

Executive Budget Summary

November 3, 2023

TO: The Northampton Township Board of Supervisors

Introduction

The Administration is pleased to submit the proposed 2024 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 highlights areas of importance in the financial section, department programs and services, infrastructure improvements, cash position, and revenue and expense projections.

Operating, Capital, and Trust Funds Budgets

The proposed 2024 Budget includes 20 Funds detailing projected revenues and proposed expenditures for the new fiscal year. A three-year history of audited revenues and expenditures and year-end estimates for the current year provide trends to guide budget proposals. Fund balances show cash position. A summary of the General Fund by revenue and expense category offers an overview of the Township's largest operating fund, and a Summary of Operating, Capital, and Trust Funds provide a high-level snapshot of all Township operations.

Budget Schedules

The Budget Schedules provide detail on proposed appropriations in each Fund, and the alphabetical index is an easy way to reference details for specific line items. This information supports budget projections.

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 shows capital appropriations in separate funds to minimize spending fluctuations in the operating budgets since capital appropriations can change significantly from year to year. There are separate operating funds for each specific tax levy, and for special purposes, such as refuse services and Country Club operations. Likewise, there are separate capital budgets for specific purposes.

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.

Budget Summary

The proposed 2024 Budget for all funds is \$60.6 Million, which includes \$41 Million for operations, \$13 Million for the Township's Proprietary Funds (Refuse Fund and Country Club Fund), \$3.8 Million for equipment acquisitions and infrastructure investment, and \$2.5 Million for fiduciary obligations. The proposed Budget continues the high level of service expected by Township residents with a significant increase in appropriations for the expansion of paid fire and emergency medical services.

While there are budget appropriations to improve Township infrastructure, almost \$1.7 Million in capital equipment replacement and infrastructure investment is deferred to future years. The proposed Budget does fund several important capital improvements that include a new traffic signal at Newtown-Richboro Road and St. Leonard's Road, a pedestrian crossing signal at Fir Drive, and a trail along Newtown-Richboro Road to connect with Tyler State Park. These projects are connected with State grants that require matching funds from the Township.

The proposed Budget continues existing service levels for road maintenance, recreation programs, park maintenance, refuse and recycling collections, the Library, and Senior Center operations. The Budget also includes appropriations for debt payments on outstanding bonds.

Aside from normal annual increases for wages, employee benefits, and materials, funding for Township services remains relatively unchanged from the prior year. The Country Club is anticipating business growth as a Proprietary Fund of the Township government. Club operations are funded by fees charged for services. Refuse collection services will remain the same in 2024 with no fee increase. There are no proposed reductions in Township services.

Public Safety Is A First Priority

The first priority and obligation of any local government elected body is to protect the health, safety and welfare of the community, and the appropriations in the proposed 2024 Budget show the strong emphasis placed by the Board of Supervisors on this important responsibility. The Board's willingness to invest in constructing two new fire stations and expanding the fire service to a much-needed 24/7 paid Fire Department will ensure rapid deployment and faster response to emergency situations in all areas of the Township.

The need for such an investment stems from the declining lack of volunteers that began in the 1970's and reached a critical stage in the last decade, as older volunteers aged-out of the service and younger potential members failed to step in and fill the vacated positions. This is a national crisis, and Northampton Township and its surrounding municipalities are not immune to this decline.

In Pennsylvania, the crisis in Fire and Emergency Medical Service (EMS) service delivery is well documented. The 2018 "Senate Resolution 6" report (SR6), which was completed by a 39-Member Commission comprised of representatives from Fire and Emergency Medical organizations throughout the Commonwealth, is the latest study to highlight this crisis.

Prior to the adoption of the SR6 Report, other studies documenting the need for additional resources and restructuring in the Fire and EMS service include the "Pennsylvania Burning" report from 1976, the "Senate Resolution 60" report from 2004, and the "Emergency Medical Services System in the Commonwealth of PA" report from 2013.

These reports highlight a consequential decline in volunteerism and the growing need to enhance Fire and Emergency Medical Services in communities across the Commonwealth. The decline in volunteers is caused by many societal factors including increased service demands, significant training requirements (both initial and on-going), and available time to volunteer. In the 1970's there were approximately 300,000 emergency service volunteers. By 2018, the number of volunteers dropped to approximately 38,000 according to the Pennsylvania Fire and Emergency Services Institute.

The Board of Supervisors' first major action to enhance fire services in 2008 was hiring 4 paid firefighters to supplement daytime response during the week when volunteers worked at their regular jobs. An important point is that this action was at the request of the Volunteer Fire Company as they recognized their limitation in providing proper service. Those 4 paid firefighters worked Monday through Friday from 8 am to 5 pm. This model worked well with an immediate impact on response time to fire and medical emergencies (paid firefighters are also trained Emergency Medical Technicians).

In 2018, the Supervisors again recognized the need to further enhance the fire service and hired 5 additional paid firefighters and a paid Deputy Chief, bringing the total number of paid firefighters to 11 full-time personnel. This allowed the Department to provide 12-hour per day, 7-day per week fire protection, with volunteers covering the remaining hours. The Township received 2 Federal grants totaling \$1.3 Million to offset the initial cost for these employees.

In the past 5 years, Volunteer Fire Company leadership took the bold step of acknowledging that the few remaining volunteers in the fire service could no longer adequately protect the community in a timely manner. This resulted in the Township's recent hiring of additional paid firefighters, and a planned expansion of the Department to Township-wide 24/7 service in 2024.

Additionally, it is important to note that the backbone of the volunteer system is based on mutual aid coming to our Township from neighboring fire companies. The municipalities and fire companies around us are facing the same volunteer shortage, are no longer able to provide our Township with assistance. Many are taking similar steps like Northampton to transition to a paid fire service. Newtown, Middletown, and Warminster Townships all have dangerously low numbers of volunteers and have recently hired paid firefighters.

When considering the additional cost for enhanced fire service protection, residents must ask themselves one simple question- "How long am I willing to wait for a fire truck to show up at my house?". Full time fire protection will ensure that emergency services personnel will be on scene quickly. This is particularly important because according to National Fire Protection Standards (NFPA) guidelines, fires double in size within 30 seconds.

Residents can be assured that the Township is at the forefront of this national crisis in addressing the need to enhance its fire protection services by a forward-thinking Board that recognizes its obligation to protect the community. The Township will continue to take all necessary steps to address this public safety need.

Northampton is a model for other communities with the first full-time Fire Department in Bucks County.

The Operating Funds

Appropriations

The Township has 9 Operating Funds that account for police, fire, and emergency medical services, planning and zoning, finance, administration, library services, the senior center, parks and recreation services, road and facility maintenance, and debt service.

Total 2024 appropriations for government services in the Operating Funds are \$41 Million, an increase of \$6.5 Million over the prior year. \$5.4 Million of the increase is for police, fire and emergency medical services, \$1.4 Million is for debt service on the 2021 bonds issued to construct the two new fire stations.

