

MINUTES OF THE BUDGET WORKSHOP MEETING OF THE LOWER SOUTHAMPTON BOARD OF SUPERVISORS HELD WEDNESDAY, SEPTEMBER 23, 2020 AT 6:30 PM VIA TELECONFERENCE

Roll Call: Ray Weldie
Deborah Kaplan
Edward Shannon
Kim Koutsouradis
Susan Cummings

Staff: Joseph Galdo, Township Manager/Finance Director
Frank Dillon, Solicitor
Dennis Stranz, Librarian
Karissa Murray, Library Administrative Assistant/Bookkeeper
Ted Krimmel, Chief of Police
Matt Gilbert, Park & Recreation Director
Ryan Smith, Acting Fire Marshal
Mark McDonnell, Public Works Director
Peter Kim, Assistant Finance Director/Assistant Public Works Director
Christina Lynn, Township Administrative Assistant

Budget meeting called to order at 7:07 pm. Mr. Galdo announced that tonight we will be discussing the Library Fund, Library Capital Reserve Fund, Sewer Fund, and Sewer Capital Reserve Fund.

Library Fund - 4:

Dennis Stranz, Karissa Murray, Library Board President Dr. Gary Bowman, and Library Board Member Catherine Hahn were present.

Mr. Stranz stated the goal was to create a budget with reasonable cuts without diminishing the value of the Library and what the community values most which is the staff, programs and materials. Mr. Stranz said they used the 2020 budget as the basis for what they are proposing in 2021. The 2021 budget comes in less than 2020.

On the revenue side, Mr. Stranz noted that the biggest change was the state is projecting to cut their contribution by 50%. The state will vote on this in November so we will not know until later. Mr. Stranz said everything was disrupted by COVID-19 so they are able to collect fines again. They are sharing the fines paid online with the County. Mr. Stranz said they had to raise the prices for the first time since 2015. The fundraising appeal letter will go out again in 2020 and 2021. They will start accepting credit cards for payment of fines or for patrons to donate to the Library. Mr. Stranz said they are looking into some virtual fundraising ideas. Mr. Stranz said they do not know when they will resume room rentals which was a big part of their revenue because the room is being used for quarantining their materials.

On the expense side, Mr. Stranz said in 2021 the biggest change is salaries and benefits. Mr. Stranz said in 2020, they eliminated one part-time position and will eliminate two part-time positions. In 2021, they will be reducing the staff in general by 59.5 hours per week because they are changing the hours the Library is open. Mr. Stranz said this changes the hours worked per week. Mr. Stranz said we are keeping the four full-time staff members. This staff was responsible for maintaining a virtual library for the community. Mr. Stranz said they are reducing public computers by two because patrons are using their own devices. Right now, there are only four computers being used with limited time to one hour. The Library has reduced the number of subscriptions to newspapers and periodicals. Mr. Stranz said the other big change was commercial insurance. Mr. Stranz met with an insurance broker that specializes in non-

profits and if the Library goes out on their own, the estimate is between \$10,000-12,000. Mr. Stranz said computer operating costs will go down 50% because they separated from the County.

Mr. Galdo asked Mr. Stranz to go over the reason why the Library did not have a finalized budget as of last night because what the Board has in front of them is what the Township is proposing for the Library's budget. Mr. Stranz said he sent his budget to the Supervisors this afternoon. Mr. Galdo stated he did not receive that email.

Mr. Galdo asked Mr. Stranz to go over what he has listed as the transfer from the General Fund. Mr. Stranz responded that the Library Board has \$640,000 listed as the transfer from the General Fund. Mr. Galdo stated that he gave Mr. Stranz the number \$448,000 yet you still have \$640,000 listed. Mr. Galdo said he does not know how he is supposed to fund \$640,000 this year when he has other increases in CBA dues for the Police and Teamsters and increases in pension allocations. Mr. Galdo said there will have to be cuts; he gave them a number he thinks the Library can operate with. Mr. Galdo said this is not the year to have a real estate tax increase when we have 4,000 residents unemployed. Dr. Bowman stated the Library Board understands the reduction but the only way we can operate at that level is to cut services to the residents and reduce hours of operation. The Library Board gave the direction to stay with the \$640,00 and see how this can be worked out. Mr. Galdo stated reducing service hours is not the way to go but rather better match up man power with high peak usage at the Library.

