

Board of Supervisors Budget Workshop Meeting #1

Monday, October 14, 2024 | 6:00 p.m. | Middletown Township Municipal Center

1) Call to Order, Pledge of Allegiance, and Roll Call.

Supervisor Mike Ksiazek called the meeting to order at 6:00 P.M. and led the Pledge of Allegiance.

Supervisors Ksiazek, Payne, Hannah, Quirple, and Kane attended the meeting, along with the Township Manager Stephanie Teoli Kuhls, Assistant Township Manager Nick Valla, Finance Director Mega Bhandary, Interim Fire Chief Don Harris, Director of Parks & Recreation Paul Kopera, Director of Public Works Eric Gartenmayer, Director of Building & Zoning Jim Ennis, Chief of Police Joseph Bartorilla, Captain Peter Feeney, Lieutenant Aileen Parker, and Sergeant Matt Kroiss.

2) Public Comment.

None.

3) Snapshot of 2024 General Fund.

Ms. Bhandary provided an overview of projected revenues and expenses for 2024 in the General Fund. She noted that the adopted budget contemplated using \$1.8 million of fund balance to balance the budget. She confirmed that of this figure, approximately \$1.6 million will be utilized. This figure includes a \$560,000 transfer to the Fire Protection Fund. Most revenues and expenditures are coming in as expected, except for Amusement Tax revenue which is under budget.

4) 2025 Budget Process.

Ms. Bhandary provided an overview of the budget process and work performed by staff to date.

5) Proposed 2025 Budget.

Ms. Bhandary shared various factors impacting the General Fund budget in 2024 and 2025, including strong income from interest and the Earned Income Tax (EIT). She noted that Langhorne Borough, Morrisville Borough, and Falls Township all recently enacted an EIT, which is limiting non-resident EIT income.

Ms. Bhandary added that the Stormwater Advisory Committee established by the Board of Supervisors will be recommending a Stormwater Impact Fee. She noted that \$200,000 of revenue from the proposed fee is shown as a transfer to the General Fund to support the cost of stormwater infrastructure maintenance as recommended by the Committee.

Ms. Bhandary also noted that Police contractual wage increases are contemplated in the proposed first draft of the budget, but that negotiations are ongoing with the Teamsters and Public Works bargaining units. She shared that Police Pension costs have increased by about \$200,000 and that the Township is waiting for the figures on 2025 health insurance premiums.

Ms. Bhandary identified that revenues are largely expected to be stable into 2025 with a small increase to Real Estate Tax revenue projected due to a marginal increase to the Township's assessed value. Amusement Tax revenue is budgeted flat in 2025 as compared to 2024, down from previous years.

Ms. Bhandary stated that the first draft of the 2025 budget currently projects a \$2.6 million operating loss in the General Fund. Possible solutions to this include an increase in Real Estate Taxes, utilization of fund balance, or a combination of both.

The Fire Protection Fund contemplates shifting all career Firefighters into this fund to more accurately show the cost of providing the community with fire protection. The Fire Marshal and administrative staff in the department will remain in the General Fund. A 1 mill increase to the Real Estate Tax in the Fire Protection Fund is shown.

The Parks & Recreation Fund has a small operating loss shown in 2025 due to staff transitions and succession planning. Staff has worked diligently to adjust program fees to more accurately cover the costs associated with providing programs. Costs of community events have also been consolidated into a common line item for better monitoring.

Ms. Bhandary provided an overview of the other tax funds. She concluded by sharing that a \$2.4 million transfer from the Investment Fund was made to the Capital Fund to support the cost of 2025 Capital projects.

6) Status of Fund Balances

Ms. Bhandary provided an overview of the fund balances across all funds projected by the end of 2024. The General Fund is projected to have a fund balance of \$8,766,587. The Investment Fund is projected to have a fund balance of \$40,051,922. The Capital Fund is projected to have a fund balance of \$2,992,810.

7) 2025 Budget Workshop #2 – October 28, 2024

Ms. Bhandary shared that the second budget workshop will be held on October 28th and will focus on Capital projects, the proposed Stormwater Fund, and the Highway Aid Fund.

8) Other Business.

Mr. Ksiazek shared that the Board would be convening in Executive Session after this meeting to discuss personnel matters.

9) Adjournment.

The meeting was adjourned at 6:29 P.M.