Proposed appropriations for government services in the Township's Operating Funds are detailed as follows:

Administration/Finance	\$1.96 Million	4.7%
Police Services	\$11.0 Million	26.6%
Fire and Rescue Services	\$6.50 Million	15.7%
Public Works	\$7.19 Million	17.4%
Code Enforcement/Zoning	\$1.40 Million	3.4%
Debt Service	\$4.63 Million	11.2%
Parks and Recreation	\$3.28 Million	7.9%
Library and Senior Center	\$2.04 Million	4.1%
Interfund Transfer to Capital	\$3.34 Million	8.1%

\$41.34 Million

Revenues

Total revenue in the 2024 Operating Budgets is \$40.2 Million, or \$7 Million higher than the 2023 Budget. \$3.7 Million will come from increased real estate taxes to support expanded fire, rescue, and police services, while \$1.2 Million is a reallocation of existing capital reserves for fire department equipment and facilities to the Fire Services Fund. The balance of \$2.3 Million will come from General Fund reserves.

Earned income taxes are projected to grow by 2% next year while transfer taxes are expected to decline by over \$400,000 due to current mortgage rates and downward pressure on the housing market. Permit fees generated almost \$300,000 more than 2023 budget estimates but are also expected to decline next year.

Parks and Recreation Department revenue is projected to increase by over \$400,000 next year as the Department continues to build program participation and has increased the rates charged for program and camp services. Increased program fees comprise \$350,000 of the total additional projected revenue.

Proprietary Funds

The Township has two Proprietary Funds that are categorized on the Township's financial statements as Business-Type Activities. These include the Refuse Fund and the Country Club Operating Fund. These agencies of the Township Government are services for which fees are charged. They are reported in the in the same way as all other Township activities but function independently from tax-supported operations. User fees charged by these Township agencies pay for all costs associated with these business-type activities.

Total appropriations in the Proprietary Funds are just under \$13 Million. The Refuse Collection Fund accounts for all costs associated with trash, yard waste and recycling collection and disposal. The annual cost for this service is \$7.4 Million. Waste collection and disposal comprises 15.2% of the Township Budget.

The Country Club Fund accounts for revenue and expenses associated with the operation of the Northampton Valley Country Club, which was purchased by the Township in 2018. Total appropriations for this operation are \$5.6 Million. Country club operations comprise 9.3% of the Township Budget.

The Country Club has seen continued revenue growth in golf and food sales at the Tavern on Ten restaurant; however, banquet sales are slower to recover from the pandemic's impact in 2020 and 2021, which caused revenue losses of approximately \$2 Million during these years. Banquet revenue since 2022 is consistently about \$2.5 Million and Club Management is optimistic about its future growth, with more targeted sales and price increases.

Proprietary Funds are intended to be self-supporting without a reliance on tax revenue to fund operations.

Capital Improvement Funds

The Township Budget includes 7 different Capital Funds used to account for appropriations to improve Township infrastructure or acquire capital equipment. Infrastructure includes the Township's road and storm sewer system, traffic signals, the park system, and various buildings. The Capital Funds also include appropriations for motor vehicle and equipment replacements. These include police, fire, and public works department vehicles and equipment.

Capital appropriations fluctuate yearly based on need. The Township has a significant investment in infrastructure with its various buildings, park facilities, storm sewer and road system, open spaces, and capital equipment. According to the 2022 Audit, the value of this infrastructure is estimated at \$260 Million. Maintaining these facilities is an on-going process requiring annual review. The Township maintains a 10-year Capital Plan that serves as a guide when budgeting for capital needs. The Plan is updated annually.

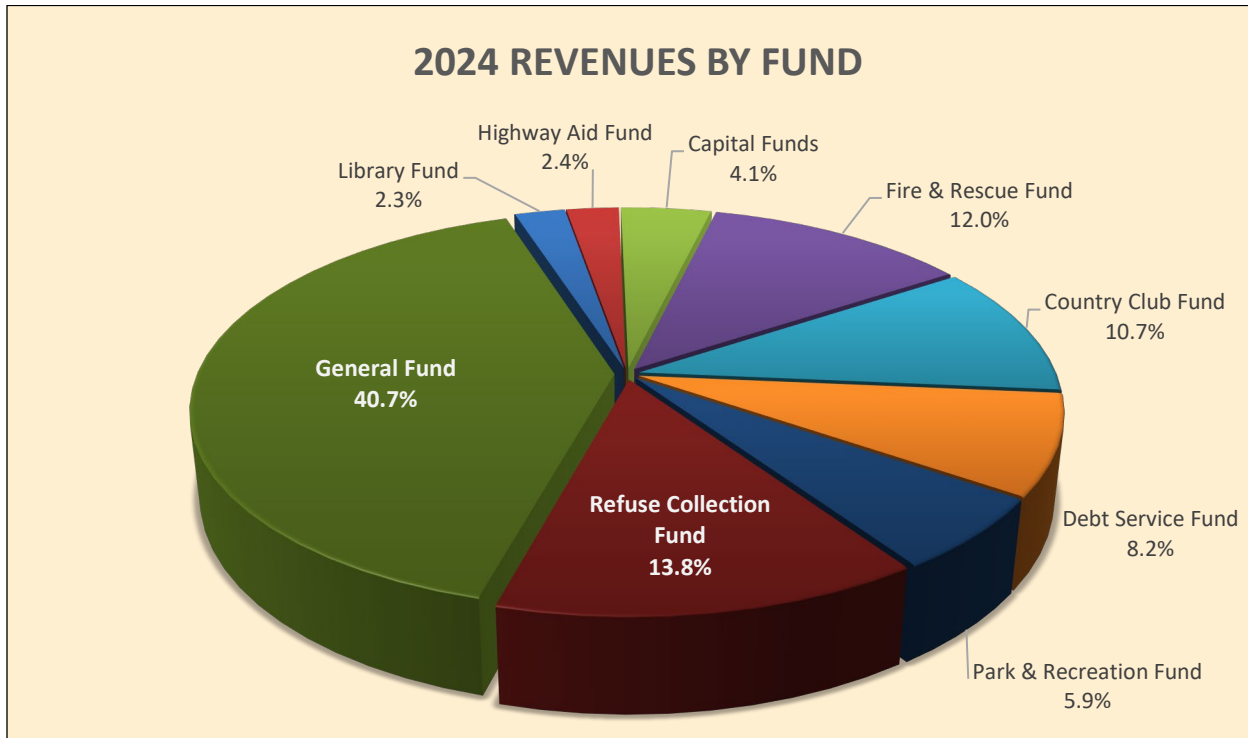
Fiduciary Funds

Fiduciary Funds are used to account for pension plan benefits held in trust for eligible Township employees. These resources are not available to support the general operations of the Township Government. The accounting used for Fiduciary Funds is similar to that used for Proprietary Funds; however, the pension plans are supported by tax revenue, unlike the Proprietary Funds.

