

**MINUTES OF PERKASIE BOROUGH
SPECIAL FINANCE COMMITTEE MEETING-BUDGET 2024
SEPT. 27, 2023
620 West Chestnut Street
Perkasie, Pennsylvania**

ATTENDANCE:

Council Member:	Jim Ryder Randy Faulkner Scott Bomboy Greg Martin Dave Weaver Dave Worthington
Borough Manager:	Andrea L Coaxum
Finance Director:	Rebecca Deemer
Public Works Super:	Jeff Tulone
Police Chief:	Robert Schurr

The Finance Committee meeting was opened at 4:00PM and the Pledge of Allegiance was led by Jim Ryder.

PUBLIC FORUM

None

DRAFT BUDGET 2024

Randy Faulkner addressed the committee letting everyone know that real estate transfer taxes are declining and there is no real growth in real state tax revenue. The pool had a tough year due to weather and electric power purchases are expected to increase rapidly. Earned Income Tax Revenue is doing ok but will not offset the decline in the previously mentioned revenue sources.

The Borough Manager gave a brief introduction. The budget as presented in its draft form does have a deficit of \$577,499. The Administration does like to come to Council with a small deficit, leaving them for some choices to make. Going through the draft budget, Council will see the trends related to revenue and how weather plays a role as well as other factors. We need to look at the future of our revenue sources.

The Finance Director went through the overview of the 2024 draft budget including budget comparisons between 2023 and 2024. The draft budget is unbalanced with a gap of \$ 577,499. The transfers between funds have decreased in order to maintain fund balance percentages per the fund balance policy. The General Fund reflects 100% of the budget deficit.

Fund balance calculations were provided to the committee. We are currently projecting fund balances that are within the target % set by Council with the exception of the General Fund. The projected fund balance for the General Fund is 13% by the end of 2024. This is 7 percentage points below the current target. The reduction in revenue for Real Estate Transfer Tax and Interfund Transfers from Electric are just a couple of things that are impacting this deficit.

The budget presentation also included information on headcount trends, insurance trends, history of pension costs and salary projections.

Rebecca presented highlights of Revenues and Expenses for the General Fund. Revenues remain static with the exception of a few changes. There are no tax increases projected. We are projecting an increase of \$150,000 for EIT revenue. We are projecting a decrease of \$50,000 for Real Estate Transfer Tax revenue. Development in Perkasio is slowing down and current interest rates have slowed down the housing market. We are looking for Council to provide some input with regard to these revenue sources.

Rebecca advised the committee on the following major increases in expenses:

- Salaries are increasing by 3.25% - 4.0%
- Property and Liability Insurance reflects a 50% increase based on recommendations by our insurance provider.
- Health Insurance and Workman's Compensation are reflecting increases of 6%. These were also recommendations made by our insurance provider.
- Electric power purchases are increasing by \$ 278,553 and are expected to increase further over the next five years.

The committee was presented with some data showing the costs related to refuse and recycling. With the addition of the Baler in 2022 we are starting to see some savings with recycling. However, it is more expensive to dispose of trash than it is for disposal of recycling.

There was some discussion amongst the committee regarding trash totes and trash bags and the potential for increasing rates as our costs go up.

OTHER BUSINESS

None

PUBLIC FORUM

None

PRESS FORUM

None

ADJOURNMENT

The meeting adjourned at 6:13 PM.



Andrea L. Coaxum
Borough Manager/Secretary