

MINUTES OF THE BUDGET WORKSHOP MEETING OF THE LOWER SOUTHAMPTON BOARD OF SUPERVISORS HELD WEDNESDAY, NOVEMBER 14, 2018 AT 6:30 PM IN THE ADMINISTRATION BUILDING, 1500 DESIRE AVENUE, FEASTERVILLE, PA 19053

Roll Call: Keith Wesley
Ed Shannon
Kim Koutsouradis
Ray Weldie

Staff: Joseph Galdo, Acting Township Manager/Finance Director
Ted Krimmel, Chief of Police
Matt Gilbert, Park & Recreation Director
Bill Oettinger, Zoning Officer/Fire Marshal
Christina Lynn, Township Administrative Assistant

Budget meeting call to order at 6:30 pm

General Fund:

Mr. Galdo said the General Fund includes all the operating departments we have been discussing at the Budget Work Shops. Mr. Galdo stated that the millage for this fund is reduced to 4.35 to cover the millage change in the Debt Fund.

On the Revenue side, Earned Income Tax will hold steady next year. Mr. Galdo pointed out that the Interest Income is increasing due to interest rates going up. Cable TV/Franchise fees are budgeted lower for 2019 because more people are getting away from cable. Mr. Galdo explained that under Miscellaneous Revenue – Police, there is an increase to \$5,000 due to training reimbursements that come from other municipality police departments.

On the Expenditure side, Mr. Galdo discussed payroll. Mr. Galdo explained that the Township Manager's salary listed in this fund is partial because the Manager oversees many departments of the Township and the salary is pro-rated across other funds (e.g. sewer fund, etc.). Mr. Galdo explained that under Administrative Staff there is a slight increase because a part-time employee became full-time on November 1st, but for the most part this line item is in range of 2016 budget numbers. Mr. Galdo stated that the Solicitor fees will stay the same next year. In addition, with having Mr. McMenamain handle the union negotiations this year, the Township was able to keep other legal fees low in 2018.

Mr. Galdo explained that Capital Construction in 2018 was for the Public Works new roof. Mr. Galdo spread the cost over a few funds because they work on sewer, etc. so that assists the General Fund.

Mr. Galdo stated that under Culture-Recreation, he added the Summer PASS program donation to the Neshaminy School District for \$5,000 as per the Supervisors request. When the time comes to donate this money, Mr. Galdo said he will need the Supervisors to make a motion to release the funds.

Mr. Galdo said there is an allocation of \$725,000 to Transfer to Capital Reserve Fund in order to build that fund back up.

Mr. Weldie asked Mr. Galdo why at the end of 2018, the fund has over \$4 million and the end of 2019, the fund is expected to have only about \$2.7 million. Mr. Galdo responded that he took into account that the millage in this fund will have reduced down. These are very conservative revenue numbers while appropriations reflect a more aggressive strategy (worst case - expenses), thus the fund should end the 2019 year with more than the \$2.7 million reserve. We will have to monitor expenses accordingly in this fund.

Capital Reserve Fund:

Mr. Galdo said he is trying to build up this fund with the potential \$725,000 transfer from the General Fund. Mr. Galdo said some expenses in 2017 and 2018 depleted this fund and we are assisting this fund with the transfer.

Mr. Galdo discussed the technology purchases for 2019 that are needed (in addition to the radio system debt payment we make to the County on behalf of the Police, Fire Marshall, Fire Companies, and Rescue Squad), police technology, administration technology, construction and paving. Mr. Galdo said since we do not know what RDA grants we will be awarded; we have budgeted for the items to cover the potential expenses.

Operating Reserve:

Mr. Galdo said the only revenue for this fund is interest earnings. The only expense for this fund is a transfer to the General Fund of \$275,000 placeholder, if needed.

Mr. Galdo said that tonight, the Board of Supervisors will adopt the preliminary 2019 budget. The final budget will be ready for adoption at the December 5th Board of Supervisors meeting. The preliminary budget must be available for the public to review for twenty days before passing the final budget. The preliminary budget will be placed on the website and will be available at the front desk for the public to review.

Ed Shannon, Secretary