

Executive Budget Summary

November 5, 2021

TO: The Northampton Township Board of Supervisors

Introduction

The Administration is pleased to submit the proposed 2022 Budget for your consideration. The budget document consists of three sections:

Letter of Transmittal

The Letter of Transmittal is an overview of the budget generally referred to as the Budget Message. It provides a narrative review of significant trends and factors affecting the proposed budget, highlights areas of importance in the financial section, and includes a summary of program and service delivery, proposed infrastructure improvements, cash position, and revenue and expense projections.

Operating, Capital, and Trust Funds Budgets

The proposed 2022 Budget includes 20 Funds detailing the projected revenues and proposed expenditures for the coming year in line item format. A three-year history of actual (audited) revenues and expenditures and year-end estimates for the current year provides trends for future budget projections, and fund balances show cash position. A summary of the General Fund by revenue and expense category provides a snapshot of the Township's largest operating budget, and a Summary of Operating, Capital, and Trust Funds provides a broader financial picture of Township operations.

Supporting Data/Budget Schedules

The Supporting Data or Budget Schedules offer additional detail for specific line items in each Fund. An alphabetical index provides easy reference where supporting data is available. This information helps understand the cost of Township services and provides meaning to the budget projections.

The Administration analyzes trends in revenues and expenditures from prior years for individual line items and evaluates programs, services, and current economic conditions when developing the proposed Budget.

The Budget Format

The Budget is prepared in a line item format using the Pennsylvania Chart of Accounts for local governments published by the State Department of Community and Economic Development (DCED). This format provides uniformity of account numbers and titles across departments and Funds. This uniformity improves accuracy in budget projections.

The proposed budget separates operating and capital appropriations. There are separate operating funds for general government functions, fire and rescue services, refuse collection, library services, senior center operations, parks and recreation services, country club operations, debt service, and state highway aid allocations. Detailing these services in separate funds shows the cost for each of these government functions.

Capital appropriations for general purposes such as facility maintenance (roof replacements, HVAC equipment, furniture, etc.), storm drainage and road improvement projects, fleet acquisitions, and IT equipment are budgeted in the Capital Projects Fund. Inter-fund transfers from the General Fund and other revenue dedicated for capital projects such as grants and loans, provide funding for budgeted capital purchases or improvements.

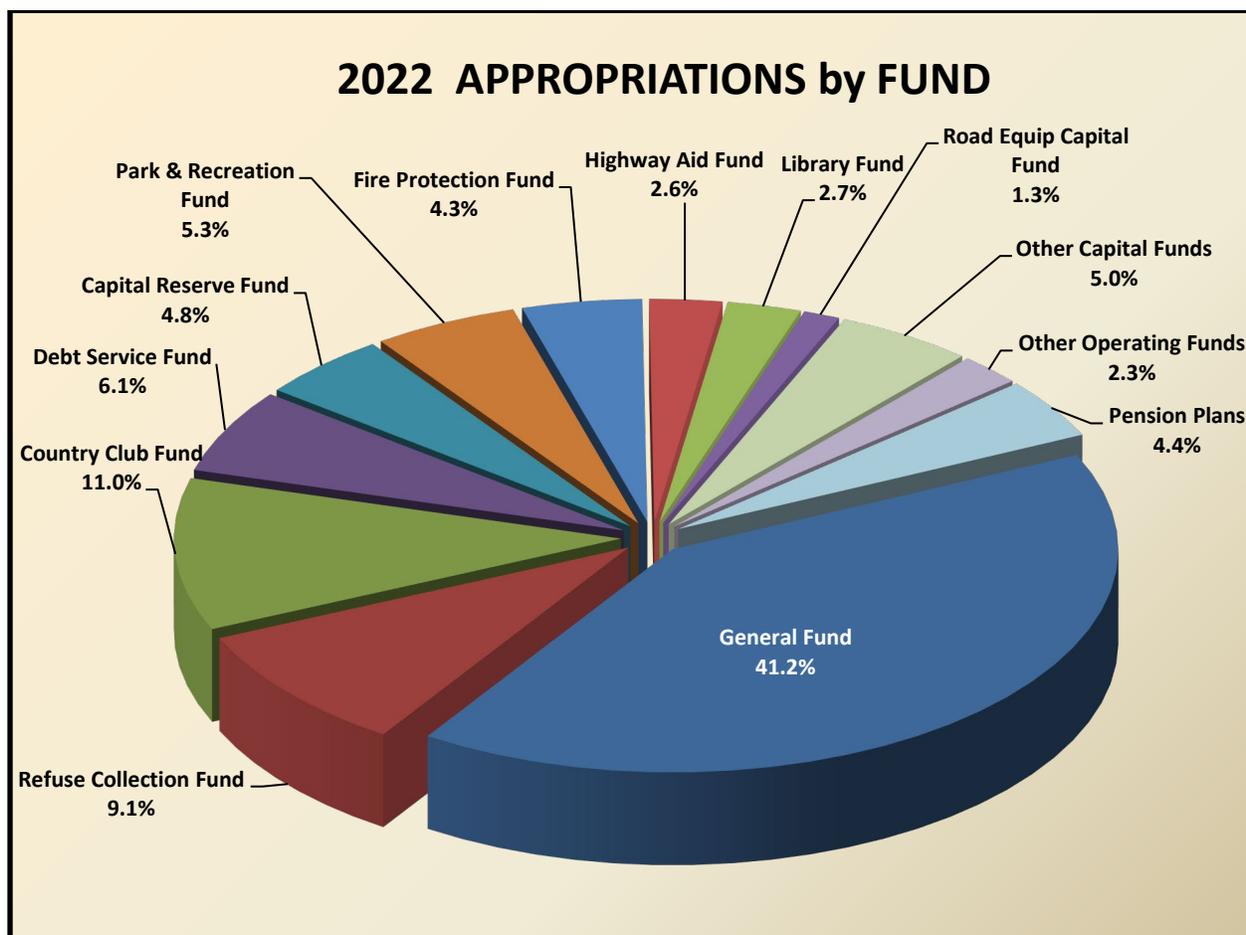
Capital appropriations for parks and recreation system improvements are budgeted in the Recreation Capital Fund. Funding for these appropriations is from a variety of sources including inter-fund transfers, grants, and impact fees. Capital appropriations for fire and rescue equipment, road equipment, senior center, country club, and library services are included in separate funds and limited to those specific government functions. Appropriating infrastructure improvements in special-purpose capital funds eliminates fluctuations in operating appropriations from year to year caused by one-time capital expenses.

