Paving Program.

In 2015 we are recommending the transfer of \$580,000 in additional one-time revenue sources from the General Fund such as park assessment fees and excess building permit revenue to fund several projects, some of which will be reimbursement through County and federal grants. These projects are itemized on Table VIII below:

TABLE VIII
2015 Capital Improvement Fund Projects

Project Description	Amount
Installation of Video Surveillance Cameras	10,000
Street Sign Reflectivity Project (<i>Unfunded Mandate</i>)	50,000
MS4 System Mapping (<i>Unfunded Mandate</i>)	50,000
Barness Swim Club Improvements – Main Pool	90,000
Neshaminy Gardens Storm Water Improvements	90,000
Philadelphia Tot Lot Relocation	25,000
Trails Improvements (<i>Utilizing County Open Space Funds</i>)	350,000
Barness Park Field Lighting	100,000
Repaving IPW Parking Lot & Walking Path	150,000
Pave Parking Lot – John Paul Park @ Lower Nike	60,000
	975,000

DEBT SERVICE FUND

In 2015 the Debt Service Fund will require \$1,639,064 in expenditures to service all the Township's debt obligations. This represents \$133,447 increase over the 2014 projected \$1,505,617 in total debt service obligations. Table IX below breaks down these costs.

TABLE IX
2015 Debt Service Breakdown

Project Description	Amount
2014 Bond Issue Interest – Capital Projects	159,100
2014 Bond Issue Principal – Open Space	90,000
2014 Bond Issue Interest – Open Space	33,000
2013 Bond Issue Interest – Open Space	60,643
2013 Bond Issue Principal (<i>2008 Refinancing</i>)	345,000
2013 Bond Issue Interest (<i>2008 Refinancing</i>)	152,928
2012 Bond Principal (<i>2007 Refinancing</i>)	515,000
2012 Bond Interest (<i>2007 Refinancing</i>)	178,144
1998 Loan Series Principal	85,580
1998 Loan Series Interest	13,583
Other Fees (2010 Truck Loan and Trustee Fees)	6,086
	1,639,064

HIGHWAY AID FUND

The budgeted amount for snow/ice removal, rock salt, and cinders was over budget in this fund by \$24,000 because of the severe winter in 2014. Moreover, the General Fund also had snow removal expenditures exceeding \$55,000 in budget overages.

This fund paid out its first \$270,000 debt service payment for the 2012 road bonds. This bond issue enabled the Township to accelerate the number of paved streets in 2012 and 2013.

An additional \$350,000 of Highway Aids Funds was combined with over \$700,000 in 2012 and 2014 bond proceeds to fund \$1 million in new road paving which should be completed this November.

INTERNAL SERVICES FUND

The Internal Services Fund (ISF) receives its funding from departmental assessments or the sale of surplus property, which are then used to replace the Township's fleet on a rotating basis but may also include various hardware and software upgrades or other types of minor equipment. Most of these purchases are done either on a cash basis or through capital lease/purchasing arrangements ranging between 3-7 years depending on the equipment's life cycle.

In 2015 we are recommending the ISF to finance the following types of equipment as itemized in Table X below:

TABLE X
2015 Internal Services Fund Breakdown

2015 Capital Lease/Purchase	Amount
Police – Patrol Vehicles (1) – Purchase	33,000
Police – Unmarked Traffic Safety Vehicle (2) – Purchase	60,000
Police – Motorcycle Video Cameras (2) – Purchase	12,000
Police – Patrol Vehicles (2) – 3-Year Lease/Purchase	19,729
Public Safety Radios – Police/EMS – 7-Year Lease/Purchase	56,481
Codes – Inspector Vehicle – 3-Year Lease	11,100
Public Works – Large Dump Truck (1) – Purchase	180,000
Public Works – Street Sweeper (1) – 7-Year Lease/Purchase	35,000
Public Works – Bucket Truck (1) – Purchase	75,000
Public Works – Crack Sealer (1) – Purchase	35,000
Public Works – F-450 Series Truck (1) – Purchase	65,000
Hardware/Software/Computer Upgrades – 2012 Lease/Purchase	41,223
Communications (Website) and Disaster Recovery Upgrades	25,000
	648,533

2015 PROPOSED BUDGET – ALL FUNDS SUMMARY

Table XI below shows a complete summary of all our operating and capital fund recommendations at this point in time in the process. The three (3) columns highlighted in yellow show our 2015 summary recommendations for all eleven (11) funds.

TABLE XI
All Funds Summary Table

Operating And Capital Funds	2014 Beginning Balances	2014 Estimated Revenues	2014 Estimated Expenditures	2014 Ending Balances	2015 Proposed Revenues	2015 Proposed Expenditures	2013 Ending Balances
General	2,220,251	12,736,809	12,726,969	2,230,091	12,815,400	12,810,025	2,235,466
Water/Sewer Operating Fund	1,204,158	1,193,000	1,719,000	678,158	2,053,000	769,000	1,962,158
Water/Sewer Capital Fund	2,939,713	6,407,300	5,527,825	3,819,188	6,402,500	6,232,400	3,989,288
Water/Sewer – 2014 Bonds	0	10,004,000	0	10,004,000	15,000	4,747,000	5,272,000
Open Space	2,005,510	929,800	57,000	2,878,310	75,500	2,704,000	249,810
2012 Capital Bonds – Roads	355,564	700	356,264	0	0	0	0
Capital Projects (2014 Bonds)	0	4,001,500	550,000	3,451,500	4,000	3,455,000	500
Capital Reserve (2008 Bonds)	665,491	300	665,791	0	0	0	0
Capital Improvement Fund	0	500,350	537,000	(36,650)	1,020,600	975,000	8,950
Debt Service	(256,014)	1,762,800	1,505,617	1,169	1,641,500	1,639,064	3,605
Highway Aid Fund	527,662	510,866	888,563	149,965	544,600	480,209	214,356
Internal Service Fund	278,073	355,350	272,952	360,471	335,500	648,533	47,438
TOTALS →	9,940,408	38,402,775	24,806,981	23,536,202	24,907,600	34,460,231	13,983,571