

**MINUTES OF PERKASIE BOROUGH
SPECIAL COUNCIL MEETING
OCTOBER 29, 2008**

620 West Chestnut Street
Perkasie, Pennsylvania

ATTENDANCE:

Council Member:

Martin Gahman
Eadie Burke (absent)
Ray Conville
Bill Delaney
Richard Hendricks
Harry McGonigal (absent)
Chris Nicolosi
Jim Purcell (absent)
Maria Slowik
J. Robert Hunsicker
Daniel P. Olpere
Joe Gura
Andrea Coaxum
Josh Aniskevich (absent)
Heather Van Horn
Dan Gilbert
Harold Stone
News Herald
Daily Intelligencer
Morning Call
Bucks County Herald

Mayor:

Borough Manager:

Police Chief:

Assistant Borough Manager:

Park and Recreation Director:

Finance Director:

Public Works Director:

Electric Superintendent:

Press Representatives:

President Gahman convened the meeting at 7:00PM.

PUBLIC FORUM

Present was Luther Chontofalsky of 270 Parkridge Drive who voiced his opinion on the proposed electric rate increase.

Barb Searight, 312 E. Walnut Street was present. She asked Council to protect the people on a fixed income as they think about an electric rate increase.

Tom Skiffington, owner of REMAX 440 at 701 West Market Street. He was wondering if the Borough had answers to the questions asked at the Monday business meeting. He also asked Council what the cost would be to get out of the current contract. He suggested that Council see if it would be better to get out of current contract and sign a new one with today's prices. He also asked Council to phase in the rate hike. He gave Council a copy of information he gathered on the total budget and reserves of several municipalities.

Bill Searight of 312 E. Walnut Street questioned what the total debt is of the municipalities that Tom Skiffington was referring to. He mentioned that Perkasie has a lot of debt, which is why the Borough has so much money in reserves.

CONTINUED DISCUSSION ON 2009 PROPOSED BUDGET

Manager Olpere presented revised budget figures and electric rate increase scenarios.

The revised 2009 preliminary budget with adjustments made from the October 13, 2008 council meeting with the decrease of \$696,044 over the previous draft was reviewed by Council. Council President Marty Gahman asked all of Council for any further comments on this draft.

Bill Delaney suggested looking into a six-month spending freeze; taking road projects, all equipment purchases and wage increases out of the draft budget. And then in six-months, Council could see if the economy was in a better place and take another look at the budget.

Rich Hendricks stated that he does not believe that staff wages should be cut from the budget, and suggested that instead of taking all capital projects out of the budget, the staff should come to Council for approval before making any capital expenditures.

Chris Nicolosi questioned what was included in the police salary increase, and Manager Dan Olpere explained that the number included a promotion and a 3.75% salary increase. Mr. Nicolosi also questioned several line items in the pool budget.

Bill Delaney asked Manager Dan Olpere to look at controlling all overtime next year. Manager Dan Olpere explained that he feels confident that the staff is watching it very closely and only using overtime when necessary. He said that he would continue watching overtime in the future as well.

Council President Marty Gahman read the proposed budget scenarios that include borrowing from reserves. Scenario #2 includes the budget adjustments from the October 13th council meeting- a decrease of \$696,044 over the previous draft- and with \$500,000 taken out of the capital projects fund. The only difference over scenario #1 is that a) the electric revenue figure is \$500,000 less in the electric fund, and b) the amount of the transfer from the electric fund to the capital projects fund is likewise \$500,000 less. All of the line items stay the same.

Bill Delaney supported borrowing from reserves and phasing in the rate increase over several years.

Council President Marty Gahman also asked Council when they felt the rate increase should go into effect, in the November bill cycle with bills due in mid-January or the December bill cycle with bills due in February. Council members supported putting the rate increase into effect in the November bill cycle if Council decided to dip into reserves to lessen the total increase.

It was decided that staff would prepare another strategy, which would show the results of borrowing \$1,000,000 from reserves.

PUBLIC FORUM

Tom Skiffington, owner of REMAX 440 at 701 West Market Street, thanked Council for considering phasing in the rate increase. He also mentioned that the State Legislature may stop the lift on rate caps or phase it in, which would keep the rates down for customers of public utilities.

Bill Searight of 312 E. Walnut Street mentioned that some municipalities are getting longer contracts because they are concerned that rates will just get higher. He also commented that, being in sales, he does not think that the Borough will be able to get a "rate quote" for current electric rates from any of our bidders. Our best bet would be to look at municipalities signing contracts right now. He also mentioned his concern about dipping in reserves because the Borough has more debt than most neighboring municipalities.

Dan Gilbert of 617 Arch Street began by stating that he has been a resident of the Borough for 55 years. He commented that you can't buy bread for \$3.00 and sell it for \$2.00. He is in favor of putting the entire rate increase in effect immediately to get it over with.

Barb Searight of 312 E. Walnut Street agrees that Council should not use money out of reserves. She said that at some point Borough residents will have to pay the electric bill, and if Council chooses to phase it in, the customers will just end up paying more.

PRESS FORUM

Questions from the press were asked and answered.

ADJOURNMENT

The meeting adjourned at 9:00 pm.

Daniel Olpere
Borough Manager/Secretary