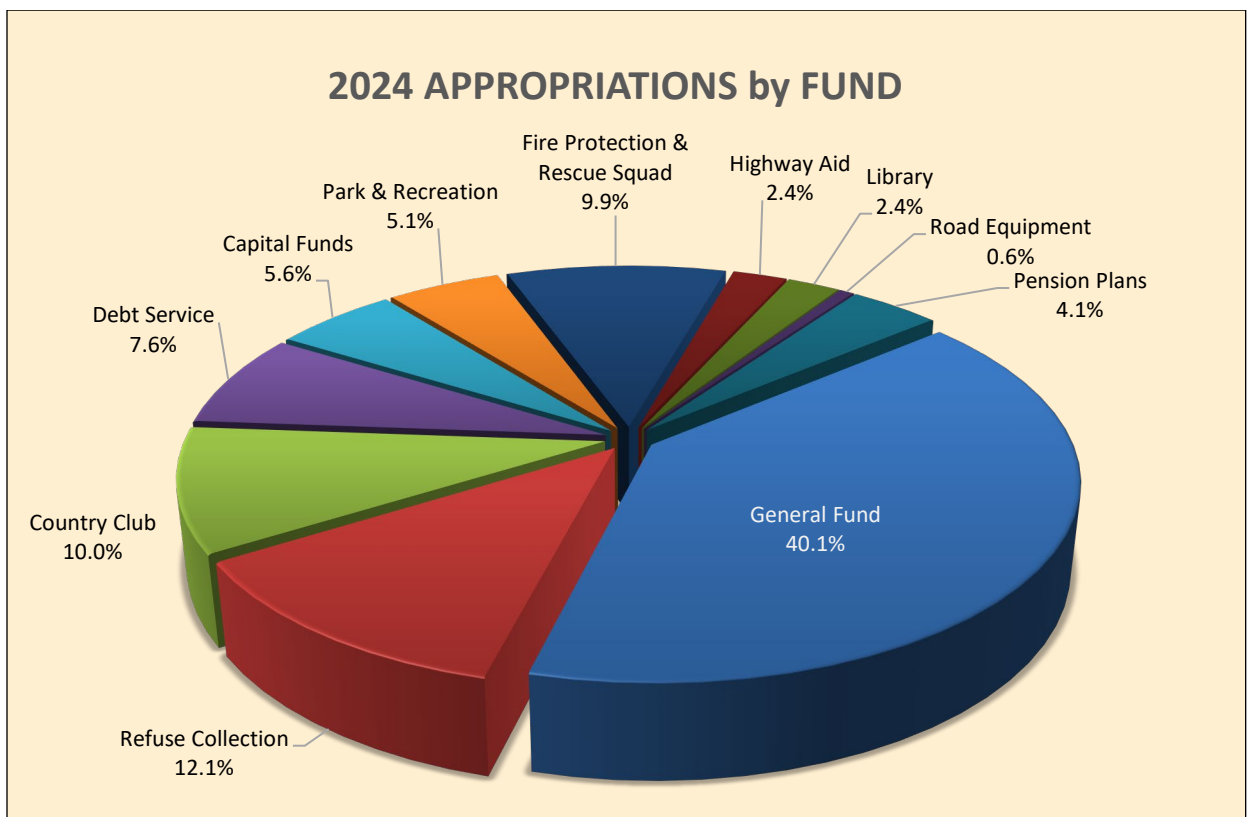
The Township has 3 different employee pension plans. Police officers are enrolled in a defined benefit pension plan in accordance with State Act 600. The Act establishes minimum pension plan benefits for all police officers working in departments with more than three full-time officers. It is the only state-mandated pension plan for municipal employees.

Two other pension plans provide benefits to non-uniformed employees. They include a defined benefit pension plan and a defined contribution pension plan. The defined benefit plan was closed to certain new hires in 2016 when the defined contribution plan was established. Public Works employees hired after March 1, 2019 are enrolled in the defined contribution pension plan in accordance with their collective bargaining agreement.

The following chart shows the expected Revenues for 2024 for all Township Funds.



The following chart shows proposed 2024 Appropriations for all Township Funds:



Another way to examine proposed appropriations in the 2024 Budget is by type of expense. This includes the cost for employee wage and fringe benefits, insurance, utilities, legal and engineering services, materials and supplies, service contracts, motor fuels, road salt, paving materials, and minor equipment.

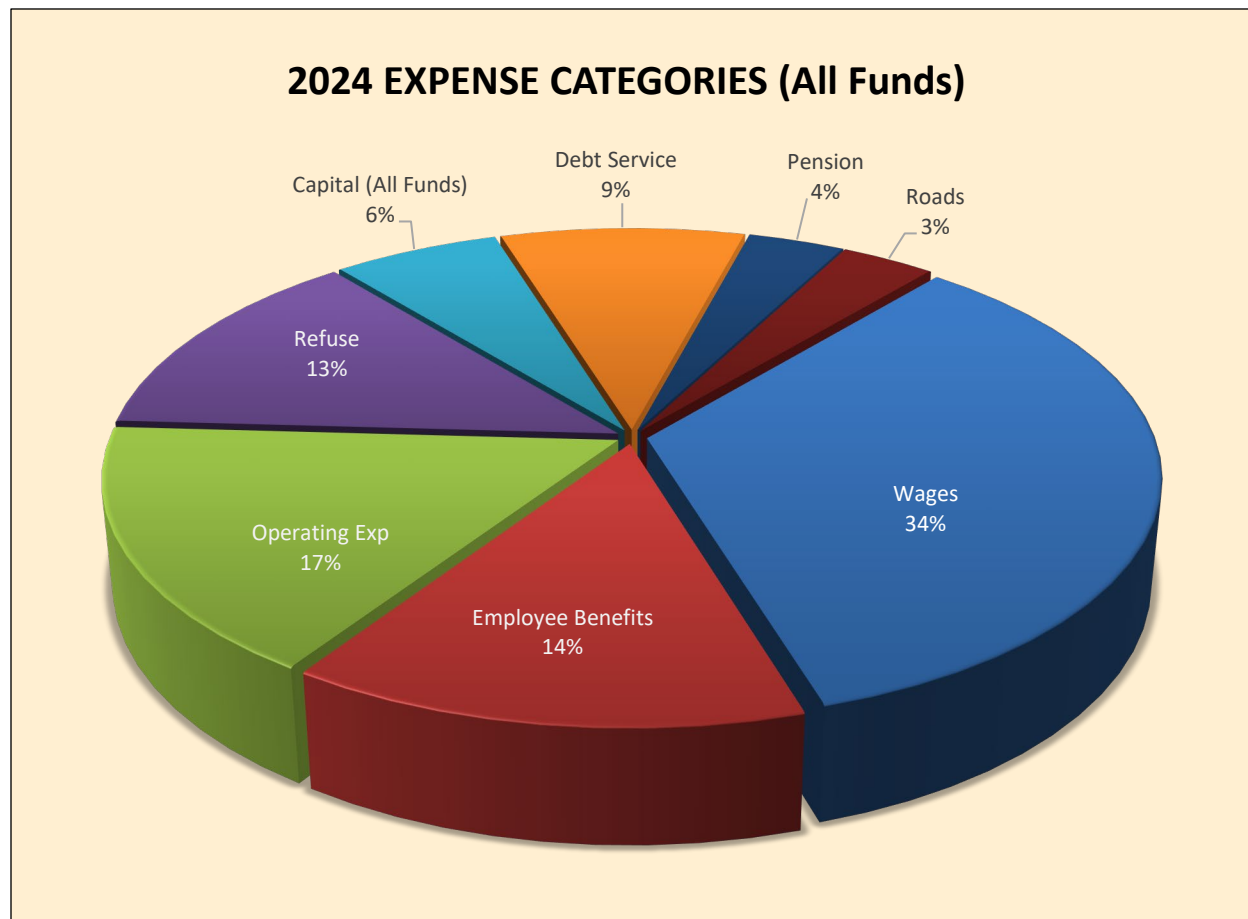
Appropriations for these various costs are included in each Operating and Proprietary Fund, where applicable. These expense types are not included in the Debt Service Fund since it is limited to appropriations for debt obligations.

