

MINUTES OF THE BUDGET WORKSHOP MEETING OF THE LOWER SOUTHAMPTON BOARD  
OF SUPERVISORS HELD THURSDAY, NOVEMBER 12, 2020 AT 6:55 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  
Ted Krimmel, Chief of Police  
Mike Italia, Zoning Officer  
Matt Gilbert, Park & Recreation Director  
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 6:55 pm.

Mr. Galdo stated that this budget cycle has been the most challenging in the nine years he has worked on for the Township. Mr. Galdo said our fiscal prudence has seen our fund balance grow from \$2.4 million to \$4.2 million currently. The Township is prepared to play defense next year but we can only do that with things we can control. If the Governor or County shuts down businesses again that will add additional fiscal wrinkles to our budget issues. Mr. Galdo said it is with fiscal prudence can we see the light at the end of the COVID tunnel. All department heads will be required to tow-the-line and that may mean restructuring departments and/or the way we conduct business. All departments will need to understand that this is a COVID-related budget.

### General (01) Fund

#### **Revenue**

Mr. Galdo said we carried \$4.2 million over into the 2020 fiscal year and we are predicting going into 2021 with a fund balance of a little over \$3 million. Mr. Galdo said the main impact to revenue items is real estate transfer, earned income tax, mercantile taxes, and local service tax. Mr. Galdo said the Township has been lucky with the EIT that it has been a robust tax for us over the years; however, in 2021, we could possibly lose 20-30% of that revenue.

Under State Shared Revenues, Mr. Galdo explained we currently receive \$482,536 from the State Pension Grant but he is expecting that to decline to about \$445,000 due to the Commonwealth's own revenue issues.

Mr. Galdo said the Zoning Office has been doing a stellar job and building permits are budgeted for 2021 at \$425,500. Mr. Galdo said there is a new line for Zoning Permit with a placeholder of \$15,000.

Mr. Galdo explained that there is only \$445,000 budgeted for Franchise Fees because there is a decrease in the number of people that watch cable TV.

Mr. Galdo said under Interfund Charges, he built in a cushion of \$1,000,000 from the Operating Reserve Fund and \$300,000 from the Capital Reserve Fund. We have not used that in past years and it is our intention to not use it in 2021; however, it is included for flexibility purposes.

It is being projected that the revenue for 2021 will be around \$10.5 million if everything comes to fruition. Mr. Galdo said the Township will be ending 2020 with a balance of \$9.9 million in revenue and that is why he has the Interfund Transfers there to assist us in 2021.

## **Expenditures**

Mr. Galdo said under General Government, the appropriations listed may need further restructuring in the offices as we go through the year.

Under Engineering, Mr. Galdo is projecting to end 2020 with \$123,320 in expenses. Mr. Galdo said he has budgeted \$115,000 in 2021 and we will watch that closely.

Mr. Galdo stated that the Police represent 60-70% of our total operating budget. It is projected that they will end 2020 with \$6.6 million in expenses and it is projected that they will end 2021 with \$7.6 million in expenses but that includes total or full appropriations, if needed for flexibility or emergency purposes.

Mr. Galdo said the Fire Marshal budget includes an office restructure and built-in contingencies. Mr. Galdo said they are doing a very good job with their limited staff. Mr. Galdo said they are budgeted to end 2021 with \$463,276 in expenses but he does not expect them to use all of those appropriations but it is there in case there are any COVID-related expenses that could come up throughout the year.

Mr. Galdo said Zoning is doing well and is projecting about \$443,545 in expenditures for 2020. In 2021, Mr. Galdo is projecting about \$490,000 which includes Mr. Italia as an outside consultant for the full year.

Mr. Galdo said Public Works is expected to end 2020 with \$910,000 in expenditures. In 2021, a little over \$1 million is projected just in case if there are any emergencies.

Mr. Galdo explained that in 2020, the Township made a \$5,000 donation to Neshaminy's Summer PASS program. That program did not happen this year, but they will use our donation towards next year's program. Mr. Galdo said he budgeted \$2,500 in a Township donation to the Veterans Advisory Council and to LSAA each to assist them in their endeavors in 2021 since this being a COVID-challenged year.

Mr. Galdo stated under Interfund Operating Transfers, it is budgeted to transfer \$500,000 to the Library Fund and \$10,000 to the Library Capital Reserve Fund in 2021 as previously discussed. Mr. Galdo said there is a transfer to the Rescue Fund of \$240,000 to make up for the previous year's difference they requested and the current year's allocation requested. Mr. Galdo explained said he expects to end 2020 with \$1.3 million in transfers and only \$750,000 in transfers in 2021 because we will be running in deficit mode. Mr. Galdo said to balance ourselves, we have to reset for 2021. The Township's 2021 expenditures are projected at \$11.9 million which is a high projection, but we are looking at possibly a \$1.4 million shortfall. Mr.

Galdo said department heads have to contain expenditures as best as they can and try to initiate and collect revenue.

Mr. Weldie asked if we are projecting to take in \$2.8 million in EIT before the remainder of the year. Mr. Galdo responded that there are still some quarters actively coming in. The thirteenth month is receivables related to this year. We may receive some of this in 2021 but it is really for 2020. The auditors concur with this. Mr. Galdo said this is usually collected in January and February. Mr. Galdo said he is trying to smooth out 2021, as best he can and he will be monitoring that all year.

Operating Reserve 95 Fund:

Mr. Galdo said the Township will end 2020 with \$1.7 million. In 2021, there is the potential \$1 million transfer to the General Fund. Mr. Galdo said typically he places \$275,000 there and has never used it. This transfer may come into play but it allows us some flexibility for the General Fund. If the \$1 million is transferred, then the fund's ending balance will be \$778,897 in 2021.

Capital Reserve 30 Fund:

Mr. Galdo said we are projecting a fund balance of \$1.1 million in 2020 which will be carried over to the 2021 budget. If the Township receives no RDA funds in 2021, Mr. Galdo said he painted the bleakest picture here including no transfer from the General Fund.

Mr. Galdo reviewed the various capital purchases in which he included placeholders for technology, capital construction for the administration building, vehicles with upfits for the Police, radio system, fire gear, Fire Marshal vehicle, Public Works vehicle, paving, and capital improvements for Recreation and Playwicki Farm.

Sewer Capital Reserve 31 Fund:

Mr. Galdo said it is projected that this fund will end 2020 with a balance of \$1.3 million. Mr. Galdo said there is enough in this fund to cover the cost of the work on the pumping stations. This will leave a balance of \$1.1 million in 2021.

Library Capital Reserve 25 Fund:

Mr. Galdo said there are no changes to this fund since it was previously discussed. It is projected to end 2020 with a balance of \$57,012. The fund will receive its usual allocation of \$10,000 in 2021. An additional appropriation of \$20,000 is built in just in case they have emergency capital needs. If the \$20,000 is used, the Library will have a remaining reserve of \$47,512.

---

Edward Shannon, Secretary

THE BOARD OF SUPERVISORS APPROVED THESE MINUTES AT THEIR MEETING HELD ON WEDNESDAY, DECEMBER 2, 2020.