

## **aBUDGET AND FINANCE COMMITTEE REPORT – SEPTEMBER 14, 2020**

---

**Members:** Ressler, Chairman, Weiler, Zimmerman, Barr (Alternate)

**Attendees:** Ressler, Weiler, Zimmerman, Barr, Reinhold, Rowe, Martin, Thompson, Moore

The Budget & Finance Committee met on August 24, 2020, and discussed the following:

### **Action Items:**

1. The Staff presented the 2021 Pension Certification Report identifying the Borough's minimum municipal obligation to each pension plan. The 2021 defined benefit Police Pension Plan amount will be \$687,066. The 2021 defined benefit Non-Uniform Borough Pension Plan amount will be \$599,781. The 2021 defined contribution Retirement Plan amount will be \$61,111. The Certification will appear on the September Consent Agenda recommending that the Borough Manager execute the certification.

### **Discussion Items:**

1. The Staff presented an estimated COVID-19 budget impact for 2020. The largest risk is with the Earned Income Tax and the Local Services Tax. In addition to the two taxes, there are a number of other smaller accounts at risk which when combined equals an estimated loss to the General Fund of \$379,700. The General Fund balance will be used to cover this shortfall. The Staff will not recommend a tax increase to cover COVID-19 expenses. We maintain a healthy fund balance to cover emergency situations like this. The Staff will continue to monitor the situation and will provide updates as they are available.
2. The Staff provided the Committee with the 2<sup>nd</sup> quarter finance reports. Since finances were just reviewed in the above presentation, there were no additional questions. No further action is required.
3. The Staff provided the Morgan Stanley reports on the two pensions and the retirement plan for review. No further action is required.
4. The Staff provided a copy of two reports on the solicitor's invoices. The first report is sorted by invoice and the second report is sorted by project. No further action is required.
5. The Staff provided the Check and ACH registers to the Committee for August to date. An addition of a BA or EJ was added to the list so the committee knows which checks are for the Ephrata Borough Authority and EAJA. The Committee requested details on the account charged for Check 42709. It was coded to rental expense for drone battery charges, but the expense should have been charged to tools and equipment. The Staff will move the expense to the correct account.

### **Old Business Items:**

1. The Staff will provide the breakout of contributions for the September committee meeting.
2. The Staff will begin the process of reviewing our collection process.

3. The Staff provided an update on the credit card fees. The Springbrook upgrade could be completed now for \$10,000 and the system would still reside on the Boroughs server, or we could wait until March 2021 (estimated) and complete the upgrade for \$8,000 and the system would reside on the Cloud. The Staff will work with Springbrook on dates for the upgrades. We will have to provide sufficient notice to our customers of the change to customer pay for credit card fees. Considering the current state of the economy due to COVID-19, we would not want to add the fees right now. We try to coordinate the implementation of changes like this with the Spring since most customers would have lower utility charges overall at that time. If the upgrade to the server would be completed next year anyway, then we should wait until we can upgrade to the Cloud. The Staff will provide an update at the September meeting.
4. The rental abatement will continue until the end of this year.
5. The Staff is working on the Borough parking project and will provide updates as they are available.
6. The Staff is working on the potential revenue sources and will provide an update when it's available.

**Miscellaneous Items:**

1. The budget presentation workshop has been moved from October 8<sup>th</sup> to October 15<sup>th</sup> at 5:30 PM.
2. Tim Barr volunteered to fill the vacancy on the EAJA board. This will be moved to an Action Item.
3. The Staff submitted the documentation for the PA Cares Grant on Friday, 08/21/20.
4. The alternate to the AMP board of trustee's position remains vacant.