

**MINUTES OF PERKASIE BOROUGH
SPECIAL FINANCE COMMITTEE MEETING NOTES
SEPTEMBER 24, 2009**

620 West Chestnut Street
Perkasie, Pennsylvania

ATTENDANCE:

Finance Committee Members:

Marty Gahman
Richard Hendricks
Jim Purcell
Chris Nicolosi
Maria Slowik (arrived 7:05 pm)

Other Council Members:

Eadie Burke (absent)
Ray Conville (absent)
Bill Delaney (absent)
Harry McGonigal (absent)

Mayor:

John Hollenbach

Borough Manager:

Daniel P. Olpere

Assistant Manager:

Andrea Coaxum

Finance Director:

Shannon Drosnock

Press Representatives

News Herald

The meeting convened at 6:05 pm. Mr. Gahman opened the meeting by announcing the next meeting date: Tuesday, September 30th at 7:00 pm. He also laid out the goal of having Council vote on a preliminary budget in November and approve the final budget in December.

All members of the audience were given draft copies of the budget and handouts to review while at the meeting.

PUBLIC FORUM

None at this time.

OVERVIEW OF 2020 BOROUGH BUDGET

Manager Olpere began the meeting by reviewing the "2010 Perkasie Borough Budget for all Funