

MIDDLETOWN

Township borrows from itself

A loan to itself would pay for projects such as repaving 23 miles of streets in the Levittown sections and park improvements.

By CHRIS ENGLISH COURIER TIMES

After mulling ways to pay for more repaving of roads in the township's Levittown sections and other major projects, the Middletown supervisors decided it was best for the township to borrow from itself.

That consensus was reached during a recent budget workshop meeting when board members talked about floating another bond issue next year. Instead, they decided it would be better to borrow from the approximately \$41 million the township has in the bank from the sale of its water and sewer systems several years ago.

That money could then be paid back with the same interest it's drawing for the township, about 2 to 3 percent, the supervisors reasoned. The township is paying back bonds from its latest issue last year at interest rates averaging more than 3 percent, so funding projects by borrowing from the \$41 million rather than floating another bond should save some money, the supervisors said.

Among the projects being considered for the self loan are an estimated \$5 million to repave the remaining 23.3 miles of roads in the Levittown sections and an estimated \$2.4 million for major improvement projects at two township parks. Parks and Recreation Director Debby Lamanna said she probably will be able to find grants to fund some of the park improvement projects.

While the board reached a consensus to borrow from township savings, actually voting to do so won't happen until next year, added board chairwoman Lisa Pflaumer.

"We should wait for the new board for that type of decision to be made," she said.

The board of supervisors that convenes Jan. 7 will consist of current members Pflaumer, Jasper Caro and Robert McMonagle, newly elected George Leonhauser and whoever is appointed to replace Bucks County Commissioner-elect Diane Marseglia, who resigned Nov. 13 to prepare for the county job.

"I think it's a good idea to save some money by borrowing from ourselves," Pflaumer said. "I think it's the most economically viable option. We just have to make sure we don't make it a normal practice."

McMonagle agreed.

"I favor this but with some trepidation," he said. "But I think, overall, we have to save the taxpayers as much money as possible and financing these things ourselves rather than paying the interest on another bond should save."

On the recommendation of a committee that advises the board on financial matters, the supervisors passed a resolution last year stating that money from the account containing the water and sewer money should not be depleted. However, the supervisors said that doesn't cover a situation where the money would be paid back.

The board has approved a proposed 2008 budget that contains a tax increase of \$43.50 for the average township property owner. Caro doesn't want an even higher increase that would likely come with another bond issue.

"It just sticks in my craw we're increasing taxes when we have that much money in the bank, and I believe a lot of my constituents feel the same way," he said.

The supervisors can make changes in the proposed budget until they vote to make it final, which is tentatively scheduled for the Dec. 11 meeting. The proposed budget is available for inspection at the township municipal center at 3 Municipal Way, just off North Flowers Mill Road. It can also be viewed on the township Web site, www.middletowntwpbucks.org, starting sometime next week.

For more information, call township public information coordinator Lisa Berkis at 215-750-3800, ext. 142.