

Minutes
Special Preliminary Budget Review Meeting
Thursday October 29, 2020
7:30 PM

The Special Preliminary Budget Review Meeting was called to order on Thursday October 29, 2020 at 7:30 PM. Members in attendance were; Chad Lister, Randy Lutz, Bob Weber, Chris Black and Brian Foster. Also in attendance were Finance Director Deb Hummer, Chief of Police Justin Hess, Zoning/Code Officer Steve Wyld and Borough Mgr. Mike O'Keefe.

Mike O'Keefe made some introductory remarks including the following;

- He has reviewed the budget prepared by Deb Hummer and said that she has done a fine job preparing it during a difficult period;
- He and Deb are cautiously optimistic about the revenue projected for both 2020 and 2021
- Revenue projections for 2021 are based on 2020 experience; any major changes in the economy, jobs, etc. will affect said projections
- He turned the budget presentation over to Deb Hummer

General Fund Revenue

Deb highlighted the following items pertaining to the General Fund Revenue;

- She reviewed the highlights contained in her memo to Council dated October 29, 2020; These include; no proposed real estate or occupation tax increases; strong E.I.T. revenues for 2020; 2021 E.I.T. revenues are more uncertain;
- There is a proposed \$2/quarter increase in refuse rates due to increase in contract extension No. 2 from Republic Services
- Advised that the end of 2020 GF balance is anticipated to be \$1,211,118 and the end of 2021 balance is anticipated to be \$810,392. Mike O'Keefe stressed the importance of having a healthy end of year balance. The balances proposed by Deb are in the "healthy" range
- Although some revenue line items will come in lower in 2020, overall, the revenue picture is good to date

General Fund Expenditures

Deb highlighted the following items pertaining to General Fund Expenditures;

- Overall, expenditures are estimated to be \$39,357 more in 2021 (correction to memo)
- Legal expenses are proposed to increase significantly based on current trends. This item is proposed to increase by \$30,000
- Salaries are increasing by 3% as per the contract with the Police Association
- Due to pending and possible retirements in 2021, expenses involving vacation time, sick leave and voluntary retirement incentives will increase

Sewer Revenue Fund

-It is recommended that sewer rates be increased by \$2/quarter/unit to increase revenue to address the pending "dryer replacement" issue at the Swatara Treatment Plant. It is assumed

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that said replacement will occur in 2021. It is hoped that Swatara chooses the less expensive dryer since the Borough share is 10%. Dryer costs at the beginning of 2020 range from approximately \$2million to \$5 or \$6million.

Special Projects Fund

Deb advised Council that she has been saving one time revenues (insurance refunds, grant receipts, etc.) in Special Funds to help with the cost of such projects as the Stormwater Project with Derry and the dryer project with Swatara. These funds are not included in the end of year balances for the general or sewer funds.

Miscellaneous

-Steve Wyld reported the following; the sewer line infiltration project in the Kokomo Ave. area is complete. The laterals were repaired this week. Brian Foster said it will be interesting to see flow figures at PS No. 2 after wet weather

-The new dump truck is at Hoffman Ford waiting for notice from MJR regarding the new bed, etc. It is hoped that this truck is ready for the winter season. There was discussion about the best time to sell the old one. That will be determined once the new one is on the road.

-Chad Lister asked about the system of discounts, exonerations and exemptions for personal taxes. Deb explained the system used .

-Chad asked about the LERTA in place for Verde. Deb explained that each building is on a separate schedule due to the LERTA schedule and date of the occupancy permit. The first building should be on the tax rolls soon.

-Brian Foster asked Chief Hess about PD overtime and overall operations. Chief Hess said the overtime budget was progressing well. He also reviewed the schedule for the hiring of a new officer. He said November 6 is the deadline. To date, only 1 person from the Consortium list has applied. It may be necessary to advertise and test ourselves. Part-time payroll expenses are also going well. The number of Part-time officers is under review. In response to a question from Randy Lutz, Chief Hess said the issue of cameras in the park is still being studied. He also reported that all of the officers are taking basic Spanish lessons online for a nominal cost. This will help in the response to citizens, etc. In response to a question from Chad Lister, he said that the SRO payment from the School District had been reduced due to the closure of schools in March.

The budget will continue to be discussed at the November Workshop Meeting. The Preliminary budget will be approved at the Nov. Regular Meeting and put on the agenda for the December Meeting for adoption.

There being no further business, the meeting adjourned at 8:40 PM

Respectfully submitted, Mike O'Keefe, Secretary/Manager

