

MINUTES OF THE BUDGET WORKSHOP MEETING OF THE LOWER SOUTHAMPTON BOARD
OF SUPERVISORS HELD WEDNESDAY, NOVEMBER 4, 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
Patrick Armstrong, Conflict Solicitor
Carl Turner, Township Engineer
Ted Krimmel, Chief of Police
Mike Italia, Zoning Officer
Matt Gilbert, Park & Recreation Director
Ryan Smith, Acting Fire Marshal
Mark McDonnell, Public Works Director
Peter Kim, Assistant Finance Director/Assistant Public Works Director
Dennis Stranz, Librarian
Karissa Murray, Library Administrative Assistant/Bookkeeper
Christina Lynn, Township Administrative Assistant

Budget meeting called to order at 6:30 pm.

Library 04 Fund:

Dennis Stranz, Karissa Murray, Dr. Gary Bowman, and Anne Berlin were representing the Library.

Mr. Galdo said the Library has submitted a revised budget. Mr. Galdo said he would like to go over the line items where there are differences between the Township and the Library.

Mr. Galdo said on the Revenue said there are two main differences under Paper Use and Fundraising. Mr. Galdo said the Township has \$6,000 for Paper Use and \$20,000 for Fundraising; while the Library has \$3,500 for Paper Use and \$8,000 for Fundraising. Mr. Stranz said the increase for Paper Use will not work because people will stop coming to the Library for copies and go to Staples where it would be cheaper. Mr. Galdo asked Mr. Stranz if \$3,500 covers the cost of the copiers. Mr. Stranz responded he believes so.

Mr. Galdo asked Mr. Stranz when the fundraising letters will go out to the patrons. Mr. Stranz answered that they hope to have those letters sent the first week of December so there may be some revenue in 2020. Mr. Stranz said this is new for them and have never come close to \$20,000 and it is unreasonable to think we would now. Mr. Galdo said there are other ways to fundraise. The Township looks to the Fire Departments and Rescue Squad to do their own fundraising. Mr. Galdo said if the Library can get to the \$20,000 amount that will help the Library in the future. Mr. Galdo said the Library needs to look at themselves as a non-profit entity and have a dedicated person that will take charge of the fundraising efforts. Mr. Stranz said we are talking about this at our meetings. Ms. Kaplan asked if the Library has a

fundraising plan. Mr. Stranz said that because of COVID we have to rethink the way we have to fundraise. Discussion ensued about fundraising ideas.

Mr. Galdo said previously the Township submitted a Transfer from the General Fund at \$448,000 and the most recent Library submission has that amount at \$500,000. Mr. Galdo stated that he believes this is fair and he can make that budget work. The Library has come down 20% in Township support showing a good faith.

Mr. Shannon asked Mr. Stranz how the Library's marketing will change in order to raise more money. Mr. Stranz replied there are no concrete changes plans yet. Mr. Shannon asked what has changed. Mr. Stranz said it has to be done differently but the last few meetings have been focusing on the budget with no chance to discuss fundraising ideas. Mr. Weldie suggested fundraising ideas like Fritz's sticky buns or hoagie sales. Mr. Stranz said he is watching how another library's online auction goes and he is enrolled in a webinar about on-line fundraising.

Mr. Galdo said on the Expenditure side, the Library has their Library – Salaries line item at \$299,854. Mr. Galdo asked Mr. Stranz to explain his perspective on this number. Mr. Stranz said there will be staff cuts of \$96,000+. Staff hours will be reduced from 365 per week to 257 per week. Mr. Galdo asked how the Library is staffed daily. Mr. Stranz responded there are two full-time employees in the office, one employee at the information desk, two employees at the circulation desk, himself, and one full-time employee remote.

Mr. Galdo went over expenditure line items where the Township had differences from the Library's submission. Mr. Galdo said under Hospitalization, the Library has \$55,000 budgeted. Mr. Galdo stated the Township can bring that number down to \$50,736. Mr. Galdo said under Utilities, the Library has \$29,000 budgeted. Mr. Galdo stated the Township can reduce that down to \$24,500. Mr. Galdo said we are projecting that utilities will be around \$21,000 because Mr. Kim was able to work on getting us better rates. Mr. Galdo said the Township covered the Library's audit expenditures for 2020 and hopes to do that again in 2021 but the appropriation is there just in case.