Wages and fringe benefits are included in department budgets where employees provide services. Appropriations such as operating supplies is a standard line item in all Township department budgets, as is contracted services, professional services, communication expenses, insurance, and training costs. This accounting practice provides a more comprehensive picture of the cost for each of the different services provided by the Township.

The total cost for personnel, including employee wages and benefits, is the single largest expense in the Township budget, representing 52% of total appropriations. Refuse collection and waste disposal services accounts for 13%, debt service is 9% of the total. Capital appropriations represent 6%.

Operating expenses include insurance, utilities, professional services, repairs and maintenance, contracted services, and the cost of goods sold, representing an additional 20% of the total budget.

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



The General Fund

The General Fund is the largest Operating Fund in the Township budget at \$23.6 Million or 43.3% of total appropriations for the Operating and Proprietary Funds combined.

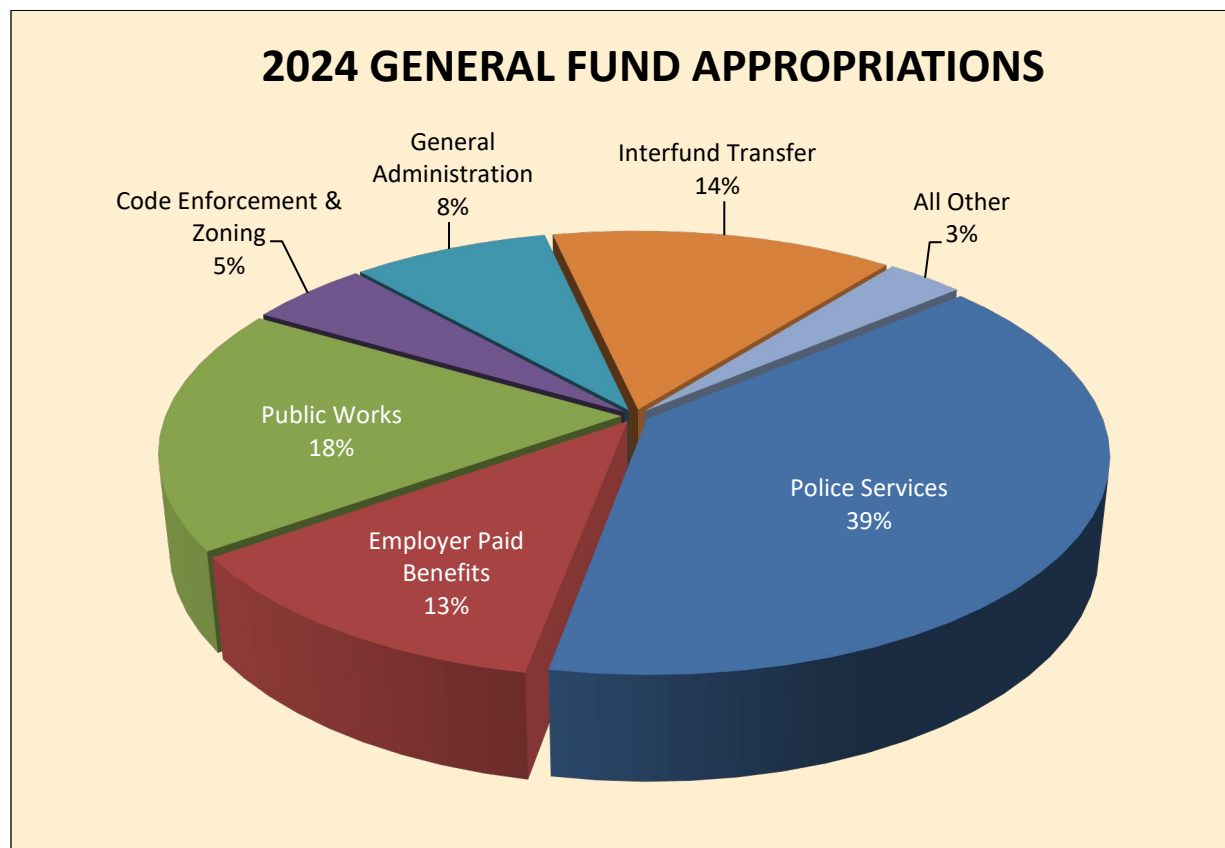
Appropriations in the General Fund are used for the cost of police services, planning, zoning, and code enforcement, administration and finance, legal and engineering, information technology, tax collection costs, the Fire Marshal's office, public works services, facility and fleet maintenance, insurance, and employee benefits. The General Fund also includes an appropriation to the James E. Kinney Senior Center.

Key revenue sources in the General Fund include real estate and earned income taxes, real estate transfer taxes, and permit fees, which are set by resolution each year and support the cost of operating the Planning and Zoning Department. Cable television franchise fees are also a significant revenue source generating about \$800,000 in 2023; however, these fees have been steadily declining since 2016 as more residents opt for the lower cost internet television option. The Township also receives an annual allocation of state aid to offset its pension obligations. The \$985,000 allocation is approximately 50% of the required annual pension funding requirement.

Police services represent 39% of total General Fund appropriations. Public Works accounts for 18%, and employer paid benefits are 13% of the total. Interfund transfers make up 14%, and code enforcement, administration, and others make up the remaining 16% of total General Fund appropriations.

The 2024 Budget includes a proposed increase of 2.5-mills in the General Fund. The additional revenue will be used to support the expansion of paid fire services.

The following chart show proposed General Fund appropriations in 2024:



Special Tax Levy Funds

The Township levies special taxes to fund fire services, emergency medical services, park maintenance, the library, acquisition of road equipment, road paving, and debt service. These individual tax levies are those stipulated and allowable by the Second-Class Township Code, which is the State Law governing the organization of Township government.

Appropriations in these special tax levy funds represent \$15.9 Million of the total operating budget. \$6 Million is appropriated for fire and emergency medical services, \$4.6 Million is for debt payments on outstanding bonds, and \$3.1 Million will fund the Parks and Recreation Department.

The special tax levy for fire services is limited to 3-mills, and the levy for emergency medical services is limited to 2-mills. Any additional tax levy to support these services must be paid from the General Fund. There is a 2-mill limit on special tax levies for road equipment. There is no limit on special tax levies for parks and recreation services or for debt service obligations.

The Township currently levies a 3-mill tax for fire services, and a .75-mill tax for emergency medical services. The 2024 budget includes an increase of 1.25-mills in the emergency medical services tax levy up to the 2-mill limit. The current levy for road equipment is .5-mills. There is no proposed increase in this tax levy.

Governmental Services

Police Services

Police services in the Township are provided by a full-time force of 44 sworn officers and 11 civilian employees. The police force is multi-disciplined with bilingual officers, a K-9 program, trained accident investigators, bicycle officers, and polygraph examiners- just to mention a few of the specialty units. The Department successfully implemented its K-9 program in 2022. Officer John Hearn and K-9 “Pako”, and Officer Eric Freas and K-9 “Maui” completed their training in early 2023. The K-9 unit has been fully funded to date by community contributions.

The Department is accredited by the Pennsylvania Association of Chiefs of Police. It is one of only 145 departments out of nearly 1,200 Departments in the Commonwealth to receive this designation. Accreditation requires the Department to maintain standardized policies, procedures, and training to enhance professionalism and reduce potential liabilities to the Township. Its community policing philosophy has built relationships between the department and the public that assist officers in preventing and solving crimes.