In the General Fund, the *Result from Operations* represents the difference between annual revenues and expenditures before inter-fund transfers for capital appropriations, or appropriations to other operating budgets.

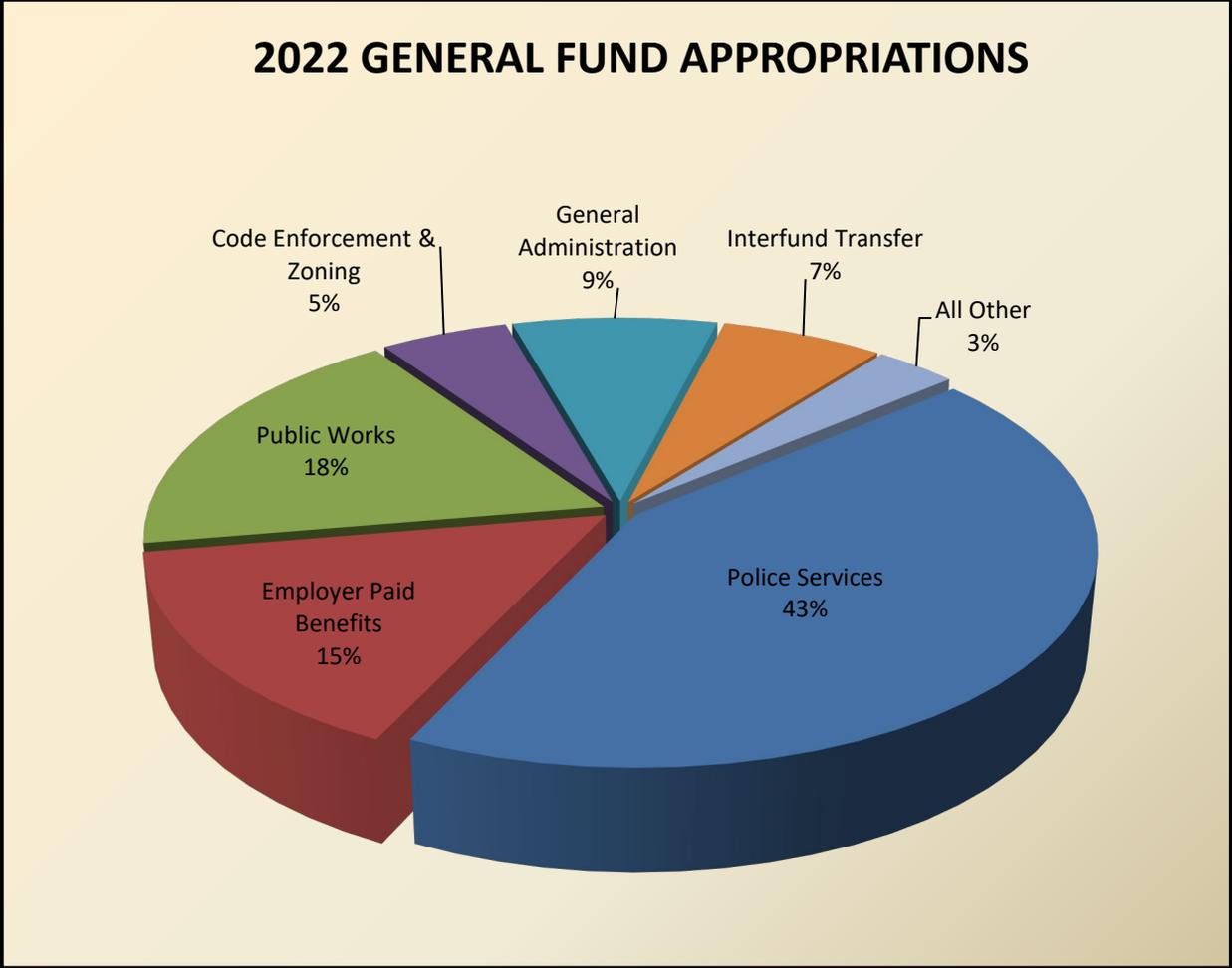
Funds Summary

The proposed Township Budget for all funds is \$47.3 Million, which includes \$40 Million for operations, \$5.2 Million for capital acquisitions and infrastructure improvements, and \$2.1 Million for employee pensions.

The following chart shows the proposed 2022 appropriations by Fund:



The General Fund is the largest Operating Fund in the Township budget. Appropriations include funding for police protection, planning, zoning, and code enforcement, administration and finance, legal and engineering services, information technology, tax collection costs, public works services, facility and fleet maintenance, insurance, and employee benefits. The General Fund also supports the operation of the James E. Kinney Senior Center.



The Fire Tax Fund, Rescue Squad Fund, Parks and Recreation Fund, Library Fund, Road Equipment Fund, and Debt Service Fund are supported by special tax levies restricted to those specific purposes. The Refuse Fund and Country Club Fund are fee-based operations and considered Enterprise Funds that operate independently from tax-supported operations.

The General Fund, Library Fund, Refuse Fund, Senior Center Fund, and Park and Recreation Fund account for all personnel, fringe benefit, insurance, utilities, maintenance, and operational costs. The Capital Funds support infrastructure improvements and equipment replacements. The Trust Funds account for employee pension costs.

