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January, 2019

Board of Supervisors
Limerick Township

The 2019 approved Limerick Township Budget is respectfully offered to the Board of Supervisors and the residents of Limerick Township. The Budget is balanced across all funds with revenues and expenditures totaling \$28,476,433. The Final Budget was approved on December 18, 2018 and does not propose any increase in Real Estate Taxes, but does include the use of reserve funds in the amount of \$65,588 to balance the General Fund. The approved 2019 Budget is reduced significantly from the previous year 2018 Budget, by 16%, primarily due to the elimination of all sewer related operations with the sale of the sanitary system to Aqua Pennsylvania in 2018, and the completion of ongoing capital projects.

2019 objectives approved in the Budget focus on the core services Limerick provides to the community - police, public works, fire and emergency service, and parks and open space. Long-range capital planning under way for several years will continue in 2019. Projects completed to date include the construction of a new public works facility in 2015, Limerick Fire Company station in 2017, and the municipal/police building which was dedicated on October 27th of 2018. All were significant milestones, but the long-term capital program sets forth additional objectives that must be addressed in order to meet the needs of this growing community over the next several decades. One such proposed project will be the reconstruction of the Linfield Fire Station to address the growing demands for service in the portion of the township south of the Route 422 bypass. It is also expected that additional support to the fire service will be required as the growth of the township continues to strain the all-volunteer force. Additionally, EMS organizations which serve Limerick Township are asking for financial support as they struggle with declining medical reimbursements.

The 2019 Budget also includes grant applications and matching funds to fund a portion of design services for Phase One of the new Master Plan for Limerick Community Park. The new Master Plan, finalized in 2018, provides a fresh look at the entire Community Park with options on where to best locate a community center and enhance recreation activities for all residents. A full build out of the park is anticipated to take upwards of ten years, with a strategy that looks to leverage grant monies to offset improvement costs.

In 2018, the Board adopted Resolution 2018-37, establishing an Investment Strategy for Investing the Proceeds of the Sewer Sale. The basic goals of this strategy are to use the sale proceeds to eliminate all township debt, invest the remaining funds for future capital projects, and to reduce the burden on real estate taxes. Toward this effort, the 2019 approved Budget provides for the use of investment income earned on the remaining sewer sale proceeds to offset the increasing need for real estate taxes.

As has been the practice of every annual budget for the past 14 years, the 2019 Budget is centered on the principles of the Limerick Township Business Model established in 2006. The core objectives noted below have assisted with the establishment of a very strong financial foundation, while meeting increasing demands for services, and maintaining below average real estate tax rates, as compared to all 62 municipalities within Montgomery County. It is important to note these core objectives of the Business Model have remained unchanged since 2006:

- 1. Improve efficiencies and reduce costs without a reduction in the level of services**
- 2. Seek alternate non-tax revenues to lessen the tax burden of existing residents**
- 3. Institute long range planning to properly position Limerick for the next phase of growth**

An additional positive benefit that has arisen from a strict adherence to these principles has been a consistency of leadership from the Board of Supervisors. All Board members who have served over the past 13 years have recognized the sound strategy of the Business Model and supported a continuation of initiatives which follow its guiding principles.

As 2019 budget discussions began last fall, and with the completion of several large-scale capital projects behind us, it became apparent that a revised long-range focus should be an objective for 2019. While the overriding strategy of the Business Model will continue, it is a good time to step back and review the strategy to ensure the same effort and direction is provided moving forward. There is a desire not to rest on the success we have achieved but instead, revisit and revise the long-range capital program to ensure goals are still relevant with the changes that have occurred in the township since this effort began back in 2006. Township staffing within all departments has expanded and the culture within the organization must also adapt to accommodate our newer work force and the ideals that they bring to the team. As many long-standing department heads move into the later stages of their employment years, succession planning is also imperative so future managers are provided the proper training to guide the township and address the needs of a new generations of residents.

These strategies, along with all goals and objectives of the 2019 Budget, will be reviewed in more detail later in this report. However, it is important that we first review 2018 and how it affected the 2019 budget structure. The Board and community should also be reminded that as we have done routinely in the past, the administration is poised to monitor the Township's financial situation very closely and adjust operations if warranted.

2018 Review and the Budget Process

A municipal budget provides the framework by which the organization operates over the course of the fiscal year. As such, the process by which a budget is formulated transcends the basic year-end approval process set forth within the Second Class Township Code. Work on building the 2019 Budget started in January 2018 as the administration began to analyze all township operations against current budget projections. A municipal operation is dynamic in nature, and as such, the Second Class Township Code allows for changes to the adopted Budget throughout the year. During 2018, the Board approved four Budget Amendments. The administration has

found that periodic amendments provide the Board an ideal method by which they can monitor the performance of the township against the goals and objectives of the original annual budget. The primary focus of 2018 was centered on the ongoing construction of the new municipal complex and sale of the sewer system to Aqua. While other departmental programs and projects were undertaken during the year and will be discussed in further detail, the municipal building and sewer sale were the primary focus of senior management. The success of these two projects was critical in order to advance future year capital programs.

Fortunately, the sale of the sewer system came to a successful conclusion in July and the Township received the \$75.1 million dollars from Aqua, the highest bidder for the system in 2016. With receipt of these funds, the Board approved an investment strategy in order to protect the funds so benefits can be realized for the next few decades. The police and administration re-established operations in the new building on August 15th and the Board held a formal dedication ceremony on October 27th.

The investment income from the sewer proceeds monies, along with positive budget revenues and ongoing efforts to lower operational expenses, eliminated the beginning year operational deficit. The elimination of this deficit has occurred for the past several years and demonstrates the strength of the township's financial structure and the administration's effort to adhere to the Business Model. The following reviews cover these important achievements along with many other projects and programs undertaken during 2018.

2018 Budget - Operational Deficit

The Re-opened 2018 Budget approved on January 15th, noted an operational deficit of \$841,090. A true reflection on the health of a municipality's financial structure is depicted by way of budgetary deficits but more importantly, how a deficit is addressed. While projected growth in revenues can be estimated when budget projections are established, many variables can occur during the course of the year which affects tax and development revenue in either a positive or negative manner. The beginning year 2018 deficit was based on several factors such as operational cost increases which occur from year to year. It is estimated that Limerick's normal cost of operations increases approximately 4-6% each year. Contributing factors include police contractual items and staff salary increases along with increases in medical benefits, liability, and workers compensation insurance rates.

A significant contributor to this 2018 deficit was the unknown timing of the sale of the sewer system. The Board has held off on tax increases over the past several years to fund capital program costs because of the investment returns expected from the sewer sale proceeds. When the Board originally approved the start of the long-term Capital Program in 2014, it was anticipated real estate taxes would be increased incrementally to cover costs as each project phase was completed. When the sale of the sewer system became a reality in 2016, one such project, the new municipal building, commenced with the knowledge sewer proceeds monies would be available to offset the need for new taxes. When it was determined that the final approval of the sewer system would not be completed by the end of 2017 as anticipated, the 2018 Budget had already been approved and did not include any budget for sewer operations or capital. The initial 2018 deficit was \$529,980, which increased to \$841,090 when the Budget was re-opened in January to reestablish sewer operational funding. Not knowing when the

sewer sale would take place, an effort to keep this deficit in check was a major focus of the administration during the year.

Operational deficits are funded with use of reserve funds and while this practice may be prudent in the short-term, it is not a responsible practice. If the deficit is not reduced during the year, then future year deficits will be compounded and require a higher use of reserves. Reserve funds should be held for rainy day or emergency situations and proper budgeting and management efforts should not rely on them to balance annual budgetary deficits. Prudent municipal management should be centered on the practice that ongoing township operations should be funded with recurrent tax revenues streams. The age-old question that is faced by all governmental units who ask their constituents for new taxes is, has the municipal operation done everything to eliminate waste, reduce costs, and improve efficiencies before new taxes are sought? Limerick is able to confidently state that this has occurred and can point to the long-standing Business Model, which state these very principles.

A primary reason why the Board approved the sale of the sewer system was it would remove an immediate need for increased taxes to carry out the long-range capital programs. This objective was realized by the end of 2018 when it became apparent that the net investment proceeds from the sewer sale completed in July, had earned approximately \$600,000 in investment income, of which \$470,000 was used to eliminate the remaining deficit. In conjunction with the investment monies, positive budget management was able to reduce operational costs and all efforts contributed to not only an elimination of the original deficit, but a year end surplus of \$200,000. This endeavor will provide benefits for many years to come if a majority of the sale proceeds of approximately \$58 million in reserve at the end of 2018, are protected and used to offset any need for increasing taxes.

It should be noted that the General Fund surplus was transferred to the Capital Equipment Fund used to purchase all trucks and equipment approved during a particular budget year. This transfer of surplus funds has been a policy of the Board since 2008 when the economic downturn required a change in reserve funding practices to accommodate reduced revenue streams. The continued strength of the township financial structure was reaffirmed with this year-end surplus and strengthened the confidence of the Board and management that long-standing business strategies are correct and can be continued in 2019 and future year budgets.

