

**MINUTES  
PRELIMINARY BUDGET MEETING**

**SPECIAL MEETING  
Board of Commissioners  
Township of Haverford**

**November 18, 2019  
Monday – 7:00 p.m.  
Commissioners Meeting Room**

**1. Opening of Meeting**

- a. Roll Call – 8 Commissioners were present at roll call: Commissioners Oliva, McCloskey, Siegel, McGarrity, Hart, Wechsler, Holmes and Lewis.

Commissioner D’Emilio was absent.

Also present were: David R. Burman, Township Manager, Aimee M. Cuthbertson, Assistant Township Manager and Deputy Chief Joseph Hagan.

- b. Pledge of Allegiance

**2. Citizen’s Input – AGENDA ITEMS ONLY**

No one spoke.

**3. Budget Hearing and Preliminary Adoption of Year 2020 Budget**

Motion made by Commissioner Holmes and seconded by Commissioner Oliva to adopt as an Ordinance a Preliminary General Fund, Sewer Fund and Capital Fund Budget, including all taxes, fees, service charges and other revenue sources provided within all funds for 2020.

Roll Called.

7 Commissioners voted Yes: Commissioners Oliva, McCloskey, Siegel, Hart, Wechsler, Holmes and Lewis.

Commissioner McGarrity voted No.

**4. Presentation of Preliminary Budget by David R. Burman, Township Manager**

Mr. Burman, Township Manager, presented the township 2020 Preliminary Budget Proposal (see attached)

**Conclusion: 2020 Preliminary Budget Summary**

<b>Fund</b>	<b>2020 Proposed</b>	<b>2019 Adopted</b>	<b>Change (\$)</b>	<b>Change (%)</b>
General	\$46,707,722	\$44,919,379	\$1,793,740	4%
Sewer	\$ 4,728,181	\$ 4,597,963	\$ 308,853	7%
Capital	\$18,505,755	\$18,854,480	(\$ 348,725)	(2%)
<b>TOTAL</b>	<b>\$69,936,658</b>	<b>\$68,371,822</b>	<b>\$1,564,836</b>	

2020 Preliminary Budget includes NO change in Sewer Rate - \$4.40/1,000g water used.

2020 Preliminary Budget includes an increase in Trash fee from \$227.00 to \$245.00.

1.5% increase in R/E taxes

Total mills: 8.487

**Discussion and Questions began:**

**EAC Requests:** funding for energy and efficiency study, hybrid vs. electric cars, dedicated personnel for Codes and Community Development.

**Road Program:** two years' vs annual? - Option: the township is in discussion whether to do a smaller one on the off year. This would help with the utility companies and their work.

**Recycling:** the township will continue to recycle amidst increase in fees. In 2020, the township will start a new marketing campaign.

Roll Called.

7 Commissioners voted Yes: Commissioners Oliva, McCloskey, Siegel, Hart, Wechsler, Holmes and Lewis.

Commissioner McGarrity voted No.

**5. Ordinance No. P24-2019**

**Sewer Rental Charge (1<sup>st</sup> Reading)**

Motion made by Commissioner Holmes and seconded by Commissioner Oliva to adopt the first reading of Ordinance No. P24-2019 fixing the annual sewer rental or charge for each property connected to the sewer to \$4.40 per 1,000 gallons of water consumed or used by said property.

**Roll Called.**

**Commissioners Oliva, McCloskey, Siegel, McGarrity, Hart, Wechsler, Holmes and Lewis.**

**6. Ordinance No. P25-2019**

**Trash Fee (1<sup>st</sup> Reading)**

**Motion made by Commissioner Holmes and seconded by Commissioner Siegel to adopt the first reading of Ordinance No. P25-2019 fixing the Township of Haverford Trash Fee at \$245.00 per year.**

**Roll Called.**

**7 Commissioners voted Yes: Commissioners Oliva, McCloskey, Siegel, Hart, Wechsler, Holmes and Lewis.**

**Commissioner McGarrity voted No.**

**7. All Commissioner voted to adjourn.**

Attachment

# Haverford Township 2020 Preliminary Budget

November 18, 2019

Presented by:

Larry Holmes, Esquire, Chairman, Finance Committee

David Burman, Township Manager/Secretary

Aimee Cuthbertson, CPA, Director of Finance/Assistant Township Manager

# Mission Statement

- Haverford Township's mission is to serve the interests of all our residents by providing and maintaining a welcoming, safe, healthy and enjoyable place to live, work and enjoy life.
- Haverford Township's management and staff recognizes the dignity and worth of public service and dedicate ourselves to the highest standards of customer service and integrity.
- Haverford Township pledges to be a responsive and pro-active municipality that continually strives to provide the most efficient, effective and fiscally responsible level of service.