In addition, a School Resource Officer assigned to Council Rock South High School trains school staff and educates students to improve safety and crime prevention in the school. The Officer has handled 129 incidents so far this year, and the Department is currently in discussion with the School District to add a second School Resource Officer at Holland Middle School.

The Department averages approximately 20,000 calls for service each year. Approximately 20% of these calls are self-initiated by our officers. These are reported calls observed by officers while on duty that generate an Incident Report.

There are currently 7 patrol officers scheduled on each shift. Paid time off reduces this number to an average of 5.2 officers per shift. Recognizing a need to enhance public safety in the community, hiring two additional officers and reassigning two others will increase each shift by one additional officer. These new officers will be recommended for hire in 2025 and will be included in the proposed budget for that year.

The table below shows a steady decline in both Part 1 and Part 2 crimes from 2018 to 2021; however, the Department has seen an increase in both Part 1 and Part 2 crimes in 2022. These are crimes reported to the Uniform Crime Reporting Program at the Federal Bureau of Investigations:

TOTAL CRIMES	2018		2019		2020		2021		2022	
	Reported/Cleared		Reported/Cleared		Reported/Cleared		Reported/Cleared		Reported/Cleared	
Part I:	195	81	167	72	148	63	117	53	140	69
Part II:	382	238	343	197	315	180	297	136	307	149
TOTAL:	577	319	510	269	463	243	414	189	447	218
Clearance Rate:	55.3%		52.7%		52.5%		45.7%		48.8%	

Most Part I crimes are classified as violent and include aggravated assault, forcible rape, murder, robbery, arson, burglary, and motor vehicle theft, although fraud can be classified as a Part I crime depending on the dollar amount involved. Part II crimes include simple assault, embezzlement, forgery, disorderly conduct, alcohol and drug offenses, fraud, vandalism, and weapons offenses. Clearance rates represent the percentage of reportable crimes that were solved by the Department. They can serve as an indicator of police effectiveness and police-community collaboration.

While the chart shows a slight reduction in clearance rates over the five-year period, it is important to note that certain crimes have an almost 100% clearance rate, but fraud cases are much more difficult to solve, and the Department has experienced a steady increase in these types of crimes over the same time period. It is estimated that fraud cases, particularly those involving mail thefts, have steadily increased, as have thefts of delivered packages from porches.

The Department also devotes significant resources each year to traffic enforcement. In the past 12 months, the Department performed 3,700 traffic details and issued 5,700 citations or written warnings to motorists. The details focus on high accident areas or where the Department has received resident complaints. In addition, the Traffic Safety Unit deployed the speed board 70 times and conducted 26 traffic studies. The Department also responded to almost 650 traffic accidents, and deployed bike patrols close to 50 times during the summer months.

Total appropriations for police services in 2024 is \$11 Million, which includes a 3.5% wage increase in accordance with the current Collective Bargaining Agreement between the Township and the Northampton Police Benevolent Association. The wages and benefits provided to our officers are competitive with other police departments in the region.

Fire Protection Services

The Northampton Township Fire Department is currently comprised of 22 paid firefighters supported by a small and shrinking number of volunteers, which classifies it as a “combination” Fire Department. The Richboro station operates one truck on a 24/7 schedule. The Holland station is currently operating with an all-volunteer crew; however, the proposed 2024 Budget includes funding to hire 16 additional paid firefighters. These new employees are scheduled to begin service in September. This will allow the Township to staff the Holland Fire Station on a 24/7 basis and ensure a timely response from both stations to any emergencies.

Paid firefighters not only provide a rapid response time but a readiness to respond in emergency situations. The Township’s 15,000 properties, 40,000 residents, and 26.5 square mile area requires these two locations to be staffed to provide appropriate and timely emergency response. A stated goal is to have a fire truck “on-scene” in approximately 5 minutes from dispatch.

The construction of two new Fire Stations in Richboro and Holland, in addition to the new Police Station in 2019, further demonstrates a commitment by the Board of Supervisors to fulfill their obligation to public safety in the community. The Township was fortunate to receive \$3 Million in Federal funding for these projects.

The Township began the design process to replace two of its three fire stations in 2020. The existing stations were constructed in the 1960's and were not equipped with facilities to accommodate a full-time Fire Department. There were no sleeping quarters or locker rooms, no facilities for female firefighters, and no equipment to protect firefighters from exposure to the hazardous substances that are normally found on fire-fighting scenes. The buildings were also non-compliant with ADA requirements. The new Fire Stations are designed to address all of these issues and can now accommodate hosting Public Safety Programs for our residents, such as CPR and first aid training, fire safety training, car seat installations, and a host of other community-based programs. The Richboro Station is also designed to be the Township's Emergency Operations Center (EOC) during major emergencies such as severe weather events.

Additionally, both facilities will have designated space for Emergency Medical Service (EMS) ambulance units and EMS personnel. This is particularly important in Holland which does not have a dedicated facility for the Township's current Emergency Medical Services provider, the Tri-Hampton Rescue Squad.

By design, all Fire Department personnel are trained Emergency Medical Technicians (EMT's), in addition to their training as Firefighters, and often respond to medical emergencies. While these employees cannot provide certain higher levels of care to patients, they can often be first "on-scene" to perform initial patient assessments, stabilizing care, and sometimes immediate life-saving activities. This provides an additional level of coverage and service to the community.

The Fire Department is currently operating from the former Police Department Headquarters in Richboro and will occupy the new Richboro Fire Station in January 2024. Occupancy of the new Holland Fire Station will follow shortly thereafter. Both stations are designed to provide 24/7 emergency services to the community.

The cost for fire protection services was \$2.14 Million in 2022 and is estimated to be \$3.4 Million by the end of 2023. This cost will increase to approximately \$4.84 Million in 2024, and an estimated \$6 Million in 2025. These services will require additional tax revenue now and in the next several years before costs begin to stabilize. The average cost to homeowners will be approximately \$400 per year, or a little more than \$1 per day for this critical public service.

Emergency Medical Services

The Tri-Hampton Rescue Squad is the Board designated emergency medical services provider in the Township, operating from facilities in Richboro and Feasterville. Tri-Hampton provides this service on a 24/7 basis, with a dedicated paramedic ambulance unit in the Richboro station. Emergency medical services to certain areas in Holland are provided with a dedicated paramedic ambulance unit in Holland, Monday through Thursday, from 12pm to 6pm each week, and from either the Richboro or Feasterville station during the remaining hours.

In January 2023, Tri-Hampton unilaterally increased the hours for a dedicated unit in Holland to 7-days each week from 8am to 12am using American Rescue Funds it received from County Government; however, these funds will be exhausted by year end, and Tri-Hampton has advised the Township that it will revert to the former schedule for a dedicated unit beginning January 2024.

Recognizing the need to improve service, Board members have expressed support for additional appropriations to provide a dedicated paramedic ambulance unit at the new Holland Fire Station from 8am to 8pm, 7-days per week. This time period correlates with the busiest call volume in the Township for emergency medical calls. Going forward, the Board is committed to providing a dedicated ambulance unit in Holland on a 24/7 basis.

Tri-Hampton Rescue Squad transitioned from a volunteer organization to full-time paid staff in the early 1990's due to a lack of trained volunteers. The paramedics and emergency medical technicians (EMT's), working as full-time employees are required to have extensive medical and first responder training. 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.

