

BUDGET AND FINANCE COMMITTEE REPORT – MARCH 8, 2021

Members: Ressler, Chairman; Weiler, Vice Chairman; Zimmerman, Member; Barr, Alternate; Thompson, Staff

Attendees: Ressler, Chairman; Weiler, Vice Chairman; Zimmerman, Member; Barr, Alternate; Rowe, Reinhold, Martin, Richard, Thompson, Virtual Guests (2)

The Budget & Finance Committee met on February 22, 2021, and discussed the following:

Action Items:

1. The Committee discussed financing options related to the Borough's pledge to contribute 64% of the estimated \$1,522,000 cost for the aerial fire truck for the Pioneer Fire Department. Since all financial details are not available, Staff discussed an option that provides the most flexibility to all parties. Tim Horstmann from McNees Wallace, the Borough's bond counsel, discussed an ordinance which would allow the Borough to borrow up to \$2.5M. While the amount to be borrowed is not expected to be that high, it provides flexibility to fix the actual dollar amount to be borrowed at a future time. Mr. Horstmann also discussed a resolution that would allow the Borough to pay some portion to the fire truck's cost from cash reserves and then reimburse itself upon the final borrowed amount for the truck. Scott Kramer from RBC Capital Markets, who will shop and secure the loan, discussed the proposed terms for the loan. The Committee supports the proposed ordinance and resolution and will recommend that Borough Council approve the documents at their March 8, 2021 meeting.
2. The Committee was informed that Councilman Greg Zimmerman has expressed interest in filling the vacant position on the Ephrata Borough Authority board. The Committee will recommend that Borough Council appoint Mr. Zimmerman to fill the vacant board seat.
3. The Committee reviewed a letter from Mainspring Board President requesting the second payment from the Borough for fiscal year 2020/2021 to fund Mainspring operations in the amount of \$63,605. The Committee will recommend that Borough Council authorize the release of the \$63,605 as request at their March 8, 2021 meeting.

Discussion Items:

1. Borough Manager Thompson shared with the Committee the current number of utility accounts that are subject to utility disconnections. There are a total 193 past due accounts totaling \$175,058. Of those accounts, 85 have not made any payments to the Borough following the beginning of December when the Borough ceased disconnections for the winter months. The total amount due associated with the 85 accounts is \$78,740. The Committee requested Staff to provide information regarding the number of tenants versus owner-occupied accounts. Staff will prepare that information and share it at the March 1, 2021, Work Session. In addition, virtual participant Suzy Wurtz requested the Committee to consider extending the amount of time given to satisfy payment plans. Staff will provide information on payment plans at the March 1 Work Session.
2. The Committee reviewed the 4th Quarter 2020 financial information and asked Mr. Thompson to clarify the additional revenues in the General Fund Miscellaneous Receipts account. Mr. Thompson indicated he would research and send a response on Tuesday, 02/23/2021.

3. Mr. Thompson shared a summary of outstanding work assignments for the finance consultant to assist Staff until the new CFO can be hired by the Borough. The Committee and Council members present asked numerous questions to clarify the work assigned. No further action is required at this time.
4. Due to time constraints, Mr. Thompson reported there are documents in the Dropbox regarding recent pension performance reporting, the solicitor's invoice and the check and ACH register. The Committee is encouraged to review the documents and contact Mr. Thompson if they have any questions.

Old Business Items:

1. Chairman Ressler reviewed the outstanding Old Business list but no items were specifically discussed.