

**MINUTES OF PERKASIE BOROUGH  
SPECIAL FINANCE COMMITTEE MEETING-BUDGET 2022  
SEPT. 21, 2021  
620 West Chestnut Street  
Perkasie, Pennsylvania**

ATTENDANCE:

Council Member:	Jim Ryder Jim Purcell Matt Aigeldinger Steve Rose Chuck Brooks Randy Faulkner
Mayor:	John Hollenbach
Borough Manager:	Andrea L Coaxum
Finance Director:	Rebecca Deemer
Public Works Super:	Jeff Tulone

The Finance Committee meeting was opened at 5:00PM by Jim Ryder. Mayor John Hollenbach led the Pledge of Allegiance.

PUBLIC FORUM

None

DRAFT BUDGET 2022

The Borough Manager gave a brief introduction. Her memo, included in the budget packet, is just a summary of what Council will learn through the meetings. We are providing a balanced budget that will require feedback from Council on certain items. There are a few changes that are already being made to the draft document.

The Finance Director went through the overview of the 2022 Draft Budget including budget comparisons between 2021 and 2022. The draft budget includes an overall increase of \$39,079, .2%. Salaries, fringe benefits and other fixed costs are the biggest drivers for the increases. There is a decrease in Capital spending.

Fund balance calculations were provided to Council. We are currently projecting fund balances that are within the target % set by Council with the exception of the Electric Fund and the Menlo Aquatics Fund. The Electric Fund balance was reduced to 10% by approval of council at their meeting on September 7, 2021 for the purchase of the new bucket truck. The 2022 Electric Budget reflects reduced spending in an effort to re-build the fund balance. The current draft projects a 2022 year end fund balance target percentage of 12%.

Andrea discussed the option of using funds from the American Recovery Plan proceeds to address the fund balance deficit in the Menlo Aquatics Fund. We will be having separate conversations with regard to that in the upcoming weeks.

Randy Faulkner inquired about the reserves in the Electric Fund and what would happen if there was a disaster that would require several trucks to be out working in the neighborhoods. Andrea explained that there would be a huge impact on our public utility system as our coverage does not extend to every pole and wire in the Borough unless they are within a certain number of feet of a covered building. She added that there are mutual aid contracts and depending on the disaster perhaps FEMA could assist. Matt asked if there was insurance for infrastructure. Andrea has asked in the past if DVIT could provide a policy for infrastructure but to date that has not been an option. Matt asked if there are other companies that offer policies for infrastructure and other members of Council agreed that it is something that we should look into.

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

Jim Ryder asked if there has been a response from AFSCME regarding the Borough's counteroffer of 3.15%. Andrea commented that she has not heard back from them at this point.

Randy asked if there are any lower paying jobs that we are in fear of losing. Andrea commented about the part-time summer pool staff. We will get into more detail with the pool during the review of the Menlo Aquatics Fund. Otherwise, there aren't any other positions to be concerned about.

Rebecca presented highlights of Revenues and Expenses for the General Fund. There are no tax increases projected, the EIT rate remains the same and Real Estate Transfer tax revenue increased by \$100,000 based on prior year actuals and our current year end projections. We are also requesting an increase in zoning and permit fees of \$15,000.

Rebecca reviewed the revenue and expenditures for Executive, Administration and Finance and provided rationale for some of the significant changes that were being proposed.

Randy asked how the Earned Income Tax comes in as his calculations show the possibility of increasing that revenue source as it seems a little light. Rebecca explained that we receive distributions on a weekly basis and then larger distributions at the end of each quarter when employers are filing their quarterly payroll tax reports.

Jim Ryder asked about the rent of Borough offices and why that number looks so much lower compared to prior years. Andrea commented that we currently only have 1 tenant but are actively searching for new tenants.

Zoning Permit revenue has a proposed increase of \$11,000. Andrea discussed the desire to increase building permit fees to help offset the costs related to the reviews. Specifically the Borough's in house administrative expenses. Matt stated that he thinks it's a benefit to the town to market smaller fees and that it's great to see the improvements that people are making on their homes because of the reduced fees. There was further discussion amongst Council and the line item will be reduced.