The Tri-Hampton Rescue Squad is a private, non-profit entity. Like many similar Emergency Medical Service agencies, Tri-Hampton has had difficulty in recent years with employee retention because of low wages, the inability to provide competitive benefits, and high turnover among its trained medical professionals, particularly during the pandemic. With increased funding from the Township in 2020 and 2022, the organization has stabilized its workforce, but concern remains that the current model is not sustainable.

The Board of Supervisor's goal is to provide dedicated Emergency Medical Services (Paramedic and EMT's) on a 24/7 basis from both the Richboro and Holland Fire Stations. Future budget proposals will advance this goal.

The Township currently contributes \$436,000 annually to Tri-Hampton from a .75-mill real estate tax. This equates to \$10.85 per resident per year, and a property assessed at the median value of \$39,000 pays just over \$29.00 annually for emergency medical services. The proposed 2024 Budget includes a 1.25-mill tax increase to fund increased hours for a dedicated paramedic ambulance unit in the new Holland Fire Station. This will increase the annual amount paid to Tri-Hampton Rescue Squad to just under \$1.2 Million annually.

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 183-mile road system, 97 miles of storm sewer piping, 5,100 stormwater inlets, 125 detention basins, 220-acres of developed park property, and 500 acres of open space. The Department also maintains 19 buildings, almost 100 licensed vehicles, and various types of construction equipment. The Department operates with 30 full-time employees, including 3 mechanics, and 8 seasonal workers.

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 surfacing as part of its road maintenance program. This process involves the application of material designed to extend the life of roads in good condition to seal the road surface and minimize cracking and potholes.

The Board of Supervisor's stated goal is to pave and/or micro surface approximately ten road miles of the road system each year. This assumes an average 20-year life expectancy for paved surfaces. The Department performs storm sewer inlet repairs prior to resurfacing a road. The program is partially funded by a State allocation of motor fuel taxes distributed by PennDOT to local agencies. The amount of this allocation fluctuates annually based on fuel consumption by the motoring public.

The annual road maintenance program is developed using a technology called RoadBotics. The process uses advanced photographic imaging of the entire road system, with road segments assigned condition ratings of 1 to 5. The service has been a valuable tool in identifying the highest priority roads for paving and micro-surfacing.

The proposed appropriation for paving and micro-surfacing in the 2024 Budget is \$1.65 Million that includes \$548,000 from the Township Road Maintenance Fund and \$1.1 Million from the Highway Aid Fund. There is a proposed 0.5 mill tax increase in the Road Maintenance Fund to support these services. The Township will improve just over 10 miles of the road system.

In addition to road maintenance, the Department also maintains nineteen different Township facilities including the Administration Building, Police Station, Library, Senior Center, and its own Public Works buildings. These services include roofing and HVAC maintenance, cleaning, ground maintenance, and most repairs. When the new fire stations are occupied in January 2024, the Department will assume maintenance responsibility for those facilities.

The Parks Maintenance Division in the Public Works Department performs all maintenance work in the parks and recreation facilities. This includes building maintenance, mowing, trail repairs, snow removal, lighting systems, and repairs to basketball, hockey, and tennis courts. The numerous sports leagues in the Township assume most field maintenance responsibilities.

Waste Collection and Disposal Services

The Township has four separate contracts for its solid waste management program. These include collection and transportation services, trash, recycling and yard waste disposal. Whitetail Disposal currently provides collection services for \$5.4 Million while Waste Management provides yard waste disposal for \$171,000, and recycling material disposal for \$188,000. Household trash disposal services are provided by Win-Waste, Inc. for just over \$1 Million.

Whitetail Disposal began waste collection and transportation services in January 2023. The company provides automated collection to approximately 10,600 households and manual service to another 2,400 households. Automated collection reduces manpower requirements, improves the visual appearance of neighborhoods, minimizes spillage, eliminates the problem of empty trash containers being placed in front of driveways or thrown into the street, and reduces employee injuries. The manual service to higher density residential developments will eventually be converted to automated collection due to cost and increased efficiencies.

Household trash, recyclable materials, yard waste and bulk items are collected weekly. Yard waste is collected separately from household trash between April 15 and December 15 each year.

The current contract with Win-Waste for household trash disposal expires on December 31, 2023. The new contract for the next 5 year period will save the Township just under \$517,000 over previous projections.

The current rate for trash, recycling, and yard waste collection and disposal is \$575 per year per household. Based on the new collection contract with Whitetail Disposal, and the projected increase for the three disposal contracts, the fee is not expected to increase until 2028, which coincides with the term of the current collection contract that expires on December 31, 2027.

Parks and Recreation Services

The Parks and Recreation Department provides countless recreation and program opportunities for the community each year. It is also responsible for coordinating maintenance of the 220-acre park system with the Public Works Department that includes both active and passive facilities.

Participant recreation services in the Park and Recreation Fund are fully supported by program fees, while park maintenance and administration services are funded by a special levy tax for parks and recreation.

The Department offered over 900 different programs throughout the year with more than 740 children between the ages of 6 and 15 enjoying the summer camp program. Several thousand people participated in special events like the summer concert series. In addition, the Department operates a State-Certified pre-school program.

Program revenue increased by 29% this year, making 2023 the first year that revenues reached pre-pandemic status, exceeding 2019 program revenue by 11%. Total program registrations for the year are expected to reach 15,000, a 5,000 registrant increase from 2022. Summer Camps comprised 51% of total program revenue, with other programs and preschool services comprising 36%. The remainder came from special events, field and facility rentals, swim club memberships, and lessons.

This Spring, the Department began programming the Senior Center on Monday through Thursday evenings, generating more than \$30,000 in increased revenue since April. The Department also increased programming fees this Fall and adjusted its 70/30 split for instructor payments to a 65/35 model. In 2024, an increase in summer camp fees and projected total camp participation will push total camp revenue to over \$1 Million. The increase will help offset the significant rise in hourly compensation necessary to attract talented seasonal staff at competitive rates. In addition, the increase will assist with the rising materials cost for camps and programs.

In 2023, programs and camps were operated from the Recreation Center, Welch Elementary Gymnasium, the Municipal Park, the Senior Center, the Library, the Community Room at the Fire Station in Churchville Road and three elementary schools through cooperation with the School District.

Wear and tear on recreation amenities and lack of programming space remain the biggest challenges for the Department.

Library Services

The Free Library of Northampton Township is a hub of community activity and serves residents of all ages. It operates with a budget of over \$1.4 Million and is supported primarily by a real estate tax of 1.73 mills. It is open 7 days a week except in the summer months and is expected to be visited by approximately 140,000 patrons this year.

The facility offers more than 400 different programs for both adults and children. These include a summer reading program, kids coding classes, book club activities, and art events, and quiet test proctoring for remote students to take tests, which has provided test proctoring for 218 test takers so far this year, doubling the participant rate from 2022.

The library also offers digital training through a 12-unit computer lab in partnership with the Parks & Recreation Department and started a new "Book A Librarian" program where residents can schedule a 60-minute one-on-one session for technology assistance. So far, over 70 participants have used this service with booking reservations exceeding a 60% rate.

