

BUDGET AND FINANCE COMMITTEE REPORT – OCTOBER 12, 2020

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

Attendees: Ressler, Weiler, Zimmerman, Barr, Reinhold, Rowe, Martin, Shumaker, Mowen, Thompson, Moore and McManus and Guests

The Budget & Finance Committee met on September 28, 2020 and discussed the following:

Action Items:

1. The Staff reviewed with the Committee a request from the Police Department to bid on an enclosed 20' trailer that is for sale by the Pioneer Fire Company. It is listed at \$10,000 or best offer. The trailer would be used for the housing of the drones. Currently, officers must load the drones into a PD vehicle when needed. This would allow the drones to be ready and charged at all times. The trailer already has a generator, benches, dc outlets and scene lighting. The trailer would be stored in the Fulton Maintenance Garage. The funds for the trailer will come from the 2020 training budget. Due to COVID, the PD team has not been able to train as much as they would normally. Additionally, a citizen has agreed to donate \$2,000 towards the purchase of the trailer. The bid ends on October 9, 2020 so the Committee will recommend that Council approve the request at the October 5th Work Session.

Discussion Items:

1. The Staff provided numerous documents for the Committee on the topic of Financial Assistance for Borough Residents:
 - a. Borough Website – Links to financial assistance (links to EASS and HUB), budget billing information and the budget billing application have been added in 3 locations on the website (electric documents from home page, News & Events tab from home page & under Borough Services – Utility billing info). The Staff has added funds to the 2021 budget for a website overhaul.
 - b. Jim Sandoe Letter – Mr. Sandoe submitted a letter to Council making suggestions on ways the Borough can solicit funds to help customers with their electric bills. Per James McManus, the Borough does not have the authority under the Borough Code to create a fund that could be used to help residents pay their bills. Council members suggested this is more of a social services function. The Borough is not a social services organization. The Borough can only do what is authorized under the Borough Code.
 - c. EASS Suggestions – Joy Ashley suggested a similar fund to help residents as well as a discount if they pay their bill. This is more of a social services issue and the Borough is not authorized to establish such a fund under the Borough Code. There were a number of guests who also expressed their thoughts that the Borough should help residents pay their electric bills.
 - d. Budget Billing – Information has been added to the website in three locations on how this program works.
 - e. John Stewart Audit Request – The Staff placed documents in the Dropbox summarizing his requests. The Committee will review the documents and discuss during the next Budget & Finance meeting.

- f. Updated Statistics on Borough Electric Disconnections – The Staff updated the Committee on the current disconnect statistics. Of the 66 residences disconnected during the initial round thru 9/10/20, only 10 remain disconnected. Of the 10, at least 7 are vacant. On 9/17, there were 4 disconnected and they have been reconnected. Disconnections are also scheduled for 9/29/20. There are 13 on the list but the expectation is that a number of them will pay before being disconnected at 10am.
2. The Staff provided numerous documents for the Committee on the topic of COVID update:
 - a. Revenue to Date – The Staff believes the estimate of a loss of \$380,000 in revenue, primarily under taxes, is still accurate.
 - b. PA CARES Submission – The Staff submitted a revised PA CARES packet with the PD payroll broken out between all of our partners. The original Borough submission was \$1,013,592.58 and the revised submission was \$622,637.96.
 - c. Rec Center – December Bond Payment – The Staff received an update from Jim Summers regarding the bond payment in December and they feel they will be able to make the payment without assistance from the Borough.
3. The Staff provided numerous documents for the Committee on the topic of Budget:
 - a. Pool Revenue – This was also discussed during the Community Services meeting. Staff will use \$270,000 as project pool revenue. After Council has come to an agreement on how to handle pool admittance next year, Staff will update the projection as needed.
 - b. Fire Company Truck Financing – The Staff has some suggestions for financing of trucks for Pioneer and Lincoln Fire Companies. This information will be provided at the 10/05/20 Work Session.
 - c. Sewer Rate Increase in 2021 – The Staff reviewed the estimated increase in sewer rates for spring 2021. The in-borough rate will increase and the out-of-borough rate will decrease to make them equal and increase revenue by approximately \$250,000. The additional funds are necessary to cover the additional debt that is needed for the construction at Plant 1.
 - d. Refi of Bonds plus New Borrowing for Borough Authority – The rates are very favorable currently so it will be beneficial to Borough Authority to refinance the current debt plus additional borrowing of \$13 - \$15 million for Plant 1. The refinancing cannot occur until after August 2021 but additional borrowings will occur in 2020 and 2022 to cover all of the construction costs.
 - e. Pension Status – The Borough pension plans have a distress score of 1. Previously, the pension plans were at a zero distress score which meant the fund was funded at 90% or higher. The score now shows a distress score of 89% which is why we have a distress score of 1. This is primarily due to the poor returns in the stock market and an increase in the life expectancy charts.
4. The Staff provided the breakout of contributions that was listed as Old Business. The Committee will review and contact the Staff with any questions.
5. 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.
6. The Staff provided the Check and ACH registers to the Committee for September to date. No further action is required.