Ms. Cummings asked what was purchased as far as Furniture and Equipment this year. Ms. Murray answered that before COVID, Kindle Fires were purchased to replace the computers in the children's section. Because of COVID, they have not been able to put those Kindle Fires to use. Ms. Murray said the leases for the copier machines and water cooler are included in that line item.

Mr. Galdo stated that the Library was allegedly able to secure much cheaper Commercial Insurance rates at \$15,000 which covers \$2.4 million worth of commercial property liability and the contents of the building. Ms. Kaplan asked if this includes workers compensation. Mr. Stranz answered yes.

Mr. Stranz stated that the Library is not comfortable using \$91,000 of the reserves because we do not know what is coming next year with the funding. Mr. Stranz said the Library made a lot of cuts so they can preserve that funding. Mr. Galdo said 2021 will be challenging and all departments are hunkering down as best as we can. Mr. Galdo explained that there are some reallocation of funds and expenditures across the nineteen funds we have. This is the best scenario for 2021. Ms. Berlin said they looked back at the Township's contributions since the beginning. Up to 2009, the funding came from millage. Millage stopped after 2009. The lowest

funding was in \$520,000 in 2013 and then increased each year until 2020. Ms. Berlin said the Library has never operated lower than \$520,000. Ms. Berlin said with a loss of \$91,000 in 2021, then the Library will run out of funds in 2022 if we have the same funding as 2021. Mr. Weldie asked what would have been the budget if COVID did not happen. Mr. Galdo answered it would have been the current level of \$640,000.

Mr. Shannon asked for an explanation of the Books, Materials, State Aid line item. Mr. Galdo responded it's the purchase of books and publications. Mr. Stranz said this is what we spend on all of our materials including DVDs, books, museum passes, video games, CDs, and hot spots.

Mr. Weldie asked for an explanation on why the Commercial Insurance cost has almost doubled. Mr. Galdo said in prior years, the Township subsidized their commercial insurance. The cost is based on square footage of the building. Mr. Stranz stated that the cost he received will bring that amount down to \$15,000 annually.

Mr. Galdo said we will work together with the Library so we all have the same numbers budget wise (final version).

Public Works

Mr. Galdo said for 2020, even with a reduced staff, the cost is showing up predominately in the 01 Fund. Mr. Weldie asked if the salaries for 2021 include the staff that was laid off in 2020. Mr. Galdo said he is setting up the appropriations for 2021 like he did for 2020. Mr. Galdo said the budget takes into consideration a most complement of staff coming back not a full complement. Mr. Galdo explained that Public Works is under budget for 2020 and doing well with how Mr. McDonnell is handling the department. Mr. Galdo said in 2021, we will err on the side of caution with enough appropriations if we need flexibility in the future.

Mr. Koutsouradis stated that the Over Time in 2019 was significantly higher than the previous year. Mr. Koutsouradis said with only \$13,500 budgeted for over time in 2021, will that be enough if we have a bad winter. Mr. Galdo responded that over-time for snow removal comes out of the Liquid Fuels budget predominately.

Liquid Fuels 35 Fund

Mr. Galdo said this year, the Township received an allocation of \$587,000 from the state. Mr. Galdo said he anticipates there being a slight decrease in 2021 but is not certain so he was conservative in his budget for 2021 at \$550,000. Mr. Galdo explained he increase in Miscellaneous Revenue in 2020 was the reimbursement from when PECO knocked out the traffic light by the new Wawa.

On the Expenditure side, Mr. Galdo stated that he plans for a mid-grade winter for snow removal, overtime, and supplies. Mr. Galdo said the budget is staying true to form on the expenditure side.

Mr. Galdo said the fund balance has grown over the years. Mr. Galdo said strategically he has tried to build that fund balance up and this could help us if the RDA comes up short this year for road paving. Mr. Galdo said there is a placeholder of \$550,000 under Road Improvements just in case.

Fire Marshal Office

Mr. Galdo explained that we are behind in fire inspections this year due to COVID. On average, the Fire Marshals bring in about \$221,000 for inspections. The department is catching up and Mr. Smith is doing a good job with that. There will be another round of collections in December. The money collected then will help with the budget in 2021.