In addition, the library partnered with Bucks County's "Welcoming the Stranger" organization to provide a comfortable location for their Fall session of ESL (English as a Secondary Language) classes. Students meet for 90 minutes two times each week with an average of 14 people per class. Their very first class of students represented 10 different countries - Peru, Belarus, Ukraine, Korea, Georgia, Colombia, Afghanistan, Russia, China, and Moldova. They are scheduled to meet at the library in the future for both Winter and Spring sessions.

Volunteers donate more than 2,000 hours annually with more than 55% of those hours provided by teens. The library also partners with Tyler State Park to host a gardening series, and new adult programs are continually added to maintain the Library's PA Forward Gold Star status.

To serve its patrons, the library has the largest collection of materials in the County with books, periodicals, videos, e-books, audiobooks, newsprint, and magazines and e-resources. The collection is updated monthly.

This year the Library Board completed a 3-year Strategic Plan that established measurable goals for library services in the future. The Plan was recently adopted by the Board of Supervisors and will be updated in 2027.

Senior Center Services

The James E. Kinney Senior Center is perhaps the busiest of the 13 centers in the County with almost 1,000 members. The Center offers a full calendar of interesting activities and events to serve the Township's senior population. These include organized activities such as bus trips, exercise programs, card games, billiard and bocce tournaments, arts and craft programs and other seasonal events. Attendance at these activities increased this year with an average participation rate of over 110 people each day.

The Center operates with 3 full-time employees and a host of volunteers. It is supported by a \$335,000 allocation from the Township, and revenue from bus trips, facility rentals, social events, and dues. The Center also partners with almost 50 local businesses to support its operations. Membership is \$25 per year which includes a monthly newsletter and participation in "member only" events.

Total appropriations for the facility next year are \$464,000. The Center recently expanded its partnership with the Parks and Recreation Department and Library for senior programming. This arrangement allowed for evening hours at the facility.

Capital Appropriations

Capital appropriations can be divided into two categories: Infrastructure improvements and equipment replacements.

Infrastructure improvements are largely funded by grants whenever possible, with the Township paying for the cost of engineering design and any matching funds required by grant programs. Capital equipment replacements such as police and fire vehicles, public works trucks and construction equipment, HVAC system replacements, and other facility improvements are fully funded by the Township.

In 2024, the Administration recommends deferring \$1.7 Million in capital improvements and equipment replacements and is not proposing a capital equipment replacement loan due to the current interest rate environment.

There are numerous infrastructure improvements still in the design phase and others currently under construction. Here is a brief description of the more significant projects:

Transportation System Improvement Projects in the Design Phase

Township Road Extension and Roundabout Construction

This project involves a realignment of Township Road southbound to intersect at Second Street Pike and Bustleton Pike. It also includes the construction of a Roundabout at the intersection, and the relocation of a new public parking area to replace a portion of the public parking lot located behind the Rescue Squad building. A portion of this parking lot will be used for the new alignment of Township Road.

The Township completed preliminary engineering design in 2022 and received a State Highway Occupancy Permit following acquisition of all rights-of-way needed for construction. The total cost for this engineering design phase was \$580,000, which was partially funded by \$425,000 in grants and developer contributions. The project has now been turned over to PennDOT for final engineering design and construction with no further financial obligation by the Township. Construction is planned in 2025. The estimated project cost is \$7 Million.

Streetscape Improvements in Holland

This project will re-align the intersection of Buck Road and Old Bristol Road at a 90-degree angle, add dedicated left turn lanes on both roads, and replace the traffic signals. In addition, a new bridge will be constructed over Mill Creek to allow greater vehicle stacking in the left turn lane westbound on Buck Road to improve traffic conditions. Finally, the eastern portion of Buck Road from Chinquapin Road eastbound to Old Bristol Road will be improved with sidewalks and decorative streetlights. PennDOT has confirmed that the road will be open to traffic during construction, but delays should be expected.

The Township completed preliminary engineering design in 2021 at a cost of \$460,000, and PennDOT has assumed the cost of final engineering design and construction which is planned in 2025. The estimated project cost is \$15 Million.

Iron works Creek Sidewalk Installation

This project will install sidewalks on Second Street Pike between Tanyard Road and Crossroads Plaza Drive, and includes a pedestrian bridge over Iron Works Creek. It will complete sidewalk connections from Manor Drive to Tanyard Road through the Village of Richboro.

The Township completed preliminary engineering design in 2021 at a cost of \$230,000 and obtained an \$893,000 grant for construction. This particular grant program requires PennDOT to publicly bid and oversee project construction which is anticipated to begin in early 2025.

Richboro Sidewalk Installation Project (Phase 2)

This project is an extension of the Phase 1 Sidewalk Project completed along 2nd Street Pike in 2022 with a \$500,000 grant from PennDOT's Multi-Modal Program. Phase 2 includes sidewalk extensions along Temperance Lane, Bustleton Pike, Tanyard Road, and Almshouse Road that will connect with existing sidewalks in neighboring developments.

The Township has applied for a PennDOT Multi-Modal Fund Grant to install these additional sidewalks and is requesting \$1 Million to complete Phase 2 of the plan. The Township has also requested a waiver for any local matching funds, which is allowed under this grant program. A decision on the grant application is expected by year-end.

Trail Construction along Newtown-Richboro Road

There are two proposed projects to construct pedestrian trails along Newtown-Richboro Road.

The first project involves construction of a walking trail from St. Leonard's Road to Tyler State Park. The trail would connect to the Park using 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 and permitting at an estimated cost of \$225,000 is underway, and the Township received an \$825,000 grant for construction, which is anticipated to begin in 2025.

The second project involves construction of a walking trail from Rock Way to St. Leonard's Road that will connect to an existing sidewalk to the west. The Township was awarded a \$500,000 grant from DCED to construct this trail extension.

These trail projects will be publicly bid together as one project once engineering design is complete. Project construction is planned in 2025.

Traffic Signal at St. Leonard's Road and Newtown-Richboro Road

A traffic signal warrant analysis was completed by the Township Traffic Engineer that supports construction of a traffic signal at this intersection. Engineering design is underway, and construction is expected in 2024. The engineering design will be coordinated with the trail projects to ensure proper pedestrian signal installations as part of the traffic signal project.

Pedestrian Crossing Signal 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, signage, and a walking trail from the intersection to #1 Trail Lane in Tyler State Park. The lane connects to the Civic Center trails system.

A field scoping meeting with the PA Department of Conservation and Natural Resources (DCNR) and Tyler State Park officials was held last year to review existing conditions, and engineering design will begin next year. The estimated project construction cost is \$165,000 with engineering design at \$30,000.

Jacksonville and Almshouse Road Roundabout

This project involves the construction of a single-lane Roundabout to improve traffic flow and eliminate the current backup conditions at the intersection. The existing traffic signal will be removed as part of the project that also includes stormwater improvements to reduce the potential for flooding.

The Township originally submitted concept plans to the Bucks County Planning Commission and the project was subsequently included on the State Transportation Improvement Plan (TIP) for State funding. PennDOT is current in the preliminary engineering design phase and expects the project to begin construction in 2024. The estimated project cost is \$3.5 Million. The Township's investment in concept plans was approximately \$35,000.

Traffic Signal Improvements

The Township has been successful in obtaining grants each year from the PennDOT Green-Light-Go (GLG) and Automated Red-Light Enforcement (ARLE) Programs for traffic signal system improvements. This includes camera systems that trigger signal changes, emergency pre-emption, dilemma zone detection, pedestrian crossing activation systems, and modern signal controllers.