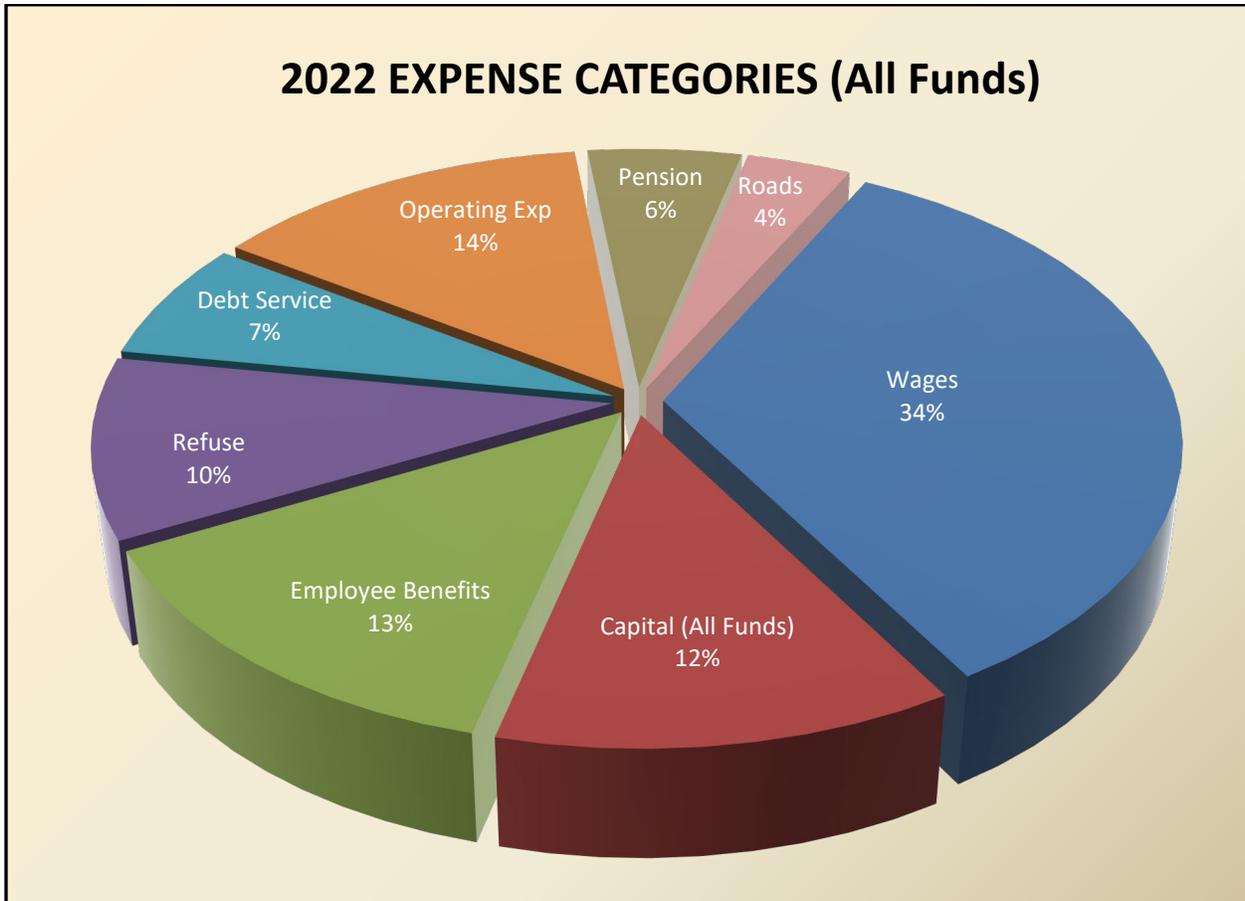
The Capital Reserve Fund, Recreation Capital Fund, Fire and Road Equipment Capital Funds, Library and Senior Center Capital Funds, and the Country Club Capital Fund support all equipment acquisitions and infrastructure improvements.

Another way to examine budget appropriations is by type of expense, which offers a different perspective on how the Township spends financial resources in providing government services.

The total cost for personnel, including employee wages and benefits, is the largest single expense in the Township budget, representing 47% of total appropriations. Refuse collection and waste disposal services accounts for 10%, debt service represents 7%, and pension costs are 6% of the total budget. Capital appropriations represent 14%.

Other operating expenses include insurance, utilities, professional services, repairs and maintenance, contracted services, and the cost of goods sold, representing an additional 14% of the total budget.

The following chart shows total appropriations for all Funds by expense type:



The Impact of Covid-19

There is no doubt that the Covid-19 pandemic has negatively impacted the operations of the Township government since the shutdown in mid-March 2020. Because Township facilities were locked down with no public access, and non-emergency personnel were directed not to report to our facilities, Township staff transitioned to remote operations. Our primary focus at that time was to protect employees from exposure to each other and to the public, and we learned that Township government could continue to operate effectively using remote capabilities for non-emergency staff.

Our police, fire, and emergency medical services continued 24/7 operations despite the pandemic, and our Public Works Department resumed operations within two weeks from the shutdown, after developing safety protocols and acquiring appropriate Personal Protective Equipment (PPE) to insure a safe return to the workplace. The department operated with staggered shifts for a brief time and returned to full operation within a month.

Non-emergency personnel continued remote operations through the end of 2020, and slowly returned to their respective facilities in the first quarter of 2021. In the meantime, Board of Supervisors meetings were conducted on the Zoom platform, and the Board returned to in-person meetings in June.

The Township Medical Director was invaluable during the height of the pandemic in providing advice on safety practices, protective protocols, quarantine requirements, and disinfecting programs.

At the present time, all Township facilities are open to the public, although there are limitations on large gatherings, and the Township continues to follow CDC guidelines for the protection of its employees and the public.

The financial impacts of Covid-19 pandemic are apparent in the revenue shortfalls of the Parks and Recreation Department, the Northampton Valley Country Club (banquet operations), and the Senior Center. These services were essentially shut down or permitted to operate on a very limited basis for most of 2020, and during the first half of 2021.