Sewer Sale-Use of Proceeds

The sale of the sewer system was a significant undertaking and the Board understood the long-term implications it would have on the township. With informal discussions beginning in 2015, positive benefits were discussed leading the Board to begin the formal bidding process in 2016. Based on the results of the bid, an approval of an Asset Purchase Agreement with Aqua was in place by November of that year. For the next 19 months, the township worked through the PUC approval process which concluded with the closing on the sale of the system in July of 2018. As has been already detailed in this report, a long-term capital program was established in 2014 and centered on the need for additional taxes to fund the projects aimed to address increasing calls for service. The Board held off on planned tax increases to cover the capital programs as the \$75.1 million sale would enable an alternate funding method, instead of a reliance on tax revenues.

To ensure the benefits of this approach for future generations of Limerick residents, the Board approved Resolution 2018-37 in October, establishing an Investment Strategy that stated the following Township facts and principles:

- Limerick Township has established strong financial practices that have enabled it to maintain real estate tax rates in the lower half of all 62 municipalities in Montgomery County, and these practices further resulted in a ‘AAA’ Bond rating from Standard and Poor’s, a feat only a select number of local municipalities have been able to achieve.
- The Township continues to experience strong growth trends, increasing demand for services and thereby placing a strain on the annual budget.
- The Board of Supervisors is committed to providing the highest levels of service from the core Township departments which include Police, Public Works, Fire and Emergency Services, and Parks and Recreation.
- Limerick Township formulated a long-term capital funding plan to address the needs of the core service departments for many years.
- Long-range projections determined that the cost to fund these capital requirements for the core services would place a burden on the existing tax payers and cause real estate tax rates to rise, eliminating the below-average tax rates that have been the mainstay of this community for the past decade.
- The Board of Supervisors seeking options to lessen the growing burden on real estate taxes, elected to utilize the benefits of the new PA Act 12 which increased the benefits of selling a municipal utility system and in 2016, approved a public bid to sell the Township sewer system resulting in an award to Aqua, the highest bidder at \$75.1 million.
- The Board desires to establish an Investment Strategy for the proceeds of the sewer sale to ensure the monies will continue to provide long-term benefits for the community.

In response to these stated facts and principles, the following investment strategies were also incorporated into the approved Resolution:

- Reduction of existing Township debt
- Funds should not be used for general operating costs except for providing an income stream from interest to offset projected increased real estate taxes required to fund ongoing operations of the Township
- Invest the remaining sewer sale proceeds for future capital projects to maximize interest earnings while maintaining investments in accordance with Act 10 of 2016
- Funding for capital projects will be discussed and approved as part of the annual budget process

It must be noted that while the Investment Strategy provides a structure for the use of the funds, it also allows flexibility if future Boards’ should so determine that the monies are needed for other purposes. While the approved policy does not restrict future Boards’ desires, it would require at a minimum, public discussion before any amendment to allow the funds to be used for other purposes.

Police and Municipal Complex

The new police and municipal complex, one of the most significant capital projects this

township has undertaken, came to a successful completion in 2018. Discussion on the need for a new complex began in earnest in 2013 when studies began in conjunction with Limerick Fire Company then looking to rebuild their facility on Ridge Pike. A joint emergency management complex was envisioned which would have seen a combination police/fire complex built at the current Limerick Fire Station site. The site however, was found to be undersized to adequately accommodate both operations, and in turn it was decided to move forward with just a new fire facility. The focus then turned to the existing township site and several sketch plans were developed to determine how the existing complex could be rebuilt to accommodate all departments. Public Works and the Administration were included in this analysis and when a concept was agreed upon in 2014, it was decided the Public Works facility had the highest priority and would proceed first. When completed in 2015, the new Public Works facility met a goal of the Board to accommodate the needs of the department for the next several decades.

This same philosophy was incorporated into the design of the police and administration building commencing after completion of the Public Works project. Several sketch plans determined the best option to meet the 30-year needs of the entire organization was to knock down the existing structure and build a new two-story building in its place. This option also was found to be the least expensive, approximately \$1 million less than other concept plans.

With an overall budget of approximately \$11 million, bids were approved in late 2016 and work began in March of 2017 when the former facility was razed. The new facility was completed in July and staff moved from the temporary facility on South Limerick Road and re-established operations on August 15th. The Board dedicated the facility on October 27th when the community was invited to participate in a formal ribbon cutting and open house.

The facility was designed with the objective that it will serve the needs of the community for the next several decades. With a current police force of 30 sworn officers, and a building that can accommodate a department of 45, the administration can confidently state a major objective has been met. Attention to the project budget was also a priority. The design, while providing for the space needs of all personnel, did not call for high level architectural features which often drive up the cost of building projects. Instead the design specified common sense amenities along with modern technology to enable staff to work as efficiently as possible. Public Works completed a majority to all site work and in doing so saved the Township approximately \$250,000. Final project numbers noted the administration was able to bring the construction of the new facility in under the \$11 million budget at a final cost of approximately \$10,200,000.

Departmental Updates

Linfield and Limerick Fire Companies

Over the past several years, as the Township has worked with both fire companies to address their long-term capital and operational needs, an underlying goal of potentially merging both organizations began to materialize. To understand issues that other consolidated companies experienced, approximately two years ago both Limerick and Linfield began discussions with local departments that have successfully completed a consolidation. The positive feedback

received from these meetings, along with increased cooperative activities between both fire companies, led to a vote to merge both organizations in 2017.

After the merger vote, many tasks were needed to be accomplished during 2018 to complete this merger by the agreed upon deadline of January 2019. Discussions with the fire companies in late 2017 noted consolidation estimates of \$60,000 which included legal, rebranding, and administration costs to complete the merger. The positive long-range benefits of the consolidation were reviewed and the Board agreed to support the effort and approved a contribution of \$60,000 in the 2018 Budget to cover the merger costs. By mid-December, the department received notice that the merger was approved by the State under the name of Limerick Fire Department.

The Board also approved a change in the funding for the Volunteer Incentive Program (VIP) which has been in place for many years. The program, which provides a year-end monetary award to fire volunteers based on participation, has proven to be a positive recruitment and retention technique. The fire companies asked if the Board would support an increase in the township's annual contribution from \$20,000 to \$50,000. As other local fire departments continue to struggle with declining volunteerism, Limerick is fortunate that our local fire service enjoys a positive volunteer base. The all-volunteer force saves the local tax base an annual cost of over \$4 million by not requiring paid members. Noting a willingness to continue to support and maintain a volunteer force, the Board approved the VIP increase to \$50,000.

With the completion of the new Limerick Fire Station in 2017, discussion was anticipated for the next phase of the fire company long-range capital program, the re-construction of the Linfield station. Under discussion for several years as well, the need for a modern facility in the Linfield service area was an objective of the 2010 Township Fire Study. The Board re-affirmed their commitment to this project in a similar structure to the support offered to Limerick Fire and the construction of their new station. It was anticipated that design would be ongoing throughout 2018, but the demands of the consolidation limited any serious discussions. Based on the progress of the consolidation, a delay appeared to make sense as it would allow the design to be completed under the direction of the joint organization instead of individually with just the Linfield membership. The Fire Department noted a desire to start up design discussions in 2019 and based on this timeline, capital funding from the township should not be required until 2020 at a minimum.

An objective of the sewer sale was to pay off Township debt and after the settlement with Aqua in July, the Board instructed the administration to include the payoff of a large portion of Limerick Fire Company debt. However, the Board stated the payoff should not occur until after the merger is finalized. The administration will work with the consolidated company in 2019 to pay off the debt. By the closing months of 2018, it was apparent that the fire companies' operational budget would be approximately \$40,000 under budget. During budget discussions with the Board in late October, there was a request for a replacement fire rescue boat for \$9,100 as an emergency purchase because the existing boat was found to be beyond repair. Also discussed for the 2019 budget were IT upgrades of \$18,100 for the Limerick Fire Station along with a replacement of the second boat in the fleet for \$16,000. The Board approved the purchase of the two boats in 2018 with the surplus funds. All other capital requests would be carried over into 2019.

Police

2018 began with the officers working under a contract that expired at the close of 2017. Due to an oversight in which the bargaining unit did not meet certain deadlines, they lost their right to arbitrate therefore, issues of dispute from 2017 discussions remained unresolved by the beginning of 2018. Without an ability to seek arbitration, the bargaining unit opted to continue discussions in good faith with the Township. This positive approach resulted in a four-year agreement which the Board approved on February 20th. The new agreement provided annual increases of 3% retro-actively to January 1, 2018. A significant benefit in the new contract was the lowering of beginning-year salary for all new recruits hired after January 1, 2018. With rising salary and benefit costs, concern is growing with the long-term sustainability of the department and overall costs to the tax base. This new provision will assist the Township and begin to institute reasonable controls to the increasing costs of police salaries and benefits.

