

Minutes
Special Preliminary Budget Review Meeting
Thursday, November 4, 2021
6:00 PM

The Special Preliminary Budget Review meeting was called to order on Thursday, November 4, 2021 at 6:00 PM. Members in attendance were Brian Foster, Bob Weber, Randy Lutz, Chad Lister, and Dee VanGavree. Also in attendance were Borough Manager Theresa Eberly, Finance Director Deb Hummer, Mayor David Roeting and Chief of Police Justin Hess.

Deb Hummer reviewed the changes that she had made to the budget since the October 28th budget meeting. There were no significant changes. She did mention that the Communications Coordinator position that is currently being paid out of the Capital Improvement will be budgeted in the General Fund in 2022. She also said that Dave Willard has recommended that a part-time laborer be hired for the summer. This will add \$5,000 to the budget.

Stormwater Fee Discussion

The first item of discussion was the topic of implementing a stormwater fee. There are several municipalities that are already charging a fee. Derry, Highspire, Steelton, Middletown, and Lower Swatara, just to name a few. At last week's meeting Brian had asked Theresa to find out what steps need to be taken. She reported that she had an opportunity to meet with HRG and discuss this. The first thing Council needs to do is pass a reimbursement resolution. If the Borough would like to do its own billing the Borough would need to have an Authority. Deb Hummer mentioned to Theresa that the Borough does have an active authority and Solicitor Miller said it would not be difficult to get it up and running. We could start billing the 4th quarter of 2022. There are several ways to calculate a stormwater fee and this will be a part of future discussions. It was agreed that public education and involvement will be a very important part of the process. Dee VanGavree suggested Marie Conley work on the publicity.

Potential Revenue Increase Discussion

Theresa told council that she and Deb had worked on a summary of all the opportunities for additional revenue. These increases were calculated over a period of 5 years and showed Council the amount that could be received each year and over the 5 year period. These increases included property tax, occupation tax, sewer rates and stormwater fees. Deb had also reached out to Lou Verdelli regarding the borrowing of \$1,000,000 over a 10 year period at a rate of 1.75%. The annual payment would be between \$116,000 and \$118,000. Theresa reviewed the revenue that could be generated by these increases and the annual increase to residents. Deb had prepared a chart outlining various millage rate increases to Property taxes, the revenue that would be generated and the cost to taxpayers. Raising the Occupation tax by \$50 per resident could generate \$102,000 per year and this would have no effect on any residents that have earned income of less than \$6,000. An increase in sewer of \$5/unit/quarter could generate an annual amount of approximately \$32,000. A stormwater fee of \$60/unit/year could generate \$96,000.

The largest expense in the 5-year plan is the Borough's share of the cost of Swatara Sewer Authority's dryer, which will be approximately \$1,000,000 and Council will need to prepare for this expense.

After a lengthy discussion it was decided that the sewer rate will be increased by \$5/unit/quarter and Occupation tax be increased by \$50.00/resident. These 2 increases will add an additional \$70.00 per resident.

Council then looked at the 5-year plan that Theresa had prepared and reviewed the potential expenses for 2022. She went over the list and after discussing each item Council decided to approve all the purchases. All approved revenues and expenditures from this discussion will be reflected in the Capital Improvement Fund 2022 budget.

There being no further business the meeting adjourned at 7:30 PM.

Respectfully submitted, Deb Hummer, Finance Director.