The revenue shortfalls are as follows:

	2020	2021	Total
Parks and Recreation Department	\$1.29 Million	\$700,000	\$1.99 Million
Banquet Operations at NVCC	\$2.13 Million	\$347,000	\$2.47 Million
Senior Center	\$80,000	\$60,000	\$140,000

The total revenue shortfalls in these departments are yet to be determined. The Parks and Recreation Department still operates with some restrictions due to spacing requirements. The Country Club continues to host smaller than normal venues for weddings and other celebrations, although larger gatherings are beginning to occur, and future bookings are strong. Revenues for the Senior Center were mostly impacted by the inability to schedule programs or sponsor bus trips, and was the last facility to re-open to the public.

In addition, the state allocation of liquid fuels funds used for road paving continues to decline because of the reduction in fuel consumption by motorists. Since 2019, the Township has seen a cumulative reduction of over \$310,000 in this important revenue source.

Although Covid-19 had negatively impacted some Township services last year, our employees never stopped working, and those departments that had closed to the public, fully re-opened earlier this year. The Township was also fortunate that only a limited number of employees contracted the disease and none were seriously ill. Almost 90% of our workforce has been vaccinated and the Administration continues to urge all employees to get the vaccine and any booster shots. We also continue to follow CDC guidelines as they develop.

Township Services

The proposed budget continues to fund emergency services maintenance of public roads and rights-of-way, recreation services and programs, park maintenance, refuse and recycling collections, and the operation of the Library, Senior Center and Country Club, although the latter is supported solely by fees charged for services. Appropriations also include debt payments on outstanding bonds, funding for infrastructure improvements, and capital equipment purchases. There are no proposed reductions in Township services.

Police Services

Police services in the Township are provided by a dedicated full-time force of 44 sworn officers and 12 civilian employees, and recently hired two female officers to fill vacancies from two retirements and one resignation. These officers add diversity to the force. The Chief has targeted mid-2022 to fill the remaining vacancy.

The Department is accredited by the Pennsylvania Association of Chiefs of Police. It is one of 110 departments from over 1,200 in the Commonwealth to receive this designation. Accreditation requires the Department to standardized policies, procedures, and training to enhance professionalism and reduce potential liabilities.

The Department adheres to a philosophy of community policing intended to build relationships between the department and the public. This philosophy is to develop a partnership with citizens an improve communication to help the police prevent and solve crimes. Common methods of community policing include:

- Encouraging the community to help prevent crime by providing advice, talking to students, and encouraging neighbors to look out for one another.
- Increased use of foot or bicycle patrols.
- Increased officer accountability to the communities they serve.
- Improving communication between officers and the public about objectives and strategies for keeping the community safe.
- Partnerships with other government agencies, community leaders, non-profit service providers, private businesses, and the media.

The Township Police Department continues to refine its services to meet the specific needs of Township residents. Some of the Department's Community Oriented Policing Services (COPS) include:

- Establishing a Quality of Life Unit that arbitrates neighbor disputes, monitors traffic patterns, and promotes communication through an active Facebook page.
- A School Resource Officer, assigned to Council Rock South High School, responsible for safety and crime prevention in the school. This officer helps train and educate school staff members and students, develops safety plans, and serves as a liaison between the school and outside agencies, in addition to enforcing laws.
- Business checks and bike patrols.

The Department recently established a K-9 unit with an anonymous donation from a local resident. The K-9 dog will be used to find missing persons and uncover bomb materials. It will also be used in schools and at community events. Officer John Hearn was selected as the K-9 Handler.

The Township signed a new Collective Bargaining Agreement with the Northampton Police Benevolent Association in June 2021. The five-year contract calls for 3% to 3.5% wage increases during the contract term, additional on-call pay, uniform allowances, and increased post-retirement medical benefits. The contract provides wages and benefits similar to comparable police departments in the region. The increased cost of the contract is estimated at \$1.3 Million for the five-year period.

The estimated cost of police services in 2022 is \$9.89 Million, or 51% of the General Fund budget.

Fire Services

Appropriations in the proposed 2022 Budget will continue the accustomed level of service expected by Township residents; however, there is a specific emphasis in the budget appropriations on emergency services, particularly fire and emergency medical services.

A 2018 study by the Pennsylvania Senate (Senate Resolution 6) highlights the significant reduction in volunteers for both fire and emergency medical services across the Commonwealth, noting that “a public safety crisis is unfolding due to the continuing decline in the ranks of emergency service volunteers”. Page 18 of the study goes further:

“Simply stated, fewer people are volunteering, and staffing performance is less than needed in many cases, straining the entire first responder system. This is a recruitment of personnel and retention of personnel problem. Failure to address the problem immediately will ultimately result in expansion of paid staffing and related tax increases to the population of the Commonwealth.”

A 2021 study by the Bucks County Planning Commission entitled “**The Future of Bucks County’s Fire Services**” documents a shortage of approximately 770 active firefighters county-wide, or an average of 12 firefighter for each of the 62 departments serving the County. The study goes on to state that there is an apparent surplus of apparatus in the County but only 1.12 firefighters available per seat, further noting the decline in volunteerism is a national, state, and local trend”.

This problem exists in our own Fire Department and with our Emergency Medical Services provider. The proposed budget, in part, addresses the issue with additional funding. The Volunteer Fire Company operates from three stations strategically located in different areas of the Township to provide the most effective response to emergency calls. It has served the Township for 115 years with minimal funding from taxpayers.

As previously noted, fire services have experienced a steady decline in volunteers willing to commit to the mandatory 200-hours of initial training and continued weekly drills, and a transition to paid employees is inevitable. The Township began to address this issue in 2008 by hiring four paid firefighters to supplement daytime service. The Township received a \$500,000 grant to start the paid program, and its implementation resulted in a 50% reduction in response time.

Recognizing the need to expand its paid program, the Township applied for and received a \$890,000 grant in 2019 to expand full-time services. The grant allowed the Township to hire 5 additional paid firefighters, establish paid leadership positions, and implement 12-hour shifts.

