

**MINUTES OF PERKASIE BOROUGH  
SPECIAL FINANCE COMMITTEE MEETING-BUDGET 2022  
SEPT. 23, 2021  
620 West Chestnut Street  
Perkasie, Pennsylvania**

ATTENDANCE:

Council Member:	Jim Ryder Jim Purcell Matt Aigeldinger Steve Rose Chuck Brooks Randy Faulkner Scott Bomboy
Mayor:	John Hollenbach
Borough Manager:	Andrea L Coaxum
Finance Director:	Rebecca Deemer
Electric Supervisor:	Harold Stone
Parks & Rec. Director:	Lauren Mole
Police Chief:	Robert Schurr

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

PUBLIC FORUM

None

The Borough Manager started the meeting reviewing the analysis for the proposed real estate tax increase along with the history of liquid fuels payments that was provided to Council. The proposed tiered increase would generate approximately \$550K towards the road program over the next three years. Residents would see an average increase over 3 years of \$172. The increase provides Council with budget stability for the road program. Dollars will be earmarked for the road program in addition to the liquid fuels funding each year. Chuck commented that the liquid fuels funding will continue to go down.

There was discussion about proposing an increase one year at a time. Essentially, Council could only propose a one year deal at this time. Council has the ability to use current reserves on top of the first year tax increase and liquid fuels, which would provide the Borough with a good starting base. Then while preparing the 2023 budget we can revisit the tiered proposal.

Andrea commented that the money that is currently being put aside each year for the road program could go towards other important capital projects. We could also be more proactive at being able to extend the life of the roads.

Chuck commented that a press release should be made to the effect of "Perkasie invests in its road program". Randy also commented to include the fact that we continue to see a decrease in our liquid fuels funding each year.

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Matt added that the Borough also needs to be able to explain how we are managing our expenses and be able to address any fund balances. Are we putting those reserves to work?

## DRAFT BUDGET 2022

The Finance Director started with an overview of the Electric Fund and Electric Capital Plan. There is a decrease in spending of \$ 249,200 in an effort to rebuild the fund balance back to the target percentage set forth by Council. Power purchases are increasing by approximately \$20K based on projections provided by AMP. Capital spending includes the meter replacement program, electric department roof, camera system and Comcast firewall. \$195,500 is being reserved for future spending on the transformers and replacement of the 2014 bucket truck.

There was discussion amongst Council regarding the project for the generator and the issues the Borough has been having with PP&L. Andrea said that an update would be provided at the next meeting.

Matt asked if any money will be reserved for whatever AMP recommends for cybersecurity improvements. Andrea commented that the next draft will include additional expenses for those improvements.

Rebecca went through the Electric budget line by line. There was discussion amongst Council regarding the proposed changes for 2022.

Randy asked about the sale of electricity and why there isn't a proposed increase for 2022. Rebecca commented that the current year to date and projected year end numbers indicated that we would come in right around the \$8.7 million for 2021 so we decided to budget conservatively. Howie talked about the airport building and that the consumption there is not what we thought it would be and we still don't know what the consumption for the second building will be.

Matt asked about the top customers. Andrea mentioned that we are still gathering the data. We will provide that information at a later date.

There was some discussion regarding the expenses for clothing. At this point the Borough is negotiating with AFSCME and one of the changes they are proposing is an increase in the clothing allowance. Chuck commented that we should make sure we aren't doubling our efforts. Andrea will check to see how expenses are being charged to be sure where reimbursements and PPE expenses are being charged.

There was some discussion about the bank/credit card fees. These are fees related to credit card transactions for electric bill payments. The Borough absorbs the fees for each transaction. There was some further discussion about passing that fee back onto the residents. We will find out what the current fee per transaction is to determine whether or not to do so.

Chuck suggested that we review some of the line items based on what our year to date actuals are and make changes in order to reallocate the money to other areas.

Howie walked through all of the Capital items. He pointed out that we won't be able to get batteries for the project this year so we may ask Council to allow those funds to be used for a new

server. There was some discussion about the camera system at the sub-station and the potential need for a server. Howie said that it is a stand-alone system and that it does have recording capabilities for a minimum of a month, possibly more. Howie stated that they want to go to a camera system that can be used Borough wide.

Following the presentation of the Electric Fund, we reviewed the General Fund Culture and Recreation and capital related items, and the Menlo Aquatics Fund.

Rebecca provided a summary of the Menlo Fund. We are proposing an increase of \$118,656. This is due to a proposed increase of \$1.50/ hour for the pool staff wages. The biggest expense increase is for chemicals which is related to the capital expense of the acid room repairs. The only other capital expense related to the Menlo Fund is the current outstanding debt. Our obligation for 2022 is \$438,635. This draft does not provide for any contribution by the Menlo Fund to its debt service.