Over the past two years, the department completed a restructuring of leadership ranks which added new Sergeant and Corporal positions. A multi-year plan to increase the department to 30 sworn officers was also completed. With these endeavors finalized, the focus of 2018 was the move into the new facility and non-uniform positions to bolster administrative functions. The Board approved two new staffing positions for the department, an additional full-time administrative/receptionist and a part-time police specialist to assist with the detective unit. The full-time position was filled in time for the move into the new building but the part-time specialist remained open by the close of the year. Also purchased in 2018, was a Cellbrite software package which enables the detectives to scan cell phone data instead of having to send out to a third-party company. These now instant results are assisting with many levels of enforcement from traffic, crime, drug, and abuse issues. This purchase was subsequently reimbursed by a grant from Homeland Security.

Another major initiative completed was the deployment of an additional K-9, the second in the department. The new police dog was funded through accumulated donations from a local resident and business owner. An additional dedicated K-9 vehicle was added to the fleet through the Capital Equipment Fund.

As noted, the department moved into the new complex on August 15th along with the rest of the administration. This new building now provides the department with modern equipment and technologies to meet the growing calls for police service. The building can accommodate a force of 45 officers.

Public Works

The department's budget is split into two programs: Roads and Park Maintenance. With the continued growth of the township, all levels within this department feel the full impact of the increasing calls for service. The Board recognized the added road maintenance responsibilities attributed to recent roadway dedications as a result of new home development projects. With two more significant developments expected to dedicate their roads to the Township, a need for a new full-time position with the road crew was approved by the Board. The new position was filled by the summer months. Also approved was a highway budget of \$471,000 for road paving/maintenance projects which included \$175,000 for oil and chip resurfacing.

Approved capital equipment purchases included BAF fans for the shop at a cost of \$20,000, a new safety Scorpion truck mounted attenuator to be used during roadway projects, a replacement of a skid steer, John Deere road mower, F-350 pick-up truck with plow, F-550 dump with plow, and a tag along trailer. All purchases were funded from the Capital Reserve Fund.

No significant projects were approved for the park department in 2018. Long-term upgrades to the community park and an expanding trail network are expected to impact the department in the very near future. In 2018, the department began maintenance of the newly dedicated Kurylo Preserve Trail completed at the end of 2017. The crew spent considerable manpower on landscaping details for the new municipal complex to ready the building for the October 27th dedication. The Board agreed that additional park staffing will be required to maintain the new trails and municipal complex and directed that discussion be scheduled for the 2019 Budget.

2018 will go down in the history books as one of the wettest ever. Constant rain events continued to impact all levels of the department as playing field maintenance could not be kept on a normal schedule and storm drainage issues constantly altered road crew projects. An unforeseen issue arose late in the summer when a heavy rain and flooding event damaged a culvert on Trinley Road near the river and forced the closure of the road in this area. Pennoni Associates immediately began to work with the department on a plan to repair the culvert and it was found the damage was too severe to this very old structure and a full rebuild would be required. By the close of the year, the design was still ongoing and the project pushed into 2019.

Planning and Zoning

Several large-scale development projects received approval during 2018 which demonstrates the continued strength of the Limerick economy. The projects include:

- *Quigley Town Center* – this ten-year-plus project finally moved forward after several variations and received both preliminary and final approvals from the Board for the first phase of this project. The initial phase will be centered on a 300-unit retirement care facility including the construction of the Lewis Road/Swamp Pike connector road. This new alignment was approved with a traffic circle where Lewis Road and Swamp Pike will intersect. By the close of the year, grading permits had been issued to begin the E&S controls for phase one. Land Development escrows and agreements had not yet been issued nor had the plan been recorded. Also received in the final months of the year was a development application for phase two proposing 156 townhomes. Approval for this second phase is expected to be finalized in 2019.
- *Subaru Dealership Auto Park* – the Piazza organization purchased the Welsh Subaru dealership currently located on Ridge Pike in 2017. With this ownership in the local franchise, they immediately began to plan for a new facility in their auto park complex off Route 422. By the close of the year, all land development approvals were in hand and construction commenced.
- *Rothman, Linfield Corporate Center* – received all approvals in 2018 and began construction on an additional medical office building and surgical center across Keystone Boulevard from their current facility. As part of this project, Keystone Drive will be extended to the end of South Reed Road which will result in the portion of Reed Road through this new Rothman site to be abandoned.

- Jaquet Metals, Linfield Corporate Center – another project in this complex received final approval and began earth moving activities by the close of the year. The new almost 100,000 square foot facility will permit Jaquet to move their current operation from Pottstown into Limerick Township and the desired expansion will accommodate their growing client base.
- Force America, Linfield Corporate Center – currently operating out of leased space within the township, Force America wished to construct a new facility which they will own when completed. By the close of the year, all approvals were in place and the applicant was working to finalize construction permits; no construction had yet begun.
- Body Armour, Linfield Trappe Road – is a small-scale warehouse and manufacturing operation in the police protection industry. The lot purchased for this venture was approved many years ago and sat vacant, as its location and small size posed challenges. However, the local business owner, who started the Body Armour operation in his garage, sought a smaller commercial lot and this parcel fit their needs. The owner received all approvals and recorded the final plans for this 5,000 square foot facility. Construction is expected in 2019.
- Sukonik, Demcor subdivision – the Sukonik’s purchased an approved 54-lot single-family subdivision from the property owner and began discussions with the Township on the 14-year-old approved plan. They wish to make minor revisions to the plan and formal development applications are expected in 2019.
- Rouse Chamberlain, Weaver Tract – preliminary approval was granted to this developer for a 16-acre residential development at the intersection of Linfield Trappe and Royersford Roads. As of the writing of this memo, the applicant continues to work on easements and approvals from outside agencies and final approval of the plan is anticipated in 2019.

The 2018 Budget included a new full-time administrative position, part of a larger staff restructuring plan to accommodate the needs of several departments, and to coincide with a move into the new municipal building. The job description for the new position was centered on the need to continue to develop and manage the expanding GIS system. The GIS system now spans several departments and continues to provide concrete benefits to all. Chris Volpe, hired in December to fill this role, is a recent college graduate with a degree in the field. Chris will also assist with administrative functions of the department such as planning commission packets and correspondence. With this new hire, Tim Haas will move away from his administrative support to this department and refocus on his support to senior management.

Fire/Emergency Management

Staffing for this department was increased in 2017 with the addition of a new fire inspector and also an administrative assistant. No changes in the structure of the department occurred during 2018, but their focus was on a new residential rental inspection program approved by the Board. The purpose of this new program is an added effort to enhance property and code compliance issues throughout the township in an attempt to lower alarm and nuisance responses by our volunteer fire department. A decrease in the percentage of such calls was noted in 2018 and shows the overall departmental inspection program, which includes the commercial fire and life safety inspection program, is paying dividends.

Another important endeavor of the department, now that staffing is at proposed levels, is added attention to emergency management requirements. An updated Emergency Operations Plan was completed and approved by the County in 2018. The department also began added oversight of our local Emergency Dispensary Program which was under the control of the YMCA.

Lastly, an enhanced effort to assist the fire companies with their consolidation was a high-level priority. Although the fire companies were primarily responsible for the details of the merger, our desire was to ensure long-term township objectives were built into the consolidated department. These ideals are centered on the need for a continued focus to keep costs down, seek efficiency of operations, and ensure a consistent budget approach. As noted already in this report, a year-end approval of the consolidation by the State brought the merger to a successful conclusion.

Code – Construction Permits

Home construction began for the Lennar housing project once initial site work was completed in the early part of the year. By the close of 2018, 55 of the 79 new home permits were issued. A trail link, along Metka and Zeigler Roads which connects to existing trails in the community park, was also completed as a part of this project. This new trail provides a link to the Kurylo Preserve easement and trail completed by the Township in 2017, as well as to the Carriage Crossing community built by another developer and sitting adjacent to the Lennar project.

Country Club Views residential project adjacent to Spring Ford Country Club began construction in 2017 and continued into 2018. By the close of 2018, the code department had issued 60 of 84 construction permits for project.

By the close of the year, another long-standing residential project, which had been on the books for a decade, received all development approvals and began site work for a 68-unit townhome community. This project, to be constructed behind the 292-296 Ridge Pike commercial complex, will be known as Overlook at Creekside. Site work began in late 2018 and construction permits are expected to be issued in 2019. A two-year build-out is expected with completion in late 2020 or early 2021.

Commercial construction remains very strong as well and 2018 saw the issuance of several large-scale permits. They include the new Rothman medical office and out-patient facility within the Linfield Office Park. Grading permits were issued for a new Subaru dealership within the Auto Park complex, and a new Jaquet Metal manufacturing facility, relocating their Pottstown facility.

Due to the high level of permit activity, the department noted higher than budgeted permit revenues of approximately \$243,000 from the original 2018 Budget.