The current fire service in the Township is a model “combination” Fire Department, with a mix of volunteers and paid staff, operating under a single command structure. These full-time employees currently provide fire protection services from 6:00 AM to 6:00 PM seven days each week; however, the firefighters on duty can only staff one fire truck for a response. There is still a need to supplement the fire service with volunteers and mutual aid.

To further address the reduction in volunteers and supplement paid staff, the Township implemented an on-call program in 2019 that compensates volunteers who agree to be in an “on-call” status during evening hours from 9:00 PM to 5:00 AM each day. The cost of this program is approximately \$100,000 and has proved invaluable by insuring that additional personnel are available between 6 pm and 6 am. While the on-call program has proved helpful during these “off” hours, there is no guarantee of sufficient staffing.

The 2022 budget includes ten new firefighter positions that will allow the Department to provide 24/7 coverage from the Richboro Station only. This will insure a timely response to calls for service, although again, it only provides sufficient staffing for one fire truck, and there will be a need to enhance department personnel at all three stations in the future.

The Township intends to apply for another SAFER grant to help fund these additional positions. If awarded, the grant will help pay the cost of wages and benefits in declining amounts of 75%, 50%, and 30% over a 3-year period. If a grant is not awarded, the intent is to hire six new firefighters and attempt to fill platoons with per-diem employees. Grant applications are due in Spring 2022 and a notice of award is expected in Fall. The new firefighters will begin work in mid-November if the proposal is approved.

In addition to staffing issues, the Township also recognized a need to replace two of its three fire stations (Station #3 in Richboro, and Station #73 in Holland). These buildings were constructed in the 1960s and have outlived their useful purpose with no overnight facilities, inadequate locker rooms, no facilities for female firefighters, and outdated ventilation systems for the engine bays.

Architectural and site planning is almost complete and these projects will be out for public bids in early 2022, with construction of both buildings completed by June 2023. The estimated cost of these projects is \$25 Million and will be funded by the 2021 bond issue. The Fire Department will operate from the former Police Headquarters until construction of Station 3 is completed.

The cost for fire services will increase from \$1.9 Million in 2021 to \$2.1 Million in 2022; however, the full impact on the Township budget will occur in 2023 when new firefighters are on staff for a full twelve-month period. For perspective on these rising costs, the Township spent \$624,000 for these services in 2019. In addition to increased personnel costs, the Township will also experience increased building operation costs for the two new stations that are much larger than the existing ones, even with newer and more efficient HVAC and lighting systems. These additional costs are also expected in 2023.

Emergency Medical Services

The Tri-Hampton Rescue Squad provides emergency medical services to the Township from three locations that include stations in Richboro, Feasterville, and a “floating” station in Holland.

The Rescue Squad transitioned from a volunteer organization to full-time paid staff in the early 1990’s due to a lack of trained volunteers, and the paid employees eventually unionized. The paramedics and emergency medical technicians (EMT’s), working as full-time employees, have extensive medical and first responder training. After passing an initial certification program, Paramedics must earn 36 Continuing Education Credits (CEU’s) every two years, and EMT’s must earn 24 CEU’s every three years to maintain their required certifications.

Tri-Hampton leadership approached the Township in 2019 seeking additional financial support, acknowledging that the organization had difficulty retaining paramedics and EMT’s because of low wages, and weekend/evening hours. As a result, the Township increased the tax levy from .25 mills to .5 mills in 2020 to provide additional financial support. However, this was simply a stop-gap measure. Full-time paramedics today earn \$21 per hour, and full-time EMT’s earn about \$15 per hour. These hourly rates continue to be non-competitive and the lack of available trained personnel willing to work at these rates is still problematic.

Most recently, the Bucks County Commissioners recognized the crisis in emergency medical services and pledged \$6 Million to the thirteen EMS service providers in the County, including the Tri-Hampton Rescue Squad; however, the Commissioners want local municipalities to fund an additional \$2 Million of an estimated \$8 Million proposal.

The proposed budget includes a .25 mill tax increase as the matching requirement proposed by the Commissioners to provide additional financial resources to Tri-Hampton. The increase will generate approximately \$145,000, for a total annual contribution of \$435,000, or approximately \$10.85 per resident per year. This is a similar per capita contribution to our neighboring communities of Upper Southampton and Lower Southampton Townships that are also served by Tri-Hampton Rescue Squad. The Commissioners will contribute an additional \$985,000 to the Squad in relief funding for an estimated 3-year solvency.

The additional funding will help Tri-Hampton hire, retain, and equip qualified personnel, stabilize their financial position, and continue their current service level.

Despite the difficulties with staff retention, the Rescue Squad maintains a 99% in-service time, and a response time of approximately 5½ minutes per call. The squad is supplemented by mutual aid from neighboring communities on an as-needed basis.

Public Works Services

The Public Works Department is responsible for maintaining the road system, storm sewer system, parks system, and rights-of-way of the Township, and is one of the few departments in the region to perform in-house road paving services. This maintenance responsibility includes a 180-mile road system, 97 miles of storm sewer piping, 5,100 storm water inlets, 125 detention basins, and 220 acres of developed park property. The Department also maintains 16 buildings, over 100 licensed vehicles, and various types of construction equipment. It operates with 26 full-time employees, including three mechanics, and 8 seasonal hires.

The in-house paving program proves less costly than contracted paving services, and department employees complete a variety of construction projects, including drainage system improvements, concrete work, street light repairs, and facility maintenance. The department contracts micro surface on qualifying streets as part of its road maintenance program. This process involves the application of tar, concrete, and stone material designed to extend the life of roads in good condition by sealing the road surface to minimize future cracking and the formation of potholes.

The Township's goal is to pave and/or micro surface approximately ten road miles of the road system each year. This assumes an average twenty-year life expectancy for paved surfaces, although many residential streets have a longer lifespan due to lower traffic volume, and adequate drainage systems. The road maintenance program is partially funded by a Commonwealth allocation of motor fuel taxes distributed through PennDOT to local agencies. The amount of this allocation has decreased in the last two years because of reduced fuel consumption by motorists.