# 2020 Proposed Budget Summary

Fund	2020 Proposed	2019 Adopted	Change (\$)	Change (%)
General (01)	\$46,707,722	\$44,919,379	\$1,793,740	4%
Sewer (08)	\$4,728,181	\$4,597,963	\$308,853	7%
Capital Projects (18)	\$18,505,755	\$18,854,480	(\$348,725)	(2%)
<b>TOTAL</b>	<b>\$69,936,658</b>	<b>\$68,371,822</b>	<b>\$1,564,836</b>	

# 2020 Proposed General Fund Budget

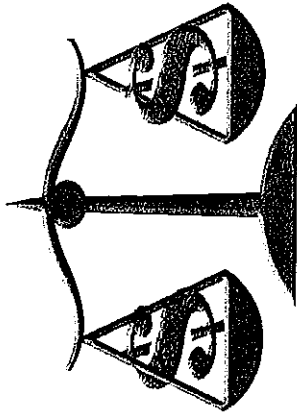
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The General Fund is the Township's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

# General Fund Budget Initiatives

- Includes funding:

- To continue street pole repainting project with increased funding (\$40,000)
- To continue proactive funding for maintenance and care of historic structures (\$100,000)
- To continue proactive transferring excess funds to the Capital Projects Fund to self-fund smaller scale projects and rely less on borrowing
- To continue funding HPED (\$100,000)
- To increase funding for library operations by 4%
- To continue conversion of vehicles to electric/hybrids
- To continue Comprehensive Plan update
- To expand function and enhance personnel for planning, code enforcement, community and economic development

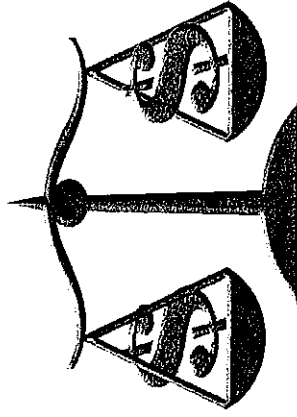




# General Fund Budget Initiatives

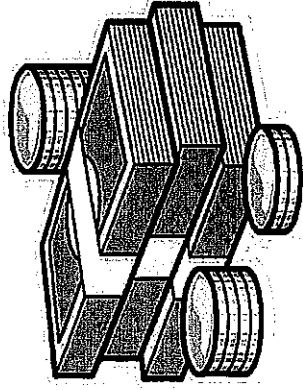
- Includes funding:

- To continue recycling program despite nearly 100% fee increase
- To bring our 3x/year Commissioner newsletter publishing "in house"
- To continue providing shredding and "e-cycle" events for Township residents
- To increase crossing guard rates to \$38.00 per day (jointly with HTSD)
- To provide legal funding to aggressively defend the Township's position on billboards
- To satisfy our contractual obligations to the civilian and police CBA's
- To continue providing additional investment in the pension plans to improve funding with goal of 90-100% funding by next valuation in 2021



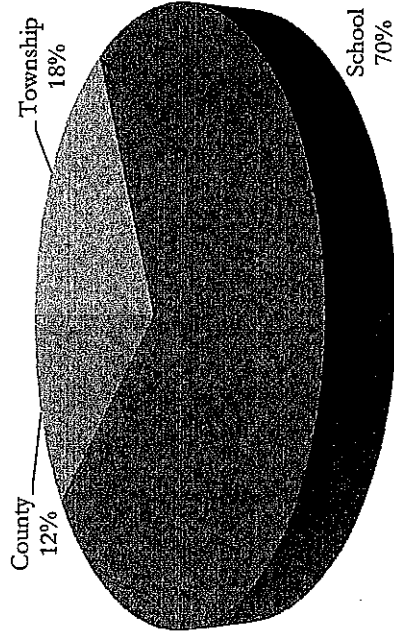
# General Fund Revenues

- Preliminary budget includes proposed 1.5% property tax increase
- Preliminary budget includes proposed \$18 annual trash/recycling fee increase
- Change in trend: more property owners paying at discount
- Resists over dependency on Act 511 tax revenues
- Reduced liquid fuels monies coming from Commonwealth of PA
- Resists over confidence in investment earnings
- Using prior year's unused state monies for large equipment purchases
- Using prior year's excess revenues for transfer to Capital Projects