Parks and Recreation

An internal adjustment with staffing was completed when the move into the new building took place in August. Dawn Householder, who was serving as the township receptionist, officially transitioned to the Parks and Recreation Department. She has shown great skills with the public and with the parks and recreation events and it became apparent that she was a natural fit for

this department. An increase in staffing had been under discussion for several years as the department grew and provided added programs to the community. This change was proposed within the overall staff restructuring program approved by the Board for this budget year.

The department continues to achieve strong results from the summer camp program. As the program has grown over the years, continued discussion has taken place with the Board on finding a better space to hold the summer camp. The use of Brook Elementary is sufficient but School District issues continue to place limitations on any desired expansion of the camps. The Board recognizes the need for a community center and was discussed as a part of the 2019 Budget. Several new camps and programs were undertaken while we occupied the Teleflex facility. The new municipal complex does not have adequate square footage for many of these new camps and therefore staff continued to right-size all programs, and seek other venues such as the new Limerick Fire Station, as we transitioned out of the temporary facility.

Administration

The primary focus of senior management was centered on the completion of the sewer sale and new municipal facility. As noted in the review of several other departments, added staff positions brought increased duties for the Human Resources Manager. In addition, she assumed an expanded role assisting the Fire Marshal with personnel and budgeting related issues with the fire companies.

A major component of the overall staff restructuring plan approved with the Board was a position dedicated to Right-to-Know requests. In addition to her CDBG duties and administrative support to the Manager, Marcy Mancini began to focus on RTK duties in earnest in 2018. Once in the new building, she also assumed the duty of updating the file management system.

Lorraine, our long-time sewer billing clerk position realized the expected slowdown of duties once the sewer sale was finalized in July. Transitional billing and delinquent account issues continued to require her attention after the sale. Available time has allowed for her position to support general accounting and front desk duties.

A major objective of the sewer sale, reduction of debt, was realized when \$18 million of debt was retired in September. The balance of approximately \$58 million was invested temporarily in a PLGIT Account, in compliance with Act 10 requirements. Requests for proposals for investment management services of these funds, as well as general banking services, were issued in December.

Township Projects and Programs

Limerick Community Park Master Plan

The Township submitted two grant requests in 2016 of \$25,000 each to fund the anticipated \$50,000 Master Plan Study for Limerick Community Park. Only one grant was approved for \$25,000 and because of the importance of this study, the Board agreed to fund the balance of the project with General Fund revenues. With the funding in place and the RFP process for a

planning consultant finalized in late 2017, the study got underway in 2018 and was led by Township Planner firm of Simone Collins.

Several public meetings were held throughout the year and members of the Township's Streetscape and Buffer Committee acted as the public participation representatives as is required by the grant funding agency DCNR. Committee members, the public, and the Board of Supervisors all reviewed four concept plans developed based on public feedback. A final plan incorporating the newly acquired 25-acres from the Sankey family was approved by the Board in June. Key objectives of the approved Master Plan provided a multi-year phasing approach that could take upwards of 10- to 15-years to complete. A loop road is depicted on the plan that will manage traffic from Metka Road and the north side of the township, to Swamp Pike and newly constructed entrances. An area for a community building is also provided for in the plan along with expanded sports fields, walking paths, playgrounds, natural areas, and amphitheater space, all in an effort to meet a key objective to provide diverse park offerings.

The Master Plan notes a potential reconstruction of upwards of \$18 million which is broken out in manageable phases of \$2 million or less each. All park and site improvements costs can be offset by grants. The Plan provides a strategy which will enable the township to move forward in a reasonable manner and seek support of grant programs to limit the burden on the tax base as much as possible. However, the cost to construct a new community building cannot be offset with known park grant programs. A community building to accommodate the Parks and Recreation department's successful summer camp program is a high priority of the current board and design work is expected to begin in 2019.

CBDG Program

State and Federal regulations are placing an increasing burden on this program. With funding consistently around \$200,000 annually, a greater amount is being allocated to staff and administrative functions. As noted in previous budget reports, 2017 saw the beginning of new regulations that will require prevailing wage be paid for all projects over \$25,000. State laws concerning prevailing wages have never been applied to residential single-family projects. Because CDBG is a federally funded program, a recent ruling determined that prevailing wages will now apply. Not only does this increase the cost of labor, it also disqualifies many small and local contractors who fit the smaller nature of the projects. Larger companies who are familiar with prevailing wage procedures will now need to be sought out, which in all likelihood will come with higher overhead costs. In addition, a new rule now requires the entire building to comply with state building codes. Even if a rehabilitation project does not involve all elements of the structure, compliance with building codes must be certified by the Township. This increased obligation adds liability for the township and contributes to the growing obligations on the overall program.

While staff was able to deal with these new regulations adequately in 2018, what became apparent was that administrative costs to administer these new regulations are exceeding the available monies from the grant funds. Projections found that by the end of the 2017 grant program, awarded in 2018 and could span two to three years, and the township will be required to subsidize administration costs upwards of \$30,000. This was reported to the Board at various times during the year. During public discussions on if a 2018 Grant Application should be submitted, the Board elected to not to submit for a new round and end the program when current

funding is depleted. As of the writing of this memo, rehabilitation project funding remains from the 2016 and 2017 grant awards of approximately \$240,000 (with approximately \$80,000 committed to current projects) and only \$24,000 remains in administration funds. It is anticipated that these funds should be expended at the latest by mid-year 2020 when the township will officially close out our participation in the CDBG Program. It must be noted that Montgomery County does manage a similar program and Limerick residents who qualify can apply to this program once Limerick Township opts into their program during the next cycle, which will be well before our program ends.

Legal/Litigation Issues

Two matters of litigation occurred during 2018 which must be noted. The first involved a several yearlong zoning appeal by Matt Outdoor who wished to construct two billboards along Route 422. When the zoning office denied their permit applications in 2016, appeals were filed which lead to a defense by the Township in front of the Zoning Hearing Board. The cost to defend was approximately \$62,000 as of the beginning of 2018. While the Township was confident in our position that the proposed billboards did not meet the requirements of the zoning ordinance, and that the Township would be successful at the ZHB level, anticipated appeals to the court system may not be successful. A proposal from Catalyst Outdoor to purchase the applications from Matt Outdoor and settle the long-standing legal challenge, was put forth to the Board. The plan was that Catalyst Outdoor would construct only one billboard instead of two and in a design favorable to the Board which did not mimic a traditional steel billboard structure. Catalyst would then repeal any current legal challenges and the Township would be relieved of a potential legal defense that could exceed an additional \$100,000. This proposal was favorable to the Board and was approved in 2018 which lead to the construction of a mono-pole billboard on the former March Lumber property along Route 422.

Another significant matter of litigation arose when a developer submitted a sketch plan for the 125-acre Boyd property adjacent to the Outlet Mall parcel. The mixed-use proposal noted a potential of 1,100 residential units in conjunction with retail, hotel, and commercial uses. Based on a review by the zoning officer, the density of the residential portion of the project did not meet current zoning regulations. A formal zoning opinion was issued and the owner of the property filed an appeal with the court system. The Township hired a conflict attorney to handle the litigation but we were not successful at Common Pleas Court and the zoning ruling was rejected. The Board approved an appeal of this Common Pleas ruling and also instructed staff to begin discussions with the property owner in an attempt to find common ground in order to avoid further legal costs. As of the close of 2018, a meeting was held whereby both parties agreed that the owner would seek another developer who would propose a reasonable plan reducing the density of the residential portion of the project.

Roadway Infrastructure Projects

The Board has maintained a consistent effort to improve roadway safety in all areas of the township. Past successful projects have included Lewis Road, the Sunset Road and Ridge Pike traffic signal, and the West Cherry Lane and Limerick Center Road intersection. All were proactive projects that leveraged developer funded Traffic Impact Fees, PA Liquid Fuel Funds, and grant programs to minimize use of Township tax funds. The following review of current projects demonstrate the Board's long-standing commitment to roadway safety:

- **Limerick Road/Ridge Pike Traffic Signal** – The installation of a new traffic signal that began in late 2017 was finalized by the spring of 2018. This intersection has seen increasing traffic volumes over the past decade and installation of a traffic signal has been a priority of the Board for several years. Design was authorized by the Board in 2016 and required the acquisition of right-of-way and construction easements from four property owners. The final cost of the project, was \$425,000 and was funded by PA Liquid Fuel Funds and Traffic Impact fees.
- **Township Line/Linfield Trappe Intersection** – Limerick has been in discussion with Upper Providence Township for several years over the need to improve the functionality and safety of this intersection. An opportunity arose in 2017 when a developer constructing new homes in Upper Providence, was notified by PennDOT that they need to participate in an improvement plan for this intersection. Proposed for the almost \$1 million upgrade was a grant to the Green Light-Go program seeking funding to cover the \$290,000 traffic signal portion of the project. To assist this mutual effort, Limerick agreed to provide the \$58,000 match. Both townships were notified that the grant application was awarded. Discussions with Upper Providence continued throughout 2018 on design issues and it is anticipated that the project will go out to bid and begin construction in 2019.