Andrea discussed that last year Council approved a change to Linda Reid's position to include special events and community development. She is also managing some of the planning and zoning. Next year we are requesting a part-time position (15 hours / week, \$17/hr.) for a total cost of \$13,000 to help with the very basic administrative duties related to planning events. This will free up some time for Linda to continue to assist with projects related to land development and

economic development.

There was some discussion with Council regarding the expenses for the Planning Consultant. Andrea reminded Council that we now have Judy on board to work for the Borough on planning reviews and attending planning commission meetings.

Rebecca provided some highlights for Public Works and Refuse departments. The biggest variance in the Refuse Fund was due to the inclusion of grant proceeds and expenses for the bailer/trash compacter. There was discussion amongst Council about what the grant includes. Rationale was provided for any other changes throughout the budget.

Jeff discussed his request for the purchase of a snow box for the skid steer for winter snow removal. It would help for the department to be more efficient. They haven't been able to rely on contracted services for snow removal because of insurance requirements that are costly and not knowing what kind of season we will have.

Jeff discussed his request for additional funding of \$45,000 for tree removal.

There was some discussion regarding bag sales and the potential to increase those fees.

Capital projects for Public Works and Refuse were mainly set asides for future purchases of vehicles and equipment for replacement. Andrea noted that we had set aside funds for capital purchases in prior years that we have been able to push out further than we thought. The draft budget includes a reduction for those prior funds. Since Council has approved those funds already we are making corrections to include the original money that was set aside. The dollar amount is approximately \$30,000. There was further discussion of purchasing an electric trash truck which once we have a better idea of what that cost might be we can make adjustments to future savings.

Andrea provided detailed explanations of each capital item. She discussed the road program and the ability to allocate part of the excess capital fund balance toward the road program in addition to what is budgeted in the draft.

Andrea talked about the improvements to Park Ave. Council has already approved \$14K for surveying and \$14K for engineering. We are setting aside \$50K to start on the project next year but Council may want to wait for the design and cost estimate to come back before we designate funds for the actual project. There was discussion amongst Council regarding the project. The consensus is to hold off on this project.

Andrea discussed the proposed budget for MS4 engineering for sediment removal and the project that they would like to plan for in 2023 for streambank restoration. It's not the same type of streambank restoration that was done in Lenape Park.

Jim Purcell discussed the sediment around the Walnut Street Bridge which caused a lot of damage to our covered bridge. Andrea commented that that particular area does not qualify for MS4. In 2018, Council was presented with a plan to take action on and it was voted down. That is why the sediment had not been removed. There was further discussion regarding the removal of sediment before it gets into the stream. Several councilmen recommended being proactive by putting in some budget dollars to address the issue.

There is \$65K dollars in the capital budget for one section of the Borough Hall Roof.

Capital items included in the draft for Administration were estimates for Software, Hardware and computer upgrades. We are also including an estimate for a new server as well. We are waiting on quotes from Premier for more concrete costs.

Jim Purcell asked about the air conditioning unit for the server room. Jeff commented that we have been able to use portable air conditioners to help with that issue. Just recently PD used the portable ac for his server room.

We have also included in the budget an upgrade in our phone system. We have not decided on a vendor at this point but wanted to include those projected costs in order to upgrade the system in 2022.

Chuck started a discussion on the road improvement plan. For 2022 we are looking at \$238K for the road program. For the past few years he has voiced his concerns that the aid from the state is no longer viable to help with maintaining a decent road program. He is recommending that they seriously look into a dedicated tax millage increase for the road program. He is suggesting a tiered program, 3 mills, 2 mills and 1 mill.

Andrea addressed the Capital fund balance and the potential to use additional funds towards the road program.

There was further discussion amongst Council. They asked for an analysis of what the tiered tax increase would look like and the impact on annual real estate taxes for residents Andrea stated that we would provide that information for Council at the meeting on Thursday.

OTHER BUSINESS

None

PUBLIC FORUM

None

PRESS FORUM

None

ADJOURNMENT

The meeting adjourned at 7:20 PM.



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Andrea L. Coaxum  
Borough Manager/Secretary