The Township recently completed upgrades to the signal at Second Street Pike and New Road with a \$147,000 grant and was awarded a \$152,000 grant for signal improvements at Bristol and Hatboro Roads, and at Bristol Road and Churchville Lane/Bustleton Pike. The Township was recently awarded a \$352,000 grant to improve traffic signals at the intersection of Buck Road and Middle Holland/Stoneyford Road. The Township typically has a 15% to 20% required match for these grants.

While these signal improvements are not generally visible improvements, the public may notice that our traffic signal systems are functioning efficiently and are traffic responsive. All of these projects improve pedestrian and motorist safety at signalized intersections.

Public Facility Improvement Projects

New Fire Stations

Construction is almost complete for Fire Station #3 in Richboro and Fire Station #73 in Holland. The projects are currently under budget but not completed on schedule. A significant schedule delay was caused by a severe weather related roof truss collapse at Station 73 that added 72-days to the construction schedule. Fortunately, the \$340,000 cost was insured.

The new fire stations will provide facilities for a growing paid Fire Department that includes facilities for full-time employees. The existing stations, now demolished, did not have facilities for full-time staff, particularly female employees, and lacked adequate ventilation and cleaning systems for a safe working environment. The Township issued municipal bonds in early 2022 to fund these projects at an estimated cost of \$32.7 Million.

Other Facilities

There are only a few facility improvements funded in the proposed 2024 Budget. These include replacing HVAC system at the Administration building and installing backflow prevention valves on several more of our buildings. This has been an on-going project required by the Municipal Authority to protect the water supply from contamination.

There are several costly improvements that must be completed in 2025. They include a new roof on the Senior Center, Ambulance Station, and Pro Shop at the Country Club. The Facility Maintenance Division in the Public Works Department is gathering cost information and vetting potential Co-Stars vendors for these projects.

There is also a need to replace HVAC units at the Pro Shop and Banquet facility. The Township recently secured a \$76,000 Federal Grant that can be used for a portion of this work, with no matching fund requirement.

Park System Improvements

The Township completed construction of an all-inclusive playground at Municipal Park in 2022, and sunshades were installed this year at a cost of \$105,000. The project was a joint venture with the Miracle League of Northampton Township. The project expanded and renovated the existing playground for use by children of all ages and abilities. The Miracle League contributed \$300,000 toward the \$750,000 project cost and the Township received \$375,000 in grants toward the construction. The playground structure was put together with volunteer assistance.

In addition, the tennis courts at the Recreation Center were resurfaced and relined this Fall, allowing for safe play of tennis and pickleball.

Finally, the Department completed a recreation needs assessment in 2022 to address the current deficit in developed playing fields for soccer, football, and baseball. Based on the study results, a Recreation Planning Consultant was retained to prepare concept plans to develop the township-owned 39-acre parcel on Hatboro Road. The concept plan was presented to the public at a Recreation Board meeting this past Spring; however, the Township did not receive a \$250,000 grant to help fund the first phase of the project and will re-apply next year. Phase 1 of the project is estimated at \$2.1 Million.

The concept plan also includes an expansion of the Recreation Center with a new pool facility to replace the 60-year-old structure at the Country Club that is used for summer camps and the swim team. The Master Plan expands and re-allocates facilities and will guide redevelopment of the Park System in the future.

Due to limited funding, the resurfacing of the existing hockey rink and basketball courts at Municipal Park was not included in the proposed 2024 Budget, but these facilities do need attention. The Administration will be looking at ways to make short-term repairs next year under the maintenance budget and determine how to best fund the estimated \$580,000 cost for new surfaces in 2025.

Total appropriations for Parks and Recreation capital expenditures is \$63,000 in the proposed Budget, with \$22,000 allocated to replace the HVAC unit at Wetzel Pavilion.

Equipment Acquisitions

There are few appropriations in the proposed 2024 Budget for equipment acquisitions next year. There is no proposal to borrow for these items in 2024 due to higher borrowing rates and the unpredictability of available equipment. We are essentially taking the year off which will allow the Township to pay down existing loan balances, and plan appropriately for 2025.

The proposed 2024 Budget does include the acquisition of several important pieces of equipment that can be purchased outright. These include two vehicles for the Police Department, a lease buy-out for the Planning and Zoning Department, and an F-600 dump truck for the Public Works Department. There are also installment payments budgeted for new police body cameras and in-car cameras acquired in 2023, and an allocation for ballistics vests that are on a 5-year replacement program.

It is important to maintain our vehicle fleet in good operating condition, both for the safety of our employees and to minimize maintenance costs, and the Township uses its 10-year capital plan as a guide on when vehicles should be replaced.

The total appropriation for equipment acquisition is \$352,000.

Real Estate Taxes

The total Township real estate tax levy will be 28 mills if the budget is approved as presented. For a property assessed at the median value of \$39,900, the total annual real estate tax is \$1,118 or \$93 per month for all Township services. The tax millage is allocated to the Operating Funds as follows:

Administration, Police, Zoning & Public Works Services	11.40 mills
Fire and Emergency Medical Services	5.00 mills
Library Services	1.73 mills
Parks and Recreation Services	2.20 mills
Road Maintenance Services	1.00 mills
Public Works Equipment	0.57 mills
Debt Service	6.10 mills
<hr/>	
	28.00 mills

Township taxes are approximately 12% of the total real estate tax bill and support all local government services.

Conclusion

The proposed 2024 Budget reflects the goals established by the Board of Supervisors in providing outstanding public service to Township citizens. These goals prioritize public safety, economic development, good roads, a park system that provides opportunities for people of all ages and abilities, a library filled with valuable resources for learning, open spaces, and a country club where residents can enjoy golf, great food, and make lasting memories.

This proposed Budget emphasizes the importance of public safety and the Board's commitment to the expansion of our fire services, with the construction of two new fire stations and a 24/7 paid staff at each of these facilities in order to protect the public.

In addition, projects to promote economic revitalization of our commercial districts are on-going, with three projects funded by the PA Department of Transportation at an estimated cost of \$27 Million. These include a roundabout at Bustleton and Second Street Pikes, a roundabout at Almshouse and Jacksonville Roads, streetscape improvements in Holland, including a new bridge over Mill Creek, new sidewalks and trails that connect neighborhoods with the business community and park system, and signal improvements that minimize traffic congestion and improve motorist safety. These improvements promote business development and increase our tax base.

Our police, fire, and emergency medical agencies, public works department, parks and recreation department, library, and senior center continue to provide outstanding service to the community, and the Township reputation as a premier community in the region is unquestioned.

The preparation of this Budget is a collaborative effort involving the Board of Supervisors, Department Directors, and Township staff, working every day to provide outstanding service to the citizens of Northampton Township. It is the single most important policy document adopted by the Board each year.

I would like to express my appreciation to the Board of Supervisors for the many hours that they have dedicated to the budget process, with special recognition to Finance Director Julie Narisi, and staff Accountant Alex Nagy for their exhaustive efforts in developing the budget document.

The proposed 2024 Budget is a valuable tool in making important decisions impacting Township residents in the new year. The Budget continues the high level of service our residents expect 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 budget for Board consideration.

Respectfully submitted,

Robert M. Pellegrino
Township Manager