The Public Works Department develops its annual road maintenance program using a technology called RoadBotics that analyzes road surface conditions and assigns ratings from one to five for each ten-foot road segment. The program has proved to be a valuable tool in developing the annual list of roads paved or micro-surfaced, and allows the Department to focus attention on the roads in the worst condition.

As part of its road maintenance program, the Department performs storm sewer inlet repairs prior to resurfacing a road. The proposed appropriation for paving and micro-surfacing in the 2022 Budget is \$1,250,000 that includes \$350,000 from the Road Maintenance Fund and \$900,000 from the Highway Aid Fund.

Trash and Recycling Disposal

The Township is a member of the Southwest Bucks County Solid Waste Advisory Committee (SWBSWAC), which is a partnership with Upper and Lower Southampton Townships to jointly contract trash and recyclable material collection and disposal.

There are four contracts for our solid waste management program: J.P. Mascaro & Sons, Inc. provides collection services for \$2.64 Million, Waste Management of Pennsylvania provides yard waste disposal for \$130,000, and recycling material disposal for \$350,000. Household trash disposal services are provided by Wheelabrator, Inc. for \$800,000. The collection contract with J.P. Mascaro, and the Wheelabrator contract for trash disposal expire in December 2023. The yard waste disposal contract expires in December 2021 and a request for bids to secure a new contract was recently advertised.

We are all aware that J.P. Mascaro & Sons had serious labor issues that impacted its collection practices beginning in April 2020 and continuing until mid-October of this year. It appears that the Company has significantly improved its collection services at the present time.

The current rate for trash, recycling, and yard waste collection and disposal will remain at \$299 per year per household for 2022, however, a rate increase is necessary in 2023.

The Operating Budgets

Appropriations

The Township has eleven Operating Budgets that account for police and fire protection services, emergency medical services, planning and zoning, finance, administration, refuse collection and recycling, library services, the senior center, parks and recreation services, country club operations, road and facility maintenance, and debt service.

Total 2022 appropriations in the Operating Budgets of \$40 Million, is an increase of \$2.3 Million (over the prior year. \$1 Million of the increase is in the Country Club budget, which is offset by an increase of \$1.8 Million in projected revenue. The additional \$1.2 Million in the General Fund includes \$500,000 for police services, \$400,000 for capital projects, and \$300,000 for the Public Works Department.

The proposed appropriations for government services breakdown as follows:

Administration/Finance	\$1.69 Million	4.2%
Police Services	\$9.89 Million	24.7%
Fire and Rescue Services	\$2.95 Million	7.4%
Streets and Highways	\$6.35 Million	15.9%
Code Enforcement/Zoning	\$1.26 Million	3.2%
Trash Collection/Recycling	\$4.37 Million	10.9%
Debt Service	\$2.85 Million	7.1%
Parks and Recreation	\$2.63 Million	6.6%
Library and Senior Center	\$1.84 Million	4.6%
Country Club	\$5.21 Million	13.0%
Interfund Transfer to Capital	\$0.96 Million	2.4%

\$40 Million

Revenues

Total operating revenues in the 2022 Budget are \$42.57 Million, or \$6 Million higher than the 2021 Budget. \$1.8 Million represents revenue from the proposed tax increase. The \$4.2 Million difference can be detailed as follows:

General Fund	\$ 400,000
Fire Services	\$1,000,000
Parks and Recreation Services	\$ 665,000
Country Club Services	\$1,792,000
Debt Services	\$ 288,000

The Township experienced strong earned income tax, transfer tax, and permit fee collections in 2021, and this is expected to continue in 2022. Golf revenue at the Country Club is projected at \$500,000 over budget, while Food and Beverage operations will be approximately \$50,000 over budget.

Parks and Recreation services will be \$375,000 under budget, primarily due to Covid-19 limitations on summer camps, programs, ticket sales, and facility rentals, somewhat offset by a \$130,000 reduction in expenses. Program revenue is budgeted to increase by \$200,000 in 2022 in anticipation of these restrictions being lifted.

The Township received \$2 Million in American Rescue Plan (ARP) funds this year from the U.S. Treasury Department. An additional \$2 Million is expected in 2022. Recently issued Interim Final Rules indicate that these funds may be used for a variety of purposes, including replacement of lost revenue, and police, fire, and emergency medical services.

The proposed budget includes an appropriation of \$1 Million for fire services, and \$500,000 to replace lost revenue in Parks and Recreation Services. The appropriation of funds to replace lost revenue will eliminate on-going fund balance deficits from 2020 in the Parks and Recreation and Country Club Funds, and the additional \$400,000 transfer from the General Fund will allow the Township to complete several important infrastructure projects and eliminate a projected deficit in the Capital Reserve Fund.

Capital Appropriations for Infrastructure & Equipment

Appropriations for infrastructure improvement projects are outlined in seven Capital Improvement Funds in the Township budget. These include appropriations for improvements to the Township's road system, public buildings, storm sewers, bridges, traffic signals, park facilities, and Country Club.

Transportation System Improvement Projects

Funding for transportation improvement projects in the 2022 Budget include:

- Engineering design for an extension of Township Road and construction of a roundabout at Second Street Pike and Bustleton Pike.
- Engineering design for streetscape improvements and widening on Buck Road in Holland, including a new bridge over Mill Creek, and re-alignment of the Old Bristol Road and Buck Road intersection with new left-turn lanes.
- Installation of a designated left turn on Holland Road at East Holland Road

- Sidewalk installation on both sides of Second Street Pike between Tanyard Road and Crossroads Plaza Drive over Iron Works Creek.
- Sidewalk installations along Second Street Pike between Crossroads Plaza Drive and Almshouse Road to improve pedestrian safety and walkability in the downtown.
- Paving and/or micro-surfacing 10 miles of the road system.
- Installation of a trail connecting New Road (at Maureen Welch Elementary School) to the existing trail in Municipal Park.