Mr. Weldie stated there is a gap at the end of the year of \$91,000 that would have to be taken out of the Library's reserves. Mr. Galdo said correct. If the Library continues with their expending practices, monitor their salaries, they would end this year with a positive of \$157,000. Mr. Galdo explained that this \$157,000 will offset the amount that they are being decreased by for the 2021 budget. Mr. Galdo stated that shortened hours at the Library is the wrong thing to do. Mr. Galdo said this is a manpower issue. Mr. Galdo said they have around 18-19 employees.

Ms. Kaplan asked if the part-time employee eliminated was the employee that retired. Mr. Stranz answered no. Ms. Kaplan asked how the Library handled laying off employees or were they paid full wages in the beginning of the COVID shutdown. Mr. Stranz said in hindsight, the Library could have furloughed the employees earlier but we did not until May. Mr. Stranz said this was the Library Board's decision. Five employees were paid for the duration of the shutdown because they could work remotely. Mr. Stranz said they began bringing employees back in June. Mr. Stranz said we do not have the full staff and hours that they had back in January. Mr. Stranz said the budget salary line for \$345,000 is inaccurate because it counts the times when no one was in the building. Mr. Stranz said it should be \$292,000. Ms. Kaplan asked if they paid their employees full pay until May. Mr. Stranz said yes. Mr. Weldie asked how many employees. Ms. Murray said there were twelve employees were furloughed and five employees were getting paid full wages because they worked from home. Mr. Weldie asked if this was before or after May. Ms. Murray answered after May. Mr. Weldie asked from March 12 through April, how many were paid during that time. Ms. Murray responded everyone was paid full wages up until May 4. Mr. Stranz stated that the full-time employees' salaries total \$200,000, which would leave only \$90,000 for the rest of the employees. Mr. Stranz stated that the total paid to the employees that were not working but still on the payroll was \$18,989 and then they were furloughed. Mr. Weldie said employees received full salary up until May 4 with only four of them full-time. Discussion ensued about the amount paid during the period of mid-March through May 4.

Mr. Galdo said we have to have a budget passed for 2021 in the other departments/administration offices. Mr. Galdo said if we keep the allocation the way they have are proposing, then they will have to lose staff. Mr. Galdo said the Township has laid off four clerical employees and numerous Public Works employees. Ms. Hahn discussed the need for Library resources for students and their families and wants the Township to consider that while considering budget cuts.

Mr. Galdo said he cannot make the budget work at \$640,000 like he has in past years. Dr. Bowman stated he would like to sit with Mr. Stranz and Ms. Murray and rework the Library budget with a number that

represents a reduction without harming services. Dr. Bowman said he understands the predicament and we know it's not a blank check.

Library Capital Reserve – 25

Mr. Galdo said the only expense coming is the air conditioning expense which should cost between \$14,000 – 15,000. Mr. Galdo said he will put in the \$10,000 allocation that he always puts in. Mr. Galdo said the Fund will end 2021 budget cycle with an estimated \$47,512.

Sewer Fund

Mr. Galdo stated the Sewer Fund is looking good and they are projecting a small deficit of \$32,000 if we were to migrate \$100,000 to the Sewer Capital Reserve. As far as 2021, a lot of it has to do with Bucks County Water & Sewer and Philadelphia Water Company and their rates. We are projecting payments to Philadelphia Water to be in the range of \$4.3 million. Mr. Galdo explained we have a contractual obligation coming up with Philadelphia Water Department and we will have to renew that contract. Mr. Galdo is concerned that the cost will go up.

Mr. Galdo said there will be no sewer rate increases in 2021 for the residents.

Sewer Capital Reserve

Mr. Galdo said there are two issues going on at two of the pump stations. Mr. McDonnell said Pump Station B & C have antiquated generators that we cannot get parts. We are currently using temporary generators. Penn Power Diesel is custom building new generators and should be installed within 4-6 weeks.

Mr. Galdo said we have \$71,000 budgeted for 2020 with additional \$15,000 allocated just in case we need any construction. We expect to end the year with a positive \$15,323.

For 2021. Mr. Galdo said we are putting in \$4,000 for sewer technology, \$85,000 for capital purchases, and \$165,00 for construction costs, if needed. Mr. Galdo said this fund is doing well with over \$1 million if something goes wrong.

Mr. Weldie asked if the Sewer payroll component applies to any of the employees that are laid off and those employees returning. Mr. Galdo answered that number is if it stays as is. Mr. Galdo said we have flexibility to handle if someone comes back.

Edward Shannon, Secretary

THE BOARD OF SUPERVISORS APPROVED THESE MINUTES AT THEIR MEETING HELD ON WEDNESDAY, OCTOBER 14, 2020.