Upper Providence, in conjunction with a local developer, will handle all right-of-way requirements and construction costs outside of the traffic signal work. As the project currently stands, Limerick's only obligation toward this project will be the \$58,000 match with the Green Light-Go Program.

- **Royersford Road/Linfield Trappe Intersection** – In 2017, Pennoni Associates completed sketch plans which were reviewed with the Board. They were part of a design proposal authorized by the Board, estimated at approximately \$590,000, to complete all plans and specifications and obtain all permits for this anticipated \$4.5 million project. The focus of 2018 was to meet with PennDOT and DEP to determine which concept all would agree to and fine tune the actual scope of the project so a realistic cost could be obtained. The results of these efforts were reviewed with the Board in the Fall which noted a concept plan that would seek to minimize an impact of wetlands and the floodplain in this area. While right-of-way will be required from local property owners, the plan also seeks to minimize this impact as well. Discussions were held with one property owner during 2018 having the majority of right-of-way requirements for the project. These discussions were general in nature and noted the final design may change the right-of-way requirement. It was noted that based on DEP and PennDOT desires, the cost of the project is expected to increase to approximately \$5.4 million, which includes added design costs to cover the increased scope.

Also discussed were options to fund the project. With current Township reserve funds limited to approximately \$990,000 of Traffic Impact Fees, the Board is aware that outside funding will be a priority if the project is to move onto the construction phase. Based on state and federal grant programs, it is unlikely this intersection will meet the criteria to obtain significant support. However, the federal government continues to discuss a highway infrastructure program that may be based on shovel-ready types of projects. Until the design is completed, final construction costs will not be known. The Board did state a desire to move the project forward even with design costs increasing to approximately \$650,000. An updated contract with Pennoni Associates was approved by the Board by the end of year.

In discussing the current issues with this intersection, and the expectation that funding may take several years to realize, the Board felt that temporary signal equipment would be a prudent approach to achieve some level of safety upgrades. Estimated at \$71,000, the updated Pennoni Associates contract included costs to place a temporary signal and seek approval from PennDOT.

- **Sanatoga/Route 422 Interchange**

With the grant funding and mutual funding issues in place between Limerick and Lower Pottsgrove, work on this project during 2018 was limited to design and permitting under the guidance of Traffic Planning and Design. Construction documents are anticipated to be finalized in early 2019 at which time the project will be placed out to bid with the hope of construction starting by mid-year and completion by summer of 2020. Limerick's 65% obligation of the match to the \$2.1 million State MFT Grant, is set at \$585,600 and will be covered entirely by Act 209 Traffic Impact Fees held in reserve. With the use of Traffic Impact Fees combined with the grant proceeds, no Township tax funds will be required for the construction of this west-bound on-ramp.

- **Lightcap Road Upgrade**

No significant work occurred on this projected \$4.7 million project in 2018 based on the 2017 sketch plan completed by Pennoni Associates. While this roadway project is an important objective, other capital projects were prioritized as the impact of development around the Outlet Mall are still unknown.

- **Lewis Road Improvement Project**

2018 saw another submission to the PennDOT MTF grant program in an effort to seek outside funding for this proposed \$1.1 million improvement project to Lewis Road from South Limerick Road to Spring-Ford Area High School. This is the third such submission and the second time a multi-municipal application was utilized. The overall scope of the project, which will span through Limerick Township, Royersford Borough, and Upper Providence Township, will include the installation of sidewalks, stormwater controls, and roadway improvements. While there was a level of confidence that the grant agency would finally recognize the benefit of this multi-modal program, we learned that the grant was not approved. The grant agency did notify all applicants that a simplified submission would be accepted for all current projects that were not awarded. Based on this information, all three municipalities approved a resubmission in late 2018 for the next grant cycle. Results will not be known until sometime in 2019.

Trail Projects

2018 saw several successful objectives met with the long-range goal of providing increased township-wide trail connectivity opportunities for our residents. In May, the Board publicly dedicated the Kurylo Preserve Trail and new park completed at the end of 2017 utilizing a \$150,000 DCNR Grant. This trail was enhanced with a connecting link to the community park built by the Lennar development.

After several years of designing, planning, and seeking approvals from PECO, the construction of a trail from Lewis Road to Limerick Center Road began. This trail was funded with a \$250,000 grant from DCED. Constant rain impacted the construction of this trail that was scheduled to be finalized by the close of the year. Unable to finalize the last of the paving and grading, the project schedule was pushed off until 2019. To accommodate this extended time period, DCED approved an extension of the use of the grant funds which was set to expire in

June. A final link to this trail was proposed to traverse over the Perkins property at 181 Limerick Center Road. However, a delay in the owner/developer obtaining final land development approval for their project required that this section of the trail be removed from the bid under the grant. The developer is willing to donate the land for a trail easement and it is anticipated that township crews will undertake this construction in 2019, once all approvals and easements are in place. When completed, the trail will provide a complete connection from Limerick Center Road to Lewis Road.

The third trail project involves the \$990,000 TAP grant awarded in 2017 for the PECO trail link from Lewis Road to Township Line Road. 2018 saw the start of design work for this project under the guidance of Pennoni Associates. By the close of the year, it was learned that DEP would require additional stormwater studies for a portion of the Mingo Creek which traverses a portion of the trail near Township Line Road. An additional contract was required, not to exceed \$20,000, which increases the Township obligation under the match portion of this project to \$262,500. Further discussions with the Ashbrook Community did not take place aside from information sent to them asking if they would consider expanding the current Township easement for the trail that runs through their community. The PECO trail is shown to interconnect to their internal trail network. Currently the trail is only 6-foot wide with a 10-foot overall easement. The TAP grant funding includes widening this Ashbrook trail to 10-foot if the community were to approve.

As 2018 came to a close, it was evident that the yearlong accomplishments will provide benefits to the community for many years to come. In addition to the successful programs detailed in this report, one of the underlying reasons why this organization has been able to achieve so much is due to the consistent leadership of the Board in place for many years. What is unique to Limerick that many local municipalities do not enjoy, is consistency of policy from the Board. So often the bi-annual municipal election cycle brings forth new individuals charged with governing driven by political issues. Change is good and can bring fresh ideas and new directions and if it remains positive, then a long-range benefit to the community can be realized. However, constant changes can also bring forth a desire to govern based on political issues and when this occurs, long-range planning and the needs of the community are often overlooked as the elected body seeks to appease short-term issues. Limerick has been fortunate that a long-term approach has been the norm for the past 13 years. With a community that has steadily grown from year to year, a lack of long-range planning would place a tremendous burden on the Township as future Boards' would seek to "catch up" on issues that they suddenly found could no longer be ignored.

2018 brought a change to the Board as Pat Morroney was sworn in at the re-organizational meeting in January. Pat brought new ideas and energies to the organization which were positive and in line with ongoing programs and policies. More importantly, Pat demonstrated support for the long-term direction of the township which were in place for many years and from an administrative standpoint, his efforts and contributions were positive and constructive. In addition to his support of ongoing policies and programs, Pat has expressed a desire to refocus planning and community improvements in the Linfield section of the township. It is anticipated that future year budget programs and support from the entire Board will begin to address this initiative.

While the success of 2018 and past years can be stated with a sense of pride, much is still needed to ensure this Limerick community remains the standard which all other municipalities seek to achieve. It would not be wise to assume that we can rest on our laurels and believe that past practices will address future issues in the same successful manner. With this understanding and a need to ensure the Township's long-range vision remains viable and vibrant, the 2019 Budget was formulated.

2019 Budget Process and Review

Beginning in September, the Township Manager and Finance Director began discussions with each department to map out specific budget requirements. A primary objective is to build on the successes achieved during 2018 and continue to ensure the Township is in a position to meet the challenges of the future. Public reviews occurred on October 2nd, 8th, 16th, and October 23th during both special advertised meetings and regularly scheduled Board of Supervisor meetings. During these meetings, the Board reviewed all departmental projections for the coming year and also affirmed their desire to continue with the principles of the Limerick Township Business Model.

At the first meeting on October 2nd, the administration reviewed the following assumptions that would be incorporated into the upcoming discussions:

- No increase in taxes will be proposed
- Tax revenue streams projected to be level from 2018
- Growth within traditional tax revenue streams will be minimal and primarily from new residents from new development
- Reassessment appeals are having a negative impact on new real estate tax revenue growth as large-scale commercial properties continue to seek lower real estate taxes
- Township is projecting consistent building permit revenue streams equal to the last 2-years. Permit revenues may fluctuate upwards or downwards depending on economic trends
- Increased investment interest revenue is expected as national interest rates continue to trend upwards as the economy remains strong
- The administration will assess the ongoing operational costs of the new municipal complex throughout 2019 to understand future budget needs
- Due to the payoff of all Township debt, the real estate millage for the Debt Fund will be reallocated to the General Fund
- 2018 yearend projections show a surplus after eliminating the original \$841,000 deficit

As the administration does every year, the budget discussions first offered a "status quo" review of all departmental operations based on previous year levels. This format provides an analysis of the current operations without any additional staffing, programs, or initiatives. The status quo look does, however, determine the effect that routine cost increases will have on the operating budget. Ongoing programs from previous years are also included. Once the Board understands the full scope and costs of existing programs, then a discussion of "Unfunded Requests" is entertained. These requests include additional personnel, programs, or capital costs each department feels is warranted to provide the same or higher levels of service. This format has been used by the administration for many years and has proven to be very successful.

