

## **BUDGET AND FINANCE COMMITTEE REPORT – SEPTEMBER 9, 2019**

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**Members:** Reinhold, Chairman, Weiler, Martin

**Attendees:** Reinhold, Weiler, Martin, Rowe, Thompson, Moore, McManus and 1 guest

The Budget & Finance Committee met on August 26, 2019 and discussed the following:

### **Action Items:**

1. Staff presented the 2020 Pension Certification Report identifying the Borough's minimum municipal obligation to each pension plan. The 2020 defined benefit Police Pension Plan amount will be \$627,555. The 2020 defined benefit Borough Pension Plan amount will be \$474,955. The 2020 defined contribution Retirement Plan amount will be \$42,165. The Certification will appear on the September consent agenda recommending that the Borough Manager execute the certification.

### **Guest Discussion Item:**

1. A guest, John Stewart, attended the meeting to express his opinion of the Borough's electric utility bill collection process. He would like the Borough to include the landlord on the electric account along with the tenant. This way they can evict people more quickly when they fall delinquent on their electric account with the Borough. He would like the Borough to conduct an audit of our collection process.

### **Discussion Items:**

1. Attorney McManus was present at the meeting to explain the EPAC Landlord Lien Subordination that we were requested to sign. He provided a memo detailing four issues with the document that he wanted to explain. He also advised that the agreement is a standard form that the bank uses that protects the banks best interest but changes will be necessary to ensure the Borough's interests are protected. EPAC is taking out a \$35,000 line of credit but we would need to know the purpose to ensure they are not using the funds for the Borough civic contribution match. They must raise the money for the match, it cannot be borrowed. Staff will contact ENB to discuss the document changes requested by Attorney McManus and will provide an update at the September committee meeting.
2. Staff reviewed with the Committee the 2<sup>nd</sup> quarter finance reports. Finances are trending as expected. No further action is required.
3. The Staff reminded everyone that the 2020 Budget Presentation will be held on October 24<sup>th</sup> @ 5:30 pm. The Committee asked if they needed to do anything in preparation for the presentation. The Staff advised that everything will be provided by Staff for the presentation. No further action is required.
4. The Personnel Committee wanted it noted that the management increases for the 2020 budget are capped at 3%. The staff advised that 3% is the amount that is always included in the budget for management. The 3% increase for 2020 will be approximately \$39,000. Any amount over the budgeted amount would require council approval. No further action is required.
5. The Staff received a request from the Pioneer Fire Company to hold a separate meeting for the fire company to present their budget request. The Committee is concerned that if they

schedule a special meeting for the fire companies, then all other civic contribution organizations might also ask for a separate meeting. Everyone will have an opportunity to explain their request at the November 28<sup>th</sup> Budget & Finance Committee meeting. No further action is required.

6. A Borough Council member had requested an addition of 50 pool lounge chairs for the pool. They expressed their frustration that there are never enough lounge chairs for everyone. The Rec budget submitted for 2020 includes the addition of the 50 lounge chairs. No further action is required.
7. The Staff provided information regarding the new 65+ retiree medical plan. The plan has been changed from the plan used for all current employees, where we pay a larger amount each month and any excess funds at year end are returned to the Borough. The new plan would cover the 20% that is not covered by Medicare and would be a fixed monthly premium. It will save the Borough approximately \$300,000 per year. The Staff asked the Committee if we should consider lowering the retiree quarterly contribution since this plan will only cover 20%. The Committee expressed that the retirees have a favorable plan based on the current quarterly payment so a reduction is not recommended at this time. No further action is required.
8. President Rowe received some comments from residents that they have difficulty with locating committee times and agendas when accessing the Borough website on their phones. The Staff provided screen shots of an example of accessing the website on a phone and how to do so. No further action is required.
9. The Staff had a wall mounted cabinet installed outside the front doors of the Borough which contains the agendas for all meeting as well as a calendar for the current and following month. Everyone was pleased with the cabinets. No further action is required.
10. The Staff had submitted a request to all council members asking if they agreed to have their pictures taken to be used for Council ID cards, to place in the lobby and in the staff books. Everyone agreed to using pictures for Council ID cards and for the staff books. The request to place the pictures in the lobby was not approved by all members so we will not include them in the lobby. The Staff will complete this project shortly.
11. The Staff provided a copy of two reports on the solicitor's invoices. The first report is sorted by date and the second report is sorted by project. No further action is required.
12. The Staff notified the Committee that the Drug Task Force program is having monetary difficulties. As a result, our Borough long term DTF officer will be returning full time to the Borough effective 9/1/19. The early return to the Borough will cause the authorized officer staffing level to be exceeded by one officer. However, the Borough has an officer on Workers Compensation so this will make us fully staffed, which will help to minimize overtime. The PD Staff has an officer retiring in the second quarter of 2020 so PD will remain fully staffed. The Staff will determine any budgetary changes as a result and will notify the Committee at next month's meeting if any increases are needed.

13. The Staff provided the Check and ACH registers to the Committee for August to date. No further action is required.