Following is a brief description of each project:

Township Road Extension and Roundabout Construction

Engineering design for the Township Road extension and Roundabout construction project will be completed in 2022, and the Township expects PennDOT to issue a Highway Occupancy Permit (HOP) for the project, subject to acquisition of additional rights-of-way. The total cost for engineering design is \$580,000. The Township received a \$350,000 grant from the PA Department of Community and Economic Development (DCED) and a contribution of \$75,000 from the Addisville Commons land development project toward this cost. The Township share for design cost is \$155,000. The construction cost is estimated at \$6 Million.

The Township recently submitted this project to the Bucks County Planning Commission for inclusion on the State Transportation Improvement Program (TIP). If the State Transportation Commission agrees to fund the project, PennDOT will publicly bid and construct the improvements at no additional cost to the Township. The construction timeline depends on funding availability and right-of-way acquisition.

Buck Road Streetscape and Road Improvements

PennDOT is completing the final engineering design for the Buck Road improvement project with construction anticipated to start in 2022. The Township completed preliminary engineering design at \$460,000 and was successful in getting the project funded through the TIP. PennDOT assumed all costs for final engineering design and construction. The estimated cost of this project is \$9 Million.

The improvements will re-align the intersection of Buck Road and Old Bristol Road at a 90-degree angle, and add dedicated left turn lanes on both roads. In addition, a wider bridge will be constructed over Mill Creek to allow greater vehicle stacking in the left turn lane westbound on Buck Road to improve through traffic conditions. Finally, the eastern portion of Buck Road from Chinquapin Road eastbound to the new bridge will be improved with sidewalks and decorative street lights. PennDOT has confirmed that two traffic lanes will be open at all times during the construction period.

Left Turn Lane Installation at Holland and East Holland Roads

Design for a left turn lane on Holland Road at East Holland Road was completed this year and a bid for construction was awarded by the Board of Supervisors in August. Affected property owners willingly granted additional right-of-way or temporary construction easements to allow the project to proceed. The project was part of the public improvements related to the Holland Middle School expansion. The School District contributed \$20,000 toward the \$160,000 project cost. The project will be completed before year end; however, a portion of the project cost will not be paid until early 2022.

Iron Works Creek Sidewalk Installation

Engineering design for the sidewalk installation project on Second Street Pike between Tanyard Road and Crossroads Plaza Drive over Iron Works Creek was recently completed by the Township for \$230,000, and a PennDOT grant of \$900,000 will fund construction. This portion of the sidewalk system is costly to construct because the sidewalk must cross Iron Works Creek. Two temporary construction easements must be acquired before the project can be publicly bid. The Township expects construction to begin in 2022.

Richboro Sidewalk Installation Project

A bid for the installation of new sidewalks along certain portions of Second Street Pike was awarded by the Board of Supervisors in May. The engineering design cost was \$180,000, and the Township received a \$500,000 grant for construction. The design cost represents the required matching contribution for the grant program. The project is currently under construction and will be completed by December.

All of these projects will improve pedestrian and motorist safety, make the villages of Richboro and Holland more walkable, and connect the downtown areas with adjacent residential developments. These improvements are part of the Township's on-going economic development initiative and infrastructure improvement plan.

Transportation System Improvement Projects in the Concept Phase

Future Transportation system improvement projects in the conceptual phase include:

A pedestrian crossing on Newtown-Richboro Road at Fir Drive

This project is intended to provide a safe connection for the Deerfield North, Long Lane Farm, and Northampton Crossing developments to the Township's Recreation Center, Civic Center, and Tyler State Park. The project includes installation of a pedestrian crossing with an overhead flashing warning system, required signage, and a walking trail from the intersection to #1 Trail Lane in Tyler State Park, which has a connection to the Township properties. The estimated cost of this project is approximately \$160,000.

Installation of a traffic signal at Newtown-Richboro Road and St. Leonard's Road

The Township recently completed a traffic signal warrant analysis, which is a necessary precursor to obtaining a PennDOT permit to install a new traffic control device. The analysis demonstrates that a signal is warranted at this intersection. Engineering design for this project is estimated at \$60,000 and construction is estimated at \$325,000.

Trail Construction along Newtown-Richboro Road

This project involves construction of a walking trail along Newtown-Richboro Road to connect an existing trail just south of Rock Way with Tyler State Park. The trail would access the Park by connecting to an existing pedestrian walkway under the bridge over the Neshaminy Creek. The project will also provide a connection to the planned Neshaminy Greenway Trail. Engineering design is estimated at \$225,000, and construction is estimated at \$1.4 Million.

The Township has applied for three separate grants to partially fund both design and construction of these improvements. If the Township is successful in acquiring grant funds, engineering design could begin in 2022 with construction anticipated in 2023.

Public Facility Improvement Projects

No significant improvements are planned for any municipal facilities in 2022, except for the construction of two new fire stations. The fire station projects are intended to provide state-of-the-art facilities for a growing paid fire department. The stations will be located on the site of the existing facilities in Richboro and Holland. Construction will begin in March 2022. Station #3 in Richboro will be completed first, followed by Station #73 in Holland. The projects will be completed by July 2023.

The Township issued municipal bonds to fund these projects at an estimated cost of \$32.7 Million. The public bidding process will begin in December, and bids are scheduled for presentation to the Board of Supervisors at the regular meeting in January 2022. Architectural and engineering design has been on-going since March.

Parks and Recreation System Improvements

Trail Installation from New Road to Municipal Park

This project originally involved the construction of a small parking lot and walking trail on a 2-acre property owned by the Township adjacent to Maureen Welch Elementary School to connect New Road to Municipal Park. Engineering design for the project was completed in 2019 and bids were received; however, the bids far exceeded the estimated \$252,000 project cost and were rejected by the Board. The Township received a \$237,000 grant for construction.

The project initially included a bridge over an environmentally sensitive area. Recognizing that it was more cost effective to eliminate the bridge, The Township negotiated a new easement with the Council Rock School District to avoid the environmentally sensitive area, and the project will be re-bid in 2022. To further reduce the project cost, the parking lot may also need to be eliminated.