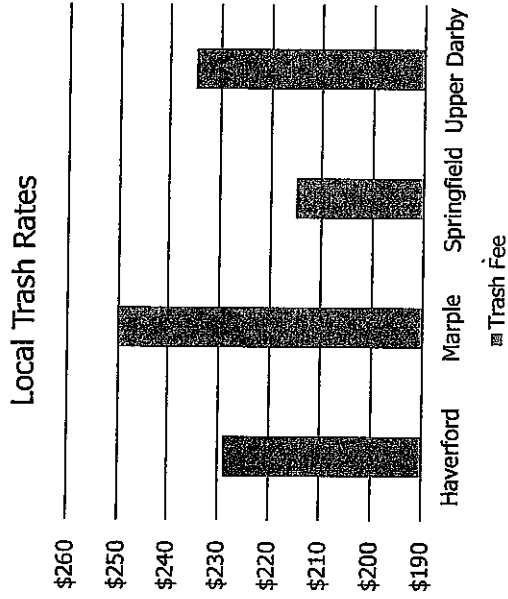
# Property Tax Structure

Taxing District	Tax Rate
Township	8.487
School	32.5305
County	5.461



☐ Township    ☐ School    ☐ County

# 2020 Proposed Trash Fee Overview



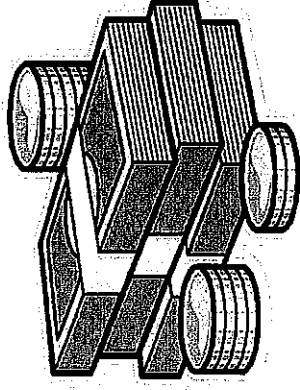
- \$80.00 per ton of recycling paid to Republic Services which equates to \$150,000 budgetary increase
- \$53.00 per ton of trash paid to Delaware County Solid Waste Authority (same rate for all haulers/municipalities in Delaware County)
- Continued services of weekly brush collection, 2x/wk trash collection and 1x/wk curbside collection

# 2020 Proposed General Fund Revenues

Revenue Category	2020 Proposed	2019 Adopted	Change (\$)	Change (%)
Property taxes	\$26,448,568	\$25,980,040	\$468,528	2%
Act 511 taxes	\$3,975,000	\$3,895,000	\$80,000	2%
Licenses & permits	\$2,257,500	\$2,216,500	\$41,000	2%
Fines & forfeitures	\$180,000	\$185,000	(\$5,000)	(3%)
Interest & rents	\$901,371	\$828,349	\$73,022	9%
Grants	\$3,202,353	\$3,069,267	\$133,086	4%
Department earnings	\$7,075,737	\$6,754,468	\$321,269	5%
Other income	\$1,045,193	\$900,755	\$144,438	16%
Interfund transfers	\$1,622,000	\$1,090,000	\$532,000	49%
<b>TOTAL</b>	<b>\$46,707,722</b>	<b>\$44,919,379</b>	<b>\$1,788,343</b>	<b>4%</b>

# General Fund Expenditures

- CBA's call for 3% and 2.85% wage increase for Civilian & Police, respectively
- 63.9% of budget invested in personnel costs
- 6.6% increase in health care costs (0% increase on BCBS renewal)
- 5.8% increase in property & casualty coverage premiums
- 4.4% increase in workers compensation coverage premiums
- 5.8% increase in MMO pension funding
- 2.9% increase in debt service



# 2020 Proposed General Fund Expenditures

Department	2020 Proposed	2019 Adopted	Change (\$)	Change (%)
Administration (400)	\$1,009,711	\$1,279,050	(\$269,339)	(21%)
Finance (402)	\$751,420	\$796,238	\$44,818	6%
Human Resources (406)	\$200,588	\$220,932	(\$20,344)	(9%)
Info Technology (407)	\$541,686	\$496,328	\$45,358	9%
Facilities (409)	\$952,310	\$666,877	\$285,433	43%
Police (410)	\$18,018,668	\$17,406,721	\$611,947	4%
Fire (411)	\$952,310	\$990,450	(\$38,140)	(4%)
EMS Administration (412)	\$521,339	\$440,080	\$81,259	18%

# 2020 Proposed General Fund Expenditures

Department	2020 Proposed	2019 Adopted	Change (\$)	Change (%)
Code Enforcement (413)	\$1,027,659	\$974,742	\$52,917	8%
Community Development (416)	\$751,364	\$600,641	\$150,723	25%
Sanitation (427)	\$5,139,724	\$4,911,731	\$227,993	5%
Highways (430)	\$4,963,118	\$5,108,132	(\$145,014)	(3%)
Snow Removal (432)	\$256,930	\$272,563	(\$15,633)	(6%)
Street Lighting (434)	\$818,100	\$778,500	\$39,600	5%
Auxiliary (440)	\$2,569,029	\$1,753,956	\$815,073	46%
Parks & Recreation (450)	\$2,060,338	\$2,201,360	\$141,022	6%