Mr. Galdo stated he expected the Payroll expenditure to end the year at \$176,555 that includes some payouts for vacation but we are still below budget. Mr. Galdo explained that next year, we intend to reorganize staffing and expect to hire a few Fire Inspectors so that is why there is an increase in salaries.

Mr. Smith explained some of the Fire Marshal's expenditures. Supplies and Postage includes the A/D batteries and pads for the Fire Marshals and Police, postage for mailings of certificates and letters, safety vests, and other equipment. Maintenance includes the cell phones, air cards for laptops, gas meter, and different memberships. Equipment includes any items for the trucks.

Mr. Weldie asked if there is an allocation for equipment in 2021 for the mini-pumper truck that we may receive from RDA. Mr. Galdo explained that equipment for that truck would come out of the 30 Fund. This equipment is for smaller items for any of the Fire Marshal vehicles.

Mr. Galdo said there is an increase in Uniforms and Health Insurance for 2021 in case we hire new employees.

Sanitation 09 Fund

Mr. Galdo said there will be no increase for 2021. Collections are going well. Sanitation Fees for Liens or Legal Fees are items that Ms. Eisemann collects since the County no longer does that work. Mr. Galdo said we are projecting that budget to be about \$1.9 million in 2021.

Mr. Galdo said under Expenditures, Legal SWBWC fees help us with our grants. Mr. Galdo explained that Disposal (Wheelabrator) line item has an increase because of the Township paying for the recyclables which was new in 2020. We are projecting \$585,715 for 2021. Mr. Galdo explained that there is an increase in Yard Waste this year. It is being projected to end 2020 spending \$102,000 which is over budget (\$70,000). Mr. Galdo explained that with COVID, the volume of yard waste drastically increased. Mr. Weldie said that the frequency of yard waste pickups was reduced so how can the tonnage be increased. Mr. Galdo said we are working with Mascaro and Waste Management trying to get a better handle on this to make sure we are paying for the proper tonnage. Mr. Galdo will have Mr. Kim check into the yard waste payments and tonnage. Mr. Weldie stated that it is a 100% increase from 2019. Mr. Galdo said the yard waste volume went up due to COVID. Ms. Kaplan asked if our contract says if we have

an excess amount we pay more depending on poundage. Mr. Galdo explained it is a flat dollar amount times the tonnage. The recycling is based off a pricing index times a tonnage. In the past, we paid zero for recycling. This is the first year we paid for recycling. Mr. Galdo said we will look further into this.

Mr. Galdo said the fund balance is projected to be \$1.2 million. We are not having an increase in 2021. Mr. Galdo said other Townships passed on an increase to their residents for the recyclables but we held the line for our residents.

Zoning

Mr. Galdo said we are projecting a very good year for revenues in the Zoning Department despite COVID shutdown. Mr. Galdo said there is a high volume in that office and the employees do a great job. Mr. Galdo said we are projecting a slight decrease for 2021 because we are being conservative. Mr. Galdo pointed out a new line item, Zoning Permits, which is projected at \$15,000. Mr. Italia explained that Zoning Permits is used for the land like sheds, fences, patios, decks.

Mr. Galdo explained under Expenditures, Payroll for 2020 is projected to be \$158,500. Next year, it is projected that the payroll expense will be about \$132,000. Mr. Galdo explained that there was a payout of vacation and accrued time in 2020 so that is why it's slightly higher. The Township will have Health Insurance savings this year and next year. Mr. Galdo explained that Zoning Expenses include BIU and Barry Isett costs. Next year, these expenses will be split with Zoning Consulting. Mr. Galdo said there are small capital purchases that we may make this year. Mr. Galdo explained there is a drop in the pension expense for 2020 and 2021.

Mr. Weldie asked if the Zoning Consultant cost is because we hired Barry Isett & Associates. Mr. Galdo responded that is the predominant cost but other consultations are built into that as well. Mr. Italia said the way the new fee schedule is restructured, some of the fees that are coming off the building permits are going to wipe that out. It will be a net zero. Mr. Weldie said if you add up the payroll and the consulting fee, it still looks like we are paying less than prior years.

Edward Shannon, Secretary

THE BOARD OF SUPERVISORS APPROVED THESE MINUTES AT THEIR MEETING HELD ON THURSDAY, NOVEMBER 12, 2020.