All-Inclusive Playground Construction

This project will expand and renovate the existing playground at Municipal Park to make it an all-inclusive playground for children of all ages and abilities. This project has been in the planning and design phase for several years, and the Miracle League of Northampton Township has pledged over \$300,000 toward the \$750,000 project cost. The Township also received grants from several state agencies totaling \$375,000. There is a \$325,000 matching requirement for these grant funds. Construction is planned for Spring 2022.

Equipment Acquisitions

Capital appropriations for equipment include computer systems and software, ballistic vests, body cameras, vehicle cameras, speed timing devices, a digital speed board trailer, and Tasers. There is also funding to replace a backhoe, Bobcat loader, large mower, and snowplows. The Public Works equipment is funded by a Road Machinery tax of .57 mills.

The Township also has short term loan obligations on vehicles and equipment acquired between 2017 and 2021. These loans have three, five, and seven-year terms depending on the life expectancy of the equipment. Rather than finance equipment through state contract vendors, the Township secures local bank financing at lower interest rates, usually less than 2%. Loan payments to replace emergency communications radios for the police and fire departments are also included. This is a 7-year loan financed through Bucks County at 1.5%. The final payment on this radio equipment is budgeted in 2022.

The total appropriation for equipment acquisition is \$863,000. Appropriations for existing loan payments is \$357,000.

The Township's ten (10) year capital improvement plan serves as a guide when budgeting for capital needs. The Plan is updated annually.

Real Estate Taxes

The proposed budget includes a 2.85 mill increase in the General Fund, and a .25 mill increase in the Rescue Squad Fund. The millage increase in the General Fund will support the increased cost for police services resulting from a new collective bargaining agreement with the Police Benevolent Association, additional costs for a growing career Fire Department, and several capital improvement projects.

The total Township real estate tax levy will be 21.61 mills if the budget is approved as presented. For a property assessed at the median value of \$38,500, the total annual real estate tax bill will be \$840 or \$70 per month for all Township services. The tax millage is allocated to the Operating Funds as follows:

Administration, Police, Zoning & Public Works Services	8.8747 mills
Fire and Emergency Medical Services	3.7500 mills
Library Services	1.7284 mills
Parks and Recreation Services	1.6280 mills
Road Maintenance Services	0.5000 mills
Public Works Equipment	0.5703 mills
Debt Service	4.5597 mills
<hr/>	
	21.6111 mills

Township taxes are approximately eleven percent (11%) of the total real estate tax bill and support all local government services. No tax increase is projected in 2023; however, an increase for debt service is necessary in 2024 to fund debt payments for the new fire stations.

Long Term Outlook

Although the Covid-19 pandemic has changed nature of our operation, the Administration remains focused on our long-term goals of economic revitalization in our commercial districts, continued improvement to Township infrastructure, public safety, and business development at the Country Club.

Redevelopment of our town centers will enhance the tax base and increase tax revenue without tax increases. It also attracts businesses that may wish to locate in the Township, and makes goods and services more readily available to our residents. Planning tools such as the Richboro and Holland Master Plans are the blueprints for future growth and development in these areas.

The revitalization initiative involves infrastructure improvements to enhance the appearance, safety, and walkability of the villages. These improvements include road projects such as the proposed extension of Township Road and roundabout construction, the Buck Road streetscape project, sidewalk improvements, and traffic signal upgrades. These projects will improve traffic flow, reduce congestion, improve pedestrian safety, and create more attractive downtown areas that promote and encourage shopping, dining, and entertainment. Fortunately, the Township has been successful in acquiring millions of dollars in federal and state grants for these infrastructure improvements with a relatively small up-front investment.

For example, the Township's initial investment in preliminary engineering for the Buck Road Streetscape Project will return \$12 Million to the community in infrastructure improvements in Holland. Our \$25,000 investment in concept plans for the Jacksonville and Almshouse Road intersection will return another \$3 Million, with PennDOT planning the construction of a roundabout at this intersection.

The crisis in fire and emergency medical services is real and the cost for these services is significant. The need to replace two of the Township's three fire stations is critical to public safety as the Fire Department transitions to full-time career staff. This is the only way to guarantee a timely response to emergency calls. The 2022 Budget will fund a 24/7 Fire Department from only the Richboro Station. Additional staff will be needed for the Holland and Churchville stations in the not too distant future. This will mean future tax increases to support fire services.

We will also continue to invest in our roadway and drainage systems by paving or micro-surfacing approximately ten miles of the road system, repairing storm sewer piping and inlets, and naturalizing detention basins to meet PA Department of Environmental Protection requirements to improve groundwater quality.

While Country Club operations suffered in 2020, with banquets essentially shut down for most of the year and through the first half of 2021, the outlook for the future is bright. The Club currently has \$1.7 Million in bookings for 2022 (mostly weddings), that does not include golf outings and other smaller events typically adding \$700,000 or more to the revenue stream. In addition, sales at Tavern on Ten are projected to more than double in 2022 as Club Management enhances the venue. Future revenue growth is only limited by the size of the facility, and we intend to maximize its use.

Our community services, including parks and recreation, library, and senior center provide outstanding facilities and programs. These agencies are extensively used by Township residents with minimal need for additional funding from year to year.

Balancing the needs of a municipal organization while minimizing tax increases is always a goal but also a significant challenge. Township employees continually seek ways to reduce costs and spend resources efficiently. They are responsive public servants. Departments coordinate and cooperate in programs and services, morale is high, and there is a clear recognition that our single mission is to serve the public. Township employees remain our greatest asset.

The Administration believes Township residents are pleased with our services and understand the Township provides them in an efficient and responsive manner. Our primary mission is to maintain accustomed service levels and the quality of life our residents currently enjoy.

The proposed 2022 Budget continues these services and provides the necessary resources to achieve the goals and priorities established by the Board of Supervisors. It represents, in dollar terms, an accurate estimate of the Township's commitment to the health, safety and welfare of the community.

The Administration is pleased to present the proposed 2022 Budget for your consideration.

Respectfully submitted,

Robert M. Pellegrino
Township Manager