# 2020 Proposed General Fund Expenditures

Department	2020 Proposed	2019 Adopted	Change (\$)	Change (%)
Ice Skating (451)	\$743,953	\$760,156	(\$16,203)	(2%)
Parks Maintenance (454)	\$1,259,712	\$1,247,024	\$12,688	1%
Debt Service (471/472)	\$4,129,319	\$4,013,898	\$115,421	3%
<b>TOTAL</b>	<b>\$46,707,722</b>	<b>\$44,919,379</b>	<b>\$1,788,343</b>	<b>4%</b>

# Debt Service

- As of December 2019 – the Township has \$49.2m in outstanding general obligation debt
- Current budget includes assumption of \$10m in new borrowing in 2020
- Township is currently rated at AA1 by Moody's Investor Services
- Adopted formalized debt policy in November 2019
- Plan to refund 2014 general obligation issue with net savings of \$1.4m anticipated
- Currently, less than 9% of our general fund budget goes to pay debt service

# 2020 Proposed Sewer Fund Budget

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The Sewer Fund accounts for the sewage and wastewater service operations and is intended to be self-supporting through user charges.

# 2020 Proposed Sewer Fund Budget Overview



## Revenues

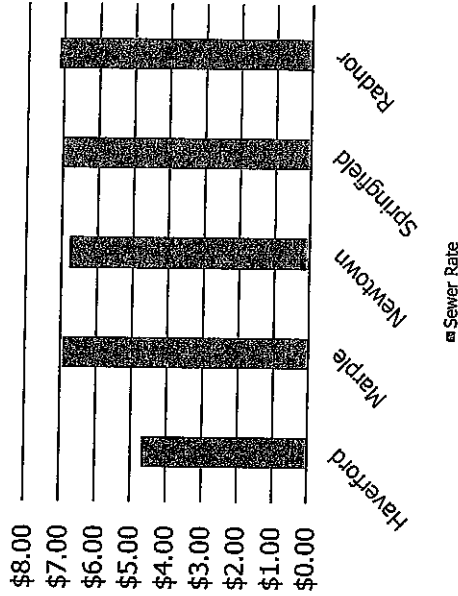
- Sewer revenues are based on actual water flows as supplied by Aqua PA
- Negative trend of about 1.5% reduction in water use each of the last few years
- Reduced water use = reduced revenues, without a rate increase

## Expenses

- Our sewer personnel
- Charges from Upper Darby Township as a conduit for the City of Philadelphia – based on metered water flow out of the Township
- Charges from RHM (Radnor-Haverford-Marple Authority) – based on metered water flow out of the Township

# 2020 Proposed Sewer Fund Budget Overview

Local Sewer Rates



- 2020 Budget includes no change in sewer rate and will remain at \$4.40/1,000g water used; this may not be sustainable in future years.
- We are proposing to use a small amount of our reserves to balance budget (\$195,000); still leaving a very healthy reserve for future needs and/or stabilization.
- In an ideal situation, only sewage waters would be in the pipes but with aging infrastructure, we are plagued with I&I issues which inflate the metered flows out of the Township.
- Future discussion may be a structure of EDU fees as opposed to basing on water usage. Similar to Upper Darby & Tredyffrin Townships.

## 2020 Proposed Capital Fund Budget

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The Capital Projects Fund accounts for financial resources used to acquire or construct major capital projects. The revenue in this fund comes from the sales of existing assets, non-recurring business audit revenues, issuance of long-term debt, or from capital appropriations from the General Fund. This fund is reported as a major fund.

# Capital Projects

- Includes 2020 Projects:
  - Purchase of another electric vehicle for use by Parks & Recreation and exploration of another EVC station @ CREC
  - \$25,000 for energy efficiency & usage study
  - Sign for Municipal Services Building/Police Department
  - Skatium Plaza
  - Skatium improvements: control panel in compressor room; entrance doors
  - Contribution towards new pumper truck for Brookline Fire (fire company is responsible for balance)
  - Police vehicles (5); sanitation truck; various public works equipment
  - Continued work on park improvements begun in 2019 and approximately \$1m on in new park improvement projects
  - Continued evaluation of library needs
  - Continued evaluation of Brookline site

# Future Planning & Wrap Up

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- **Future considerations:**
  - Collective Bargaining Negotiations (Police CBA expires 12/31/2020; Civilian in 2021)
  - County-wide reassessment impacts (both on residents and taxing authorities)
  - Maintaining existing facilities
  - Decisions on capital projects and residual impacts
  - Next steps in budget process – December 9, 2020
  - Comments, questions?