Matt asked if the Borough has ever looked into restructuring the debt. There was some discussion amongst Council about possible options. It was looked into a couple years ago, perhaps maybe we can look into it again. Rebecca will look into it and see if there is the potential to do so.

In order to fund the wage increases we are proposing an increase in memberships, daily pool admissions and even adding a new revenue line item for special events (i.e.; parties, reunions to be held at the pool).

Council asked if the proposed wage increase will be enough for us to remain competitive. Andrea commented that at this point it is hard to predict what the economy will look like next year. We will be working over the next couple of months to come up with ideas for other incentives for staff retention.

There was some discussion about possibly budgeting for a higher rate increase. Andrea commented that this year we were competing with places like Dunkin which was not the case in the past.

Andrea stated that we need to understand what Council prefers with increases in pool memberships in order to budget higher for wages. Matt commented that residential prices should remain flat and the non-resident fees should increase.

Jim Ryder commented that we know we are going to lose money but we need to be realistic up front with how much money we need in advance. We should forecast worst case scenario and go from there.

Rebecca reviewed the revenue and expenses for Culture and Recreation in the General Fund. Most of these costs are related to the events that Linda puts together and the revenue collected offsets those costs. We have included in the budget a new revenue source for Amphitheater rentals.

Scott Bomboy asked about adding a line item for the Memorial Day Parade. Andrea said that we could add that.

Most of the expense items are related to salaries and wages. This draft does include a proposal for a part-time clerk to assist with special events.

Matt asked about the fencing for the Dog Park. Andrea stated that our deductible is \$50K. The traffic signal box is right around \$50K so anything above that would be reimbursed by insurance.

Chuck asked about a pocket park. Andrea said that she hoped to be able to include other capital projects in the next draft of the budget. That would include the design options for the freight house.

The budget review wrapped up with the Police Department.

Rebecca provided an overall summary of the Police Budget with the biggest item being the contribution from Sellersville for police services which is increasing by \$147,879. The contract with Sellersville was just approved by Council for a reimbursement at 32%. This draft also includes a 3.3% increase in salaries based on the contract that was approved earlier this year. Accreditation costs had been included in the Capital budget in the past and now is being moved into the General Fund. Other changes include increased insurance costs and capital items which include forensic cell phone software, computer replacements and body cameras. Andrea added that the Chief's original request included the purchase of a new vehicle. We had taken that out of the budget and then decided to put it back in but that change has not been made in this draft so the vehicle will be included in the next draft.

There was some discussion regarding the replacement of the vehicle. Chief Schurr talked about the vehicle they currently have needing a transmission. It makes more sense to purchase a new vehicle instead of continuing to put money into an older vehicle. There was discussion about looking into an electric vehicle in the near future as the technology becomes more reliable.

Andrea discussed with Council the discrepancies in the police budget with regard to the health insurance line item. The amount that was in the 2021 budget was incorrect which inflated the year over year comparison.

The Chief talked about the increase in uniform purchases for 2022. There are 7 officers that need new body armor. The life span on the body armor is about 5 years. There is the potential for grant money for reimbursement for the body armor that he will be looking into.

There was some discussion about accreditation. The Chief commented that at this time there are no discounts offered by the insurance company for accreditation.

There was lengthy discussion on the police overtime. The Chief talked about it being a moving target. He explained that the more productive the officers, it creates more court time. The court time is when the officer is not working. The County court time puts the officers on call and don't know if a trial will take place until the morning that it happens. To date, there was a total of 138 hours for court time. Only 60 hours of that court time has been paid for the officer actually going to court. There are other factors that contribute to the overtime, including shift coverage. The Chief has made changes to minimum man power on weekends to try to cut back on overtime expenses.

Chuck commented that he would like to see if there was a way to reduce some of the proposed expenses for 2022. Jim Ryder commented that the department is fully staffed at this point so it could be feasible to reduce the overtime budget.

The Mayor voiced his concerns about the proposed tax increase. There was further discussion about it and the most important thing is in how it's delivered to the residents.

There was some discussion about presenting the changes to the draft and whether or not a third meeting is needed. It was decided that the next draft could be presented at a regular council meeting.

OTHER BUSINESS

None

PUBLIC FORUM

None

PRESS FORUM

None

ADJOURNMENT

The meeting adjourned at 7:06 PM.



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Andrea L. Coaxum  
Borough Manager/Secretary