

BUDGET AND FINANCE COMMITTEE REPORT – NOVEMBER 13, 2023

Members: Ressler, Chairman; Zimmerman, Vice Chairman; Musser, Member; Richard, Alternate; Gerhart, Staff

Attendees: Committee: Ressler, Chairman; Zimmerman, Vice Chairman; Musser, Member
Council: Reinhold, Barr, Martin, Richard
Staff: Gerhart; Harris; Dechert

The Budget and Finance Committee met on October 23, 2023 at 7:30 PM at Ephrata Borough Hall, 124 South State Street.

Approval of Agenda:

Ms. Gerhart provided confirmation of the following:

1. The meeting agenda was posted on the Borough's website and at Borough Hall no later than 24 hours in advance of the time of the meeting.
2. The meeting agenda included a listing of each matter of Borough business that will be or may be the subject of deliberation or official action at the meeting.
3. There were no changes made to the meeting agenda after it was posted.
4. The meeting agenda was made available to individuals in attendance at the meeting.

Committee Chair Ressler asked if there were any requests to add a matter of Borough business to the meeting agenda. Ms. Gerhart requested the addition of a resolution for the removal of former employees from Mission Square retirement accounts as an action item. Mr. Ressler asked for a motion to accept the meeting agenda as amended. Mr. Zimmerman moved and Mr. Musser seconded to approve the meeting agenda as amended. The motion carried unanimously.

Action Items:

1. The Committee reviewed Resolution 2023-23 removal of former employees from Mission Square retirement accounts. The Committee will recommend that Borough Council adopt the Resolution at their November 13, 2023 meeting.

Discussion Items:

1. Ms. Gerhart informed the Committee that there were no changes to the Draft Budget since the October 19th Budget Workshop presentation, as well as the items that were still pending as of 10/23/2023. A full draft budget will be delivered to Council for review in early November. The Committee discussed the following specific items that will have an impact on the budget.
 - a. The General Fund has a fund balance in excess of the recommended 25-50% primarily due to staffing shortages, supply chain delays and increased interest earnings. The draft presented at the Budget Workshop showed a deficit for 2024. Based on historical budget to actual results and several one-time expenses occurring in 2024, the Committee directed Staff that their preference would be to use fund balance to make up the shortfall.
 - b. Capital Projects for 2024 were discussed in detail, as well as the projected project schedule through 2028. The Committee directed Staff to revise the Capital Reserve Fund draft budget by delaying the firearms purchase to 2025.

- c. The 2024 budget shows a continued increase in costs for the Borough's Municipal Storm Sewer System (MS4) Program. The costs are currently incurred in the General and Capital Reserve Funds. While significant grant funding was obtained for the Gross Run project, Staff noted concerns related to the MS4 costs in the future. The Committee discussed the potential for a stormwater fee as the revenue source to fund required MS4 projects.
 - d. The Committee acknowledged the need for an increase in sanitation fees. The Sanitation Fund is operating at a deficit in 2023 with a larger deficit projected in 2024 due to increased hauling costs and tipping fees. Without an increase, the Sanitation fund balance would be at an unhealthy level. Ms. Gerhart will make a recommendation to the Municipal Enterprises Committee for their input and review.
2. The Committee reviewed the 3rd Quarter Budget Review. No further action is required.
 3. Staff informed the Committee of a vacancy that exists on the Ephrata Borough Vacancy Board. The prior appointment has moved outside of the Borough and is no longer able to hold the position. After some discussion about the Borough appointment process to various Boards and Commissions, the Committee suggested website or social media posts seeking volunteers. Staff also requested that Committee members forward the names of any residents whom they encounter that may be interested in serving in this capacity.
 4. Staff informed the Committee of the extra costs and additional processing time incurred by the Borough due to multiple payroll schedules. The Borough currently has biweekly and semi-monthly pay periods. A survey of those employees that would be impacted by a change from semi-monthly to biweekly was presented to the Committee. The majority of those surveyed would be supportive of the switch to biweekly payroll. With employee support and the consensus of the Committee, Staff will pursue changing the semi-monthly payroll to biweekly effective January 2024.
 5. Staff provided a copy of the Solicitor's invoice. No further action is required.
 6. Staff provided the Check and ACH Register. No further action is required.

Old Business Items:

1. The implementation of credit card fees will be possible when the Springbrook software conversion is completed.