Board of Commissioners Working Session September 12, 2024

The stated Working Session of the Board of Commissioners of the Township of Abington was held on Thursday, September 12, 2024 via webinar and in-person at the Township Administration Building, Abington, PA, with President Hecker presiding.

CALL TO ORDER: 7:41 p.m.

PRESENT: Commissioners BRODSKY, ROTHMAN, DiPLACIDO, BROWNE, WINEGRAD, HENRY, ZAPPONE, YOUNG-GERTZ, SPIEGELMAN, BOLE, SCHREIBER, BOWMAN, VAHEY, HECKER
Excused: Commissioner LANEY-MARTIN

Also Present: Township Manager Manfredi
Assistant Legal Counsel Gallagher

CONSIDER APPROVAL OF MINUTES:

President Hecker made a MOTION, seconded by Commissioner Spiegelman to approve the minutes from the Working Session from August 8, 2024.

MOTION was ADOPTED 14-0.

UNFINISHED BUSINESS: None.

NEW BUSINESS:

Introduction and Presentation of the Fiscal Year 2025 Preliminary Proposed Budget:

Manager Manfredi said it is a privilege to stand before the Board to present a budget that does not raise real estate taxes in 2025. There will also be no increase in the real estate transfer tax, local services tax, mercantile and business privilege tax or earned income tax as well as wastewater or refuse fees. The chart on the Fund Balance policy shows how strong the financial conditions are in the Township.

Budget adoption calendar begins with this evening's introduction and presentation. A special meeting is set for October 1st for consideration of the proposed budget and then another special meeting is scheduled for November 7th for adoption of the annual budget. The timeline has been set so there will be enough time for review and make any changes prior to adoption.

The Fiscal Year 2025 Township Budget as presented holds the current property tax rate at 5.922 mills. General fund revenues, fund equity and expenditures are balanced and wastewater and refuse fees remain unchanged.

The total FY 2025 budget for all operating and capital funds is $81,107,116. General fund totals $49,925,345 and all other operating funds total $21,462,853. General fund permanent improvement capital fund totals $6,574,418 and the American Rescue Plan Act (ARPA) funds of $12,132,654 brings the total budget to $93,239,770.

The 2025 fiscal plan maintains fund equity at an unrestricted fund balance reserve of three months of operating expenditures; an increase in the Township's cash reserve beyond previous projections as earned income and business taxes continue to grow; and the general fund balance available after reserve meets the Generally Accepted Accounting Principal (GAAP) standard and exceeds the minimum two (2) month Government Finance Officers Association (GFOA) best practices and beyond the minimum of one month as prescribed in the fund balance policy. FY 2024 balance available for FY 2025 allocation after reserves totals $12,213,725.

Commissioner Winegrad has worked hard following in the footsteps of former Commissioner Ben Sanchez on the Abington Jenkintown Connections Project. When the project bid at $2.2 million, the Township expended approximately $300,000, saving nearly $1.9 million dollars by having a Construction Services Team. In 2025, Mr. Tim Clark, Director of Engineering, will be retiring and the Township would not be in this position without the leadership of Mr. Clark.

President Hecker presented Mr. Tim Clark with Certificate of Commendation in recognition of his outstanding performance and dedication to the Township of Abington during his 34 years of service expressing gratitude and thanks on behalf of the Board of Commissioners of the Township Abington on this 12th day of September 2024.

The real estate tax distribution for 2025 - Abington School District 77%; Abington Township 12%; Montgomery County 10%; and Montgomery County Community College 1%.

The Board of Commissioners adopted a Strategic Plan focusing on: Fiscal Sustainability, Economic Growth, Vibrant Public Spaces, Excellent Public Services, Sustainability Infrastructure and Inclusive Community.

Deputy Chief Porter requested two additional police officers as it has been more than 30 years that the department has been regulated to 92 police officers, and policing has changed in many ways since then.

Due to staff shortages, we are facing challenges to maintain the high level of service provided to the residents. So, we reassign officers from other divisions, mostly from our Traffic Safety Division, which is the busiest due to consistent complaints about traffic. Also, police work has changed over the years, where in the past, time spent on calls was about three minutes and then onto the next call and that is not how it is today. Sometimes our calls involve spending an extended amount of time with residents helping to solve problems and address their concerns.

Metrics are used to address crime and one of the issues is juvenile crime. The national juvenile crime rate from 2021 to 2023 showed that juvenile arrests have increased 131% and we hope to add a juvenile detective to that division to assist with the caseload. Also, proactive policing involves strategies and initiatives to prevent crime before it occurs as well as prevent and address traffic issues before becoming major, so increasing staff will help to alleviate those issues.

2020 Census Data for the number of officers per 1,000 residents: Lower Merion has 2.13 officers for every 1,000; Upper Merion has 2.2 and Abington 1.5. Lower Merion has 47% more officers than Abington, but we handle 4,000 more calls totaling 49,000 calls a year and we are busier than Norristown and Pottstown, so the workload is there to support the request.

Part of the strategic vision is to continue to provide professional service that the residents deserve and cut down on overtime costs. We have worked hard to create efficiencies with realignment of different positions.

Lieutenant Blei requested funds for a fully enclosed firearm training facility to be located on our public safety training campus. Last August, our outdoor range was shut down due to needed repairs and upgrades and we have not been able to train at that location. Firearms training is critical to our profession and our program is rigorous requiring a lot of practice and sustained practice to maintain ability.

The state only requires one training per year, but Abington police require more, which has been difficult in the past 12 months, and we have seen a slight atrophy in skillset which is concerning, so it is important to have a training facility that we can access at any given time to train our officers to the best of their ability. Not only is it important to have the skill of deploying a firearm, if necessary, but it is more important to know when not to use it.

Lieutenant Kent said he is the Chief Range Officer, and his job is to set up the firearms training and weapons maintenance, and he has been asking nearby jurisdictions to use their range, but it has been difficult as they face the same issues, noise pollution and the public not liking it. We have used the county’s range, but it is used by local, state and federal agencies, so they can only provide a few dates with some being canceled due to maintenance issues.

We would like to attach a range to our existing public safety annex and there are funds for a feasibility study to determine whether that is the best option, and if we moved to an indoor range, we could train 24/7, the weather would not be an issue, and it would reduce noise pollution. Also, training at other agencies results in paying officers' overtime.

Vice President Vahey questioned whether the request is for funds for a feasibility study or construction.

Manager Manfredi replied the feasibility study was budgeted for this year, but we did not want to spend that money unless the Board of Commissioners were willing to support, at least in principle, an interest in an indoor range. So, if there is an inclination to do that, we will move forward with getting the study done.

Vice President Vahey asked is there a plan for training this year without a facility.

Deputy Chief Porter replied yes, we are using ranges from a few surrounding agencies.

Vice President Vahey said clarified that 92 officers will be increased to 94. Is that correct? How many officers does the department have today?

Deputy Chief Porter replied yes. Right now, we are down five officers and currently working on the hiring list.

Commissioner Schreiber said if we build a state-of-the-art structure, could we charge other entities for using it?

Deputy Porter replied yes, though MOUs and that would be to offset any maintenance costs.

Commissioner Browne asked about using privately owned ranges in the area.

Deputy Chief Porter replied the only range close by that can accommodate us costs $1,000 per day and we are limited in what we can do there. Range training does not always involve live fire shooting, but we are handling live weapons, so we need a safe facility.

Commissioner Spiegelman said the Public Training Facility and the old outdoor range is in Ward 11 and he knows about the concerns of the students and parents on the proximity to the middle school and senior high, so he applauds this effort and would like to be kept abreast of this progress.

Commissioner Winegrad clarified that the feasibility study was budgeted for 2024, and it has not been done yet. Is that correct?

Deputy Porter replied that is correct. We are interested in a multijurisdictional range where grants may be easier to obtain.

Manager Manfredi added that we will continue to seek a $3 million dollar grant first, and if that fails, we would be budgeting principal and interest for a $3 million dollar loan.

Commissioner Winegrad clarified that would be spent in 2026. Is that correct?

Manager Manfredi replied that would depend on what the study determines to be more cost effective and how long the project would take.

Commissioner DiPlacido asked would the Township Construction Services Team be able to build it.

Manager Manfredi replied not in its entirety.

Ms. Liz Fitzgerald, Library Director, said the primary focus of the Special Assistant for Public Affairs is to meet the goals of the strategic plan's vision to make the Township an attractive destination such as working towards achieving the goals of vibrant public spaces, excellent public services and an inclusive community.

The focus will be on communication of special projects such as social media campaigns and creating video content for the Township's HD Public Access Channel such as critical messages as well as focusing on Abington Township becoming a destination for fun and exciting events. In 2023, the library staff attended over 100 outreach events, and the library holds community events such as quarterly concerts and hosted a New York Times Best Selling Authors event.

We are planning to expand on some of the successes in the past such as library popups in the park and October 5th will be the Fall Festival at Crestmont Park. Also planned is Abington Day in 2025 with events held at five different parks throughout the Township, and she looks forward to working with everyone on that task.

Mr. Mike Jones, Public Works Director, said over the past year, there has been many questions on how our salting operation can have less impact on the community and environment, so by plowing lesser amounts of snow, we managed to put less salt down than usual. Through the EAC, it has been determined that the water quality from our facility to Baederwood Park has higher salt content than other parts of the Township. All bulk salt is pushed into the salt dome and out of the weather but there is always residual and residual when cleaning our trucks.

The budget request is for a fully enclosed truck washing system to be in our Public Works facility. Photos showed how the water will be recycled and collected. The polymer that adheres to the salt settles to the bottom of the tank, and when the tank has enough sediment, it is cleaned, and that should eliminate any salt residual leaving our facility going into the storm drains. It will not eliminate salt from the roads, but rock salt is the most economical and keeps the public safe as opposed to other products.

Commissioner DiPlacido asked does PennDOT has a system like this one and would there be any grant money available?

Mr. Jones replied that would be something to look into as we do get grant money for equipment, but PennDOT structures are newer than our facility and we would just be adding this system to our old facility. Also, removing the salt from the undercarriage will extend the life of the trucks.

Commissioner Winegrad questioned whether the Public Works Department would be seeking any additional employees, and how many employees do we have now?

Mr. Jones replied no, and there are 75 employees.

Ms. Ashley McIlvaine, Assistant Township Manager, said we have three budget requests: IT, GIS and an update to the Township's website that will align with the focus area of fiscal sustainability as listed in the strategic plan. IT – Information Technology has seen an increase prominence in the past few years, and recently we have seen serious cyber attacks on surrounding townships and counties in which federal agencies have imposed mandates and requirements of our system to access and share information that we must comply with, and we have seen regular attempts by bad actors trying to infiltrate our systems.

This year, we engaged consultants to do internal and external penetration tests as well as assessments so we can better understand our vulnerabilities, infrastructure, and opportunities to increase safety and improve our network.

We need additional financial resources and expertise to make sure that our system is secure, so we are requesting additional funds to engage consultants to assist with the implementation of the recommendations as well as manage services for oversight and security that will help mitigate risk and insure that we have systems in place to prevent infiltration and/or identify and remediate before it becomes a much larger issue.

Additionally, any network upgrades should provide operational improvements among the various departments, increasing efficiency.

GIS - Geographic Information System continues to be a valuable tool internally for management evaluation and project management, and externally for sharing and collecting information with the public.

Also, there is a request for funding for redesign of the Township's website to increase the functionality of the search function, reduce redundancies between department webpages and websites and build out the one-stop-shop making it more accessible and information more readily available.

Millage Tax Rate and Projected Revenues by Levy for FY 2025 - 5.922 millage rate and expected tax revenue of $20,297,983.

Ms. Jeannette Hermann, Director of Finance, presented the FY 2025 proposed budget v. FY 2024 projected actuals summary of operating and capital funds noting that budget for general fund is increasing by $2,567,286 over 2024 due to personnel costs.

The American Rescue Plan Act (ARPA) allows recipients to elect a standard allowance of $10 million dollars under their revenue loss provision. Our plan for the Township is to reduce general fund expenses by the $10 million dollars by reallocating them from the ARPA fund and reducing our salary costs and we hope to use the freed-up funds for parks infrastructure investments and the Economic Development Corporation, which will be discussed in detail at future meetings.

The U.S. Treasury provides clarifying language for the American Rescue Plan Act – revenue replacement standard allowance as well as language regarding obligation of ARPA funds by 12/31/2024 as listed in their State and Local Fiscal Recovery Funds Frequently Asked Questions page.

To have a balanced budget of revenue/expenses in the general fund, we are seeking to use the Fund Balance of a little over $1 million dollars to balance the budget. Revenues and expenses over the past 10 years have gone up and down, and in more recent years, revenues have steadily increased due to earned income tax reset as everyone went back to work after the pandemic. Unemployment has gone down, and business taxes have increased, although expenses are still outgrowing revenues, which will need to be addressed going forward.

Major cost centers were presented noting the largest public service areas of the Township are the police, culture and rec, library and public works that rely heavily on tax revenues in which they use 75% of revenue generated by the general fund collection. Sewer and refuse operations also depend on the fees collected.

At the end of 2023, earned income revenues increased greatly, and we were able to increase our 2024 budget by $1.25 million; however, it is anticipated it will go back to only modest increases, and in 2025, only $250,000 is estimated to be collected, and we did see an increase in interest earnings due to market valuations.

The expense budget was presented, and personnel make up the largest portion of the budget, and going into 2025, personnel costs are at 67%. Gasoline expenses have stabilized for the moment, and refuse and sewer fees are not being increased for 2025.

Permanent Improvement fund balance at the beginning of January 1, 2024 was approximately $2.8 million dollars and we budgeted approximately $6 million dollars for expenditures in 2024, but we expect to spend $5.3 of that, so we will then need to transfer $5 million dollars from fund balance to cover the costs incurred this year.

In 2025, we anticipate approximately $6.57 million in capital expenditures, and we are permitted to transfer $6.7 million dollars; however, available will be approximately $2.8 million dollars.

President Hecker said it was mentioned that overall assessed value has decreased, and expenses are outpacing revenues, so how we are able to balance the budget this year?

Ms. Hermann replied with the unexpected receipts related to earned income tax and interest earnings, we were able to increase our fund balance to a higher amount than expected and under the policy, we can use 10% of it.

Commissioner DiPlacido asked where does that leave the fund balance in 2025 for capital?

Manager Manfredi replied $2.8 million dollars. The fund balance policy has benefitted the Township; however, the financial markets are changing as well as the economy and inflation, so there should be some consideration to tweaking it.

President Hecker said we appreciate and respect the incredible hard work that goes into a budget like this and the processes that have been put into place, and even though expenses exceed revenues, we found a way not to pass it onto residents of this Township for three years in a row, so hats off to Manager Manfredi and his staff.

Commissioner Bowman clarified that ARPA funds are being used to pay regular budget items and that will free up funds to devote to the 2025 budget on important various items. Is that correct?

Manager Manfredi replied that is correct.

President Hecker asked for any public comment.

Mike Tobin, resident, questioned whether there will be a slight decrease in taxes.

President Hecker replied no. Taxes are being held at the same rate as 2024.

Mr. Tobin asked how does Abington's millage rate compare to our immediate neighbors such as Cheltenham and Jenkintown?

President Hecker replied out of the 67 municipalities in Montgomery County, we are the 19th or 20th most expensive while being the second largest.

Mr. Tobin asked would it be just a gun range or training facility and what is the size?

Manager Manfredi replied one of the options would be to add a gun range to the existing public training facility.

Lt. Blei added that the size would be four, 25-yard lanes and four, 50-yard lanes, which is the minimum qualification of the Municipal Police Officers Training standard for rifle and handgun.

Lora Lehmann, resident, expressed concern about not getting the presentation in advance and that public comment should be so others can hear what we have to say; also, she was concerned about the previous high tax hike, and we need someone in public affairs to handle the problems of residents.

Ms. Karin McGarry-Rosen, EAC Chair, asked for support for the EACs budget requests submitted with the Shade Tree Commission to maintain and expand the native plant gardens at Roslyn Park as well as hiring someone to create a townshipwide invasive plant management plan. Also, she supports the request for the truck wash by the Public Works Department.

ADJOURNMENT: 9:27 p.m.

Respectfully submitted,

Liz Vile, Minutes Secretary