

Board of Supervisors Budget Workshop Meeting #2

Monday, October 23, 2023 | 6:00 p.m. | Middletown Township Municipal Center

1) Call to Order, Pledge of Allegiance, and Roll Call.

Supervisor Anna Payne called the meeting to order at 6:07 P.M. and led the Pledge of Allegiance.

Supervisors Payne, Hannah, Ksiazek, Quirple, and Kane attended the meeting, along with the Township Manager Stephanie Teoli Kuhls, Assistant Township Manager Nick Valla, Finance Director Mega Bhandary, Fire Chief Mark Antozzeski, Director of Parks & Recreation Paul Kopera, Chief of Police Joseph Bartorilla, Police Captain Pete Feeney, Superintendent of Public Works Eric Gartenmayer, and Director of Building & Zoning Jim Ennis.

2) Public Comment.

None.

3) General Fund and Fund Balance Overview

Ms. Teoli Kuhls presented an updated General Fund budget with revised year-end projections. She noted that Earned Income Tax revenue is tracking slightly higher than previously projected, and that the renewal for health insurance came in below the previous projection for 2024.

Ms. Teoli Kuhls noted that to fund capital projects in 2024, \$2 million each will need to be transferred from the General Fund and the Investment Fund by the end of 2023. An additional \$560,000 will need to be transferred to the Fire Protection Fund to fully cover the cost of the career firefighters now being carried in that fund. A total of \$1.6 million will need to be budgeted as Fund Balance Forward in the General Fund to present a balanced budget in 2024.

4) Discussion of Capital Project Priorities

Ms. Teoli Kuhls shared that the Board is being presented tonight a list of mission-critical capital projects that can be funded by the recommended \$4 million of interfund transfers, grant revenue, and other special revenue funds, totaling \$8,084,000. The Township expects to hear back about grants from the Bucks County Redevelopment Authority (RDA) in early December. The remaining projects presented are noted as "Priority 2" and will be contingent upon available funds, totaling \$3,810,500.

Ms. Teoli Kuhls shared that Nick Valla, Eric Gartenmayer, and Pete Feeney all collaborated to provide an updated vehicle replacement schedule, which was distributed to the Board. Ms. Kane and Mr. Ksiazek thanked the staff for providing this document.

Ms. Teoli Kuhls shared a long-range projection for the new Fire Apparatus Fund showing the impact of the proposed increased tax revenue.

5) Discussion of Stormwater Authority

Mr. Valla presented the Board with information about developing a Stormwater Authority. Stormwater management has grown to be one of the largest strains on the Capital Fund in recent years and is the most consistent source of resident upset. More than \$6.7 million of stormwater infrastructure projects are included in the five-year Capital Plan. Municipalities are also mandated to manage stormwater quality, to which the Township Engineer has identified an additional \$7.8 million in MS4 projects. Communities like Middletown that were developed before modern stormwater engineering and modern storms have an even greater impact by stormwater.

Mr. Valla shared that a Stormwater Impact Fee can be assessed by a Stormwater Authority or a municipality to directly fund stormwater management infrastructure. The Authority model allows for a dedicated board to be established—appointed by the Board of Supervisors—whose sole responsibility is to manage stormwater issues. Stormwater Impact Fees can be structured in various ways but are commonly \$5 to \$15 per month per residential property. Tax-exempt entities, including non-profit organizations and governments, are still subject to the fee. Currently, Warminster Township is the only municipality in Bucks County with a fee.

Ms. Teoli Kuhls advised that the best first step to take in 2024 is to engage a consultant to assess in totality what stormwater infrastructure improvements are needed, which can be used to determine what an appropriate fee might be.

6) Other Business

Ms. Kane requested that the budget be discussed quarterly in greater detail in 2024 to better assess the current financial situation as capital projects are approved.

Ms. Teoli Kuhls added that the way in which capital projects will be brought to the Board is going to be different moving forward considering the current financial situation.

Mr. Valla announced that an executive session was held prior to tonight's meeting to discuss personnel matters.

7) Adjournment.

The meeting was adjourned at 6:57 P.M.