In discussing budget requests with each department, management instructed each to maintain current levels of service for 2019. While the 2019 Budget will only detail operations for the upcoming year, each department was also instructed to begin to look long-term to ensure projections and desired projects and programs fit into future year objectives. During 2019, each department will begin to formulate a five-year operational and capital budget to be discussed with the Board during the 2020 budget meeting in late 2019. Each department was also reminded to adhere to the current principles of the Business Model.

The following is a review of the budget discussions and later in this report a summation of the Board's approved goals and objectives that were established in the 2019 Budget.

Police

With the department now established in the new municipal complex, budget discussions centered on the need to continue current levels of service to the growing community and enhance operational efficiencies so the current force of 30 sworn officers can be held at this level for as long as possible. In reviewing manpower needs Chief Skelton and Lieutenant Matalavage noted their desire to move forward with the hiring of a part-time civilian specialist approved in the 2018 Budget, but not finalized due to the demands of the move into the new building. They discussed the positive effects the additional full-time administrative position, hired in the summer of 2018, has brought to the department.

As is built into every annual budget, upgrades to the fleet are proposed and a desire to purchase 2 replacement patrol and one new detective vehicle was discussed. In terms of equipment it was noted the departmental budget contains funding for the fourth of five installment payments to the County for the upgraded 911 radios. A new WatchGuard camera was also reviewed for our existing system which downloads police reports and information from the patrol vehicles into our IT system. This software saves officers time by not having to manually input all data at the end of their shift.

Unfunded Requests – a discussion of a Lexipol software program ensued. As the department continues to expand, the need to maintain updated department-wide policies and procedures is a high priority. Up to this point, a concerted effort has been ongoing with the current and past Chiefs but the process is time consuming and proves difficult to maintain updated policies that change often based on new laws and recommended procedures enacted to guide police departments in the face of changing national issues.

The Lexipol system will provide a complete and updated electronic publication of Limerick's policies and procedures. Once established, the Lexipol team will work with our department in future years to ensure timely updates are completed. The Board was informed that if this new software is approved, it will free up significant resources of the upper command staff and enable them to instead focus on core supervisory tasks.

The Chief discussed the ongoing demands on the department related to traffic safety issues, and proposed the purchase a Jamar Traffic monitoring device and an All Traffic electronic speed detection sign. The Jamar device would be used to study traffic speeds and patterns in areas in which the department receives significant complaints. It would produce a computer readout which would determine if the complaints are valid. The benefit of this device is that it does not

require ongoing manpower and can monitor traffic issues without the need for a dedicated officer over an extended period of time. The electronic speed sign acts similar to the large trailer speed board but is smaller in size and provides a greater degree of flexibility. It can easily be installed on utility poles and notifies drivers immediately if they are over the set speed limit.

Also discussed was the desire to purchase a GEO/GPS tracking system for the entire fleet so better reporting can be obtained to understand not only where patrol vehicles are currently located, but can assist all levels of the department with real time investigative data.

Current staffing levels were discussed and it was noted that a new hire would take place in 2019 to replace a 2018 retired officer but the current level of 30 sworn officers should suffice for the next few years. The Board also heard very positive feedback on the benefits of the new building to the department even after only a few months since the move-in, which took place in mid-August.

Public Works

The structure of the department continues to be split into two primary functions: Roads and Park Maintenance. In regard to Road Maintenance, the current staffing of the department was proposed to remain the same for 2019. However, the Board was reminded that continued growth of the township and additional road dedications projected from pending development projects will continue to impact the department.

In terms of road projects, the department will continue the long-standing road paving program and will look to complete the second portion of Royersford Road from Buckwalter Road to 10th Avenue, as well as, Heffner Road from Sunset to Landis Creek. The proposed recycle and overlay program will be centered on Country Club Road from Linfield Trappe to the Route 422 overpass. The final list of roads to be paved/recycled will be determined at the end of the winter season. All funding for these projects is estimated at approximately \$475,000 and will come from Liquid Fuel Funds received from PennDOT.

The General Fund provides for continuation of our long-standing oil and chip surface treatment program to be funded from in the General Fund at a cost of \$180,000. Although subject to change, the roads projected to be treated in 2019 include Walters Lane, Walnel Drive, Deerfield Road, Sun Valley Drive, Drake Run, Swamp Creek Road, and Metka Road. Also included in the budget is \$5,000 for street sweeping and \$100,000 to cover the reconstruction of the Trinley Road culvert.

No large-scale vehicle replacements are proposed for 2019 but a request for \$10,000 to purchase a new utility body for the 1999 F-250 was funded. The existing body is rusting but the cab, engine, and rest of the vehicle is in good shape and is the right fit for the maintenance position.

Unfunded Requests – for the Road crew include attachments for the existing skid steer to help with ongoing tasks and include: 24” high flow cold planer for road construction projects and an 84” high snow blower to help clear the parking lots within the new township complex. With the completion of the new building, a request to finish the fencing of the public works area was made. A fencing project was undertaken several years ago enclosing a majority of the rear portion of the lot. The balance of the fencing was put on hold when construction of the new

building began. To ensure the highest level of protection after hours, a desire to complete the fencing and install automatic gates similar to the police lot, was reviewed by the Board.

The Park Maintenance department is currently a staff of five. It was noted in 2018 that additional open space and trails were beginning to put a strain this group. With the completion of the Kurylo Preserve and trail, the expected opening of the first section of the PECO trail in 2019, and the purchase of the three-acre Toll property in Linfield, the need for added personnel was demonstrated and a request for an additional full-time position was presented to the Board.

Equipment discussion centered on a desire to replace an existing Ford F-450 dump truck because it is rusting. This would continue a long-standing vehicle replacement program that seeks to sell before the equipment loses excessive value. The department has done very well in the past with above average sales of used vehicles which help offset costs for new.

Unfunded Requests – for the Park Maintenance department included an additional ATV for use on the expanding parks and trail network. Two crews are now often out in various areas of the township and a need for each to have an ATV type of vehicle to help improve efficiency is desired. Also requested were a broom and blower attachments for the vehicle which would be used to clean the trails and an additional diesel zero-turn-mower to add to our current three mowers.

Parks and Recreation

Minimal changes are proposed for the department as most operations remain status quo based on the staffing size of the department and limited space to hold events. Discussion did center on the start of grant applications for phase one improvements as noted within the approved Limerick Community Park Master Plan. As a part of the phase one improvements, discussion with the Board included the desire to begin the design of a new community center, an additional objective of the long-standing township-wide capital program. The department's primary need for a community building is to house the successful summer camp program which has the ability to expand, but is limited by the School District's schedule in the summer.

In regard to the department's recreational programs, the purchase of an outdoor movie screen was requested. A local church had sponsored our long-standing Movie-In-The-Park program in the past by providing the screen and required equipment. Their involvement has ended and the department would like to continue this successful family-oriented program. The department provided comparison costs to rent and purchase the equipment and was able to successfully prove why purchasing was more cost efficient.

Current staffing levels in the department will remain at three full-time positions including the Director and two full-time programming positions. Staff will continue to handle duties associated with the website, newsletter, and act as the liaison to the Parks and Recreational Committee.

Planning and Zoning

With the addition of a full-time GIS/administrative assistant hired at the end of 2018, the department is at the desired staffing levels based on the restructuring plan established for the

new building. The reason for a focus on a GIS related skillset, was the substantial progress the department has made over the past several years in building the program. The benefits of the software and its ability to store and manage data and files, is proven across several departments. With the existing Director focusing on a high-level of land development projects, and the Zoning Officer duties strained as well under continuing resident, construction, and code compliant issues, the need for a dedicated person for the GIS program was noted. Funding for our third-party GIS consultant, Carrigan/GEO is continued in the 2019 Budget. Related to GIS, funding for an Act 537 mapping update was proposed to ensure the township has a firm handle on all new public sewer connections now that Aqua Pennsylvania is providing service. With the Township maintaining control of the Act 537 Plan, it is important that an updated map be generated which can be easily managed under the GIS program.

Under general planning programs, a desire to complete a study of Linfield Sports Park and find options to link the property via a trail network to the newly purchased Toll Property and Linfield Schuylkill River parcel was reviewed. New Supervisor Morroney championed this endeavor. The agreed upon plan for 2019 is to work with the Parks and Recreation Committee on informal sketch plans which can then be used to seek grant funding.

A project geared to improve the safety of those utilizing new trail links, was a proposal to formulate a Master Trail Map from the GIS system which would incorporate Wayfinding signage for all township-wide trails. This signage could then be used by emergency response agencies to locate trail users who may be in distress.

Code Enforcement

No unfunded requests or changes to the Code Department were proposed except for permit fee amendments. Residential construction permit revenues are expected to be less than 2018 levels due to the number of permits pulled for Club Views at Springford and the Lennar projects. The remaining permits for these two projects are anticipated in 2019. Permits for a new townhome project of 68-units, Overlook at Creekside, are anticipated in 2019 but not projected to offset the projected reduction of new home permits. Several large-scale commercial projects reviewed previously in this report, did not receive final approval by the close of 2018. It is anticipated that above average commercial permit revenue may be realized from 2019 projections if these projects come to fruition.

Emergency Services

The current staffing of the department established with a full-time Director, two fire inspectors, and an administrative assistant was noted to be optimal for 2019 and no new positions were proposed. The focus for the upcoming year is to enhance the existing commercial Fire and Life Safety program and the newly established residential Rental Inspection programs. It was noted that both programs are contributing to a decline of nuisance alarms by our volunteer fire departments, a primary reason why the Board approved both inspection programs. Improving code and compliance standards has been a proven remedy for reducing false and nuisance type of calls.

A secondary benefit to the increased staffing of the department has been to the daytime driver operator program. Starting 2018 with six township employees in the program, we lost one when

our full-time maintenance person resigned mid-year. Five employees still participate and leave the employee of the Township when a call for service arises. When they do so, they become volunteers under the direction of the fire department and the Township has no control over their activities. To protect their departmental work obligations, a rotating schedule has been established which obligates the employee to a response during a particular full week time period. Other employees can respond if their duties permit. This program has been acceptable to the fire departments and the Township has received positive feedback. The Board expressed their continued support of this program.

Proposed in the 2019 departmental capital budget will be the fourth of five installment payments to the County for the department's radios under the County 911 upgrade program. Also proposed is funding for staff to participate in training with the National Association of Fire Investigators.

2018 began with a major undertaking by both the Limerick and Linfield fire companies who voted at the end of 2017 to consolidate. This department remains as the primary liaison to the volunteer companies and worked throughout the year in a supportive manner on the various issues. As noted already in this report, the consolidation was completed by the end of the year and the stated deadline of January 2019 was achieved. While the Township does not interfere with day-to-day operations of the fire companies, a pledge to continue to assist with administrative, budgeting, and insurance compliance related issues will be the focus of 2019.

In 2018, two EMS agencies who provide service to the Township approached and asked the Board to consider some level of monetary assistance. While a program has not been established, discussions with both appear to be specific to a need for capital upgrades. The Board was receptive to a continuation of talks to fully understand their needs. The benefits of discussions with other surrounding municipalities was also reviewed and the Board felt it would be good to see if cooperative efforts could be put in place prior to an implementation of an individual program from Limerick. The Board did not want to commit any Township funds at this time but agreed to consider it during 2019 if a support program can be established.

In discussing emergency management needs, a proposal to upgrade the Township's Lewis Road garage was suggested. The building has essentially sat idle since the construction of the Public Works facility in 2015. The building has been identified as an ideal location to house emergency management equipment. Because of its central location, the Board agreed this would be a good use of the property. Staff proposed a \$100,000 budget allocation to complete these upgrades.

Administration

No additional staffing is proposed; 2019 will focus on a final alignment of duties for the current positions. This will entail the transition of the Assistant to the Manager away from the Planning and Zoning department. Since this position was created two years ago, administrative support for planning has been part of his job duties but with the hire of the GIS position for Planning, this transition can now be completed.

Also prioritized will be establishing new duties for Loraine and her duties as the former sewer billing clerk. Transitional sewer billing obligations and collection of delinquent accounts will continue through 2019 but will require minimal time going forward. Additional tasks from the finance department will be assigned as well and support for front desk operations. Additionally,

the duties of Marcy and her responsibilities with Right-to-Know and managing the CDBG program will continue to be reviewed. She will continue to provide administrative support to the Manager and Assistant Manager as her time permits. The Board did not approve the submission of a new CDBG grant application for the 2018 program cycle, so once the balance of the outstanding grants is exhausted, this program will cease. Focus of 2019 will be to define the burden of RTK and file management, and if Marcy will have available time to continue administrative support once CDBG duties are finalized.

Unfunded Requests – were limited to IT needs, specifically replacement servers for the administration and police department.

Fire Department – Capital Program – Consolidation

Members of the Steering Committee handling the consolidation attended a special meeting on October 23rd to review budget needs of the single fire department. They reported that their efforts during 2018 are proving successful and anticipate the consolidation will be completed by January 2019, which was the stated deadline. An ongoing re-evaluation of the 15-year Capital Replacement Schedule, which was established several years ago based on the two-fire company structure, was discussed at the October 23rd meeting. With a single department now a reality, all agreed an updated look at all vehicles and equipment would make sense. It is anticipated that this fresh look should be able to offer some level of savings, as redundant equipment can be eliminated without reducing levels of service.

The fire company members noted a commitment to fundraising and grant applications will continue with the single organization. Recent joint efforts toward grant applications has netted approximately \$442,000 in support for debt reduction, air tank and related equipment replacements, and the purchase of a new utility vehicle. All are extremely important in reducing the burden on the tax base. In 2018, the Board approved an increase in the VIP program to a \$50,000 level. The positive benefits of these added funds were reported to be a contributor to the increased level of volunteerism. It was noted that the Township continues to buck the national trend of declining fire volunteers and the Township support program has actually strengthened staffing with both stations. The 2019 Budget continues the contribution from the General Fund of \$50,000 for the VIP program.

The fire members also thanked the Board for their support with the consolidation effort and for the \$60,000 contribution authorized for 2018 to cover legal and merger costs. Only \$30,000 was used in 2018, the balance has been rolled into the 2019 Budget.

The 2019 Budget for operation of a single fire organization will show an overall reduction of 4.4% from actual operating costs for the two companies in 2018. Noted during the discussion is the belief that additional cost savings could be realized in future years once all levels of the fire service are fully integrated. It was acknowledged that while the official structure of the department will be completed by January, it will take time to mesh all operations. A further item of concern for future year budgets will be the declining reimbursement from the Fire Relief Program. The state collects funds from insurance policies issued by companies which are not domiciled within Pennsylvania. With additional insurance companies now located within the state, returns have been declining of late and impacting returns of all local fire companies. Monies have been used in the past to purchase must-needed equipment. It was noted that if the

funds continue to dwindle, a greater reliance on tax funds to maintain equipment needs will become apparent.

Roads/Infrastructure Projects

Linfield Trappe/Township Line Road Intersection – As noted in the 2018 Budget review, a grant was received by Upper Providence to fund the traffic signal portion of the project. Limerick’s commitment to date is limited to a \$58,000 match, which was noted to be included in the 2019 Budget. It is anticipated that all right-of-way for the widening and road construction portion of the project, which Upper Providence has agreed to cover, will be completed in 2019. The project is expected to be placed out to bid but all is under the control of Upper Providence and the timeline will be dependent on their progress. No other Limerick funding, other than the match, is included in the 2019 Budget.

Royersford/Linfield Trappe Intersection – The Board approved a revised contract with Pennoni Associates to account for the added scope due to DEP and PennDOT requirements. The 2019 Budget includes the design of this intersection. The Board also authorized the completion of a temporary traffic signal for this intersection until such time as funding can be secured for the anticipated \$5.4 million project. It is hoped that the temporary signal plans can be finalized and approval obtained from PennDOT during the course of the year. It is anticipated that the design will progress to a point where right-of-way can be determined and meeting with affected property owners be held. With the need to rebuild a stream crossing and construct culverts, a 2019 goal is to pursue stormwater related grants to offset costs of the overall project. It is recognized that this intersection upgrade will be a long-term project and a concerted effort will be required similar to the several-year process to secure funding for the Sanatoga Interchange.

Lightcap Road Upgrade – No further activity is proposed for this project in 2019. However, if a developer were to propose a project on lands near the Outlet Mall, the Lightcap Road project would be included in that discussion.

Sanatoga/Route 422 Interchange – Minor design issues from PennDOT delayed the project going out to bid at the end of 2018 as originally anticipated. Once these design issues are worked through, bids will be sought for this \$3.1 million west-bound, on-ramp project. The funding will expire in 2019 if the project does not commence, so it will be an important to begin construction to ensure compliance with the grant program. Lower Pottsgrove Township is still committed to their 35% portion of the \$900,988 match required of the grant. Limerick’s 65% match portion will come from Traffic Impact Fees already collected and it is still anticipated that no tax revenues will be required from the township for this construction project.

Lewis Road Improvement Project – As noted in the 2018 Budget review, the third grant application for this multi-municipal project was not awarded. However, the grant agency was willing to accept a simply resubmission based on the previous application. The timing of award notices is not known, but based on 2018 we do not anticipate any notice until the third quarter of the year. If we are successful in receiving funding then design will commence in 2020 and construction planned for the 2012 calendar year. If the project is not awarded funding for the fourth time, then a re-evaluation of the project will be required.

Trail Projects – With grant funding in place for both sections of the PECO trail, discussion was limited to the proposed 2019 schedule for each. It was noted that the Limerick Center to Lewis Road trail will be completed in the spring when favorable weather returns. In May 2018, the grant was given a Second Amendment to the Grant Contract noting a 1-year extension to June 30, 2019, paperwork is expected to be closed out by that deadline.

In regard to the TAP grant for the PECO trail from Lewis Road to Township Line Road, it is anticipated that design will continue for the majority of the year. Meetings with Ashbrook Estate HOA to discuss the interconnection to their trail network should take place by the summer months. If all goes well, bids for construction should be finalized by the close of the year.

The Board reaffirmed their commitment to all matching funds to keep these projects on schedule.

Aronimink Wall – A long standing issue pertaining to a retaining wall behind several properties in this community will move forward in 2019. The property owners have been in dispute with the Township on whose responsibility the maintenance of the wall falls because it traverses both private property and open space. With the issue going back and forth without resolve, and the condition of the wall deteriorating and posing a safety hazard, the Board felt the time is at hand to move forward with a resolution. A funding level of \$100,000 was discussed based on previous engineering studies.

Bus Shelters – In 2018, the Township received an offer from the owner of Lafayette Welding to assist with the installation of a bus shelter along Ridge Pike near his business. The area in question has long been a gathering location although it offers no improvements similar to a traditional bus stop. With a donation set at \$5,000, staff proposed that we move forward with any necessary agreements from PennDOT and seek a shelter design that would be as close in price to the donated funds as possible.

The proposed Budget was presented to the Board on November 21st. Based on Board authorization, the 2019 Budget was advertised and subsequently approved on December 18, 2018 and the following items were incorporated into the approved Budget.

- **\$28,476,433 Budget across all funds**
- **No Increase in Real Estate Tax Rates**
 - Real estate taxes will remain the same, but a change in millage allocated to the General Fund will take place. With the elimination of Township debt, the millage collected in the past for the Debt Fund was approved to be transferred to the General Fund, which will increase from 1.759 to 2.089 mills.
- **Operational Deficit**
 - The 2019 Budget was approved with an opening operational budget deficit of \$68,588. This is significantly less than the previous year's starting deficit of \$841,090. With positive budget management and the realization of conservative projection of sewer investment returns, the Board expressed confidence that this deficit will be reduced as well.

- **Sewer Sale Investment Proceeds**
 - Approval for the transfer of a projected \$1,410,000 to the General Fund to reduce any need for additional tax funds to balance the budget
- **Fire Company Capital Program**
 - \$30,000 allocated to cover the final details of the consolidation
 - Authorization to eliminate the current debt on the Limerick Station loan and the new tower truck purchased in 2017
 - Continued cooperation with the consolidated organization with ongoing operational tasks. The Board also reaffirmed their commitment to the daytime driver program.
 - A commitment to support a new station in Linfield was affirmed
- **EMS Agencies**
 - No funding was approved at this time but a desire to continue discussions with each organization and surrounding municipalities, was directed by the Board.
- **Public Library**
 - Royersford Library contribution remains at the previous \$11,000 level.
- **Roads/Infrastructure**
 - Royersford/Linfield Trappe – approved was the continuation of the design work under the approved Pennoni Associates \$650,000 contract and ready the project for any shovel-ready grant programs which may arise. Recognizing this proposed \$5.4 million project will take several years to complete, a desire to install a temporary traffic signal for approximately \$71,000 was authorized as well.
 - Lightcap Road Upgrade – on hold pending development
 - Sanatoga/Route 422 Interchange – continuation of project under the \$2.1 million grant award will continue.
 - Lewis Road Sidewalk Improvement Project – matching grant funds of approximately \$190,000 were approved for this \$1.1 million project.
 - Aronimink – authorization of \$100,000 approved for design and construction

The following is a listing of the Boards action regarding all Capital requests:

	Department	Amount	Approved
CAPITAL REQUESTS:			
Replace - PD VM Host Server	Admin	20,500	yes
Replace - Admin VM Host Server	Admin	37,000	yes
Replace - 3 Vehicles	Police	106,500	yes
Radio - 4 of 5 installments	Police	29,007	yes
Radio - 4 of 5 installments	Emergency Svc	4,989	yes
Replace - Body F250	Public Works	10,000	yes
Replace - 2008 Ford F450 Dump	Parks Maint.	71,000	yes

The following is a listing of the Boards action regarding all Unfunded Requests:

UNFUNDED REQUESTS:	Department	Amount	Approved
Training - National Assoc of Fire Investigators	Emergency Svc	2,650	yes
Act 537 Update	Planning	15,000	yes
Toll House Property/Schuylkill Park - Access Easements (legal & eng)	Admin	20,000	yes
Main/Church/Limerick Center - Traffic Signal & Access Improvements - engineering	Admin	30,000	yes
New Park Employee (hire 5/1/19)	Park Maint.	48,000	yes
EMS Contribution	Emergency Svc	50,000	no
Jamar Traffic Complaints	Police	3,600	yes
All Traffic Solution - Electronic Speed Limit Sign (2)	Police	11,600	yes
GeoTab - GPS	Police	5,800	yes
Portable Movie Screen	Recreation	15,000	yes
Diesel zero turn mower	Parks Maint.	16,000	yes
Lexipol Policy Software	Police	16,800	yes
Trail Wayfinding /Sign Program	Planning	25,000	yes
UTV with Cab, broom & blower	Parks Maint.	25,000	yes
Skid Steer Attachments	Public Works	35,000	yes
Fence Public Works Building	Public Works	41,000	yes
Lewis Road Garage Renovations	Emergency Svc	100,000	yes
Linfield Sports Park Master Plan	Planning	-	no
Lewis Road Sidewalks (potential grant of 60%)	Admin	-	no
Aronimink Wall	Admin	150,000	yes
LCP - Phase 1 - Entrance/Parking/Fields (potential grants of 60%)	Admin	-	no
LCP - Community Center - design	Admin	300,000	yes
2019 Fire Fund Deficit	Fire	-	
Debt - Limerick Station	Fire	3,306,000	yes
Debt - Quint Loan	Fire	-	no
Debt - Tower Loan	Fire	843,995	yes
Replace Squad (Rescue Pumper)	Fire	75,000	yes
800 Radio Project (less grant of \$15,000)	Fire	142,230	yes
Fire Police Digital Sign	Fire	9,100	yes
Swift Rescue Boat & Motor (requesting in 2018)	Fire	16,000	2018
Swift Water Rescue Boat - Emergency Replacement (requesting in 2018)	Fire	9,000	2018
Limerick Station IT Upgrades	Fire	18,100	yes

This report details the major initiatives and ongoing operational activities that will be the focus of the administration over the course of 2019. As stated in previous sections of this report, the administration will also begin to reevaluate all departmental operations to ensure the direction and vision that has guided us in the past, remains vibrant. The Board was in agreement that a five-year look-forward would be appropriate and this effort will seek to accomplish several objectives. The first will be operational in order to gain a better understanding of staffing and

capital equipment needs to maintain same level services in the face of a growing community. Additionally, a review of capital projects, both ongoing and desired will be detailed. The Board has discussed many needs of the community spanning all departments and several could come at significant costs. The five-year study will analyze these projects and expected costs and determine if recurrent tax revenues are able to cover the costs. Grant funding opportunities will be investigated. The objective is to determine if adequate funding is available that does not burden the tax base, or use significant invested sewer proceeds monies. This five-year study will establish a guideline by which the Board can make educated decisions in order to prioritize capital projects.

As previously stated, succession planning is an objective of 2019 so the next generation of township leadership is in place across all operational departments. Significant efforts over the past 13 years have Limerick well positioned to meet the challenges of the future. The vision that has guided this team toward these current day accomplishments also brings forth a commitment that this community continues to be the standard all others seek to achieve. Competent and trained leaders who understand the culture of this organization, and are ready to guide the Township must be an objective of the current management team.

As the Township Manager, my duty is to ensure the business operations of the Township are in line with the Board's directives and policies. The Board is cognizant of their responsibility to ensure the health, safety, and welfare of this community and has not shied away from the tough decisions needed to ensure the long-term vitality of this Limerick community. The success and achievements detailed in this report are self-evident of the Board's commitment to their duties. The tax payers of this community should be reassured that all decisions were made after extensive research and analysis of every option available, and that the Supervisors are responsible stewards of the public monies with which they are entrusted.

I wish to thank the Board of Supervisors for their continued leadership and support, and for the privilege of being able to serve this great Limerick community. I would also be remiss if I did not thank the members of my staff, residents, and volunteers who have assisted me during the past year.

Sincerely,



Daniel K. Kerr
Township Manager