Board of Commissioners Working Session October 13, 2022

The stated meeting of the Board of Commissioners Working Session was held on Thursday, October 13, 2022 via webinar and in-person at the Township Administration Building, Abington, PA, with President Hecker presiding.

CALL TO ORDER: 8:11 p.m.

PRESENT: Commissioners ROTHMAN, DiPLACIDO, VAUGHN, WINEGRAD, HENRY, ZAPPONE, SPIEGELMAN, BOLE, SCHREIBER, BOWMAN, VAHEY, HECKER
Excused: Commissioners BRODSKY, THOMPSON, CARSWELL

Also Present: Township Manager MANFREDI
Finance Director HERMANN

CONSIDER APPROVAL OF MINUTES:

President Hecker made a MOTION, seconded by Commissioner Spiegelman to approve the minutes from the Working Session of September 8, 2022.

MOTION was ADOPTED 12-0.

UNFINISHED BUSINESS: None.

NEW BUSINESS:

Introduction of and Presentation to the Board of Commissioners of the Fiscal Year 2023 Preliminary Proposed Annual Budget:

Manager Manfredi presented the preliminary proposed budget noting there is additional time for public viewing and comment period between now until November 10th where at the Regular Board Meeting, the Board will consider adopting the proposed budget, and then on December 8th, the Board will consider final adoption of the annual budget and ordinance. The tax rate and millage for FY 2023 will remain the same and this budget holds current tax rate at 5.922 mills, and general fund revenues and expenditures are balanced, and the refuse and sewer fees also remain unchanged.

FY 2023 budget for all operating and capital funds is $70,564,238 including another $15 million totaling $85 million in which the Board will strategically consider how to best use those dollars. The general fund totals $44,022,702, and all other operating funds total $19,603,104, and the general fund permanent improvement capital fund totals $3,599,432.

This plan establishes fund equity and an unrestricted fund balance reserve of three months of operating expenditures and the general fund balance available after reserve meets the Generally Accepted Accounting Principles (GAAP) standard and exceeds the minimum of two months Government Finance Officers Association (GFOA), which is a best practice. This budget also reflects the strategic planning of building the vision by the Board of Commissioners to grow the Township in a responsible manner and deliver excellent services.

The real estate tax collection rate is projected at 98% for 2023.

Total assessed value for 2023 has increased helping to offset taxes noting that a property owner will pay $1.00 in property tax for every $1,000 of the taxable appraised value of the property. If the Montgomery County assessed value for an Abington Township homeowner's property were set at $150,000, then one mill of taxes would equal $150.00. At the proposed Township tax rate of 5.922, the average Township taxpayer will pay $888.27 in Township property taxes, an increase of $0 from 2022.

Millage tax rate and revenues by levy total 5.922 noting that the Township saves money by having construction services doing projects in-house that help reduce debt and apply dollars to general operations.

Operating and nonoperating revenue totals $44,022,702 and expenditures are balanced. Fund balance available is $16,877,592 and total of all revenue sources is $60,900,294 with a net fund surplus of $16,877,592 resulting in a strong position. Fund balance policy available reserves and allocations were presented.

Ms. Hermann presented assessed value history showing a steady decline occurring since 2018; however, it has increased somewhat as of September 2022, although it could change at the beginning of 2023. General fund revenue versus expenses from 2014 have stayed relatively stable, although show a dip in revenue related to the pandemic and business closures; however, we are back to pre-pandemic levels with balanced revenue and expense budgets.

Using the funds from the American Rescue Plan Act, the Township funds positions and intends to continue to do so in 2023 per Board approval. In addition, $4,875,791 has been appropriated for committed ongoing projects in 2022/2023 leaving an unallocated balance of $9,978,705.48 from the ARPA for strategic planning implementation.

General fund has a variance increase of $1,419,100 related to personnel costs; debt service - for the 2017 Note, the general fund portion of it will be paid off in November and the only remaining portion will be refuse in 2023.

This year, proposed budget was prepared through OpenGov, which has more interactive data to explore including graphs of the 2023 general fund revenues and expenses. 2022/2023 revenue and expenditure budget comparisons were presented noting the pool hours were extended at the request of the Board that brought in more memberships, and there is a minor decrease in the Cobra reimbursements relating to a partnership with Health Trust at no cost to the Township.

Residential refuse and sewer fees will not be increased in 2023 remaining steady for several years.

Capital Fund Review -

Balance as of January 1, 2022 was $5,899,171.00 and available for appropriation as of January 1, 2023 will be $3,802,337.46 based on how much is expected to be spent this year. Fire services includes its own capital of $1,355,000.00, and per the Fund Balance policy, the Township can transfer $3,229,554.00 including some interest in 2023 for a total appropriation of $5,746,891.46. Capital fund budget at the end of 2023 will be $2,147,459.46, so we need to find methods to keep the capital fund healthy while planning for future projects.

Proposed 2023 ARPA relates to the strategic plan and some dollars have been committed, but most of the funds are not dedicated to any project or item at this time.

Manager Manfredi added that the ARPA funds have been segregated, which will not be line-itemed until the strategic plan is completed and the Board decides what it will be used for.

President Hecker agreed that the dollar amounts listed in the various categories of the ARPA funds are placeholders until the Board decides what the strategic plan implementation framework will be and there is flexibility in moving the funds around based on what is deemed the highest priorities at the end of the process. Also, further discussion will be needed to find a sustainable way to fund capital projects moving forward.

Commissioner DiPlacido clarified that there is no tax increase proposed for 2023. Is that correct?

Manager Manfredi replied that is correct.

Commissioner Rothman thanked Manager Manfredi and staff for bearing with us, the Board, during the difficult time dating back to the pandemic and the tough decisions that had to be made. Services are continuing to increase and improve, and that the Township was named as one of the top 50 places to live is a testament to the Board of Commissioners and Township staff.

Commissioner Spiegelman commented that he marvels at the work of Finance Director Hermann and her entire staff as well as the Township Directors, and this is a testament to excellent, reliable leadership of Manager Manfredi, President Hecker, Vice President Vahey and Commissioner Schreiber.

President Hecker asked for any public comment.

Deb Burns, 1953 Guernsey Avenue, asked about the members of the Strategic Plan, and expressed concern about the cost for recreation programs, which should be reviewed.

President Hecker replied that the Strategic Plan Committee is a subset of the Board of Commissioners chaired by Commissioner Bole and then there will be a process going forward including public engagement and relevant stakeholders.

Vice President Vahey added that the Township is in the process of working on a Comprehensive Plan for parks and recreation and the first public meeting will be held on October 19th.

Mike Tobin, Kirkwood Avenue, asked will the Township receive any revenue from the St. Basil's property over the next 24-months or do we need to wait until it is constructed to see any tax revenue.

Manager Manfredi replied there will be a revenue stream from each phase of development, and once the project is completed, the total assessed value of the property will be increased that will benefit the tax base in its entirety.

Lora Lehmann, resident, expressed concern about approved variances for Nifty Fifty's; also, about public input on the budget process.

ADJOURNMENT: 9:05 p.m.

Respectfully submitted,

Liz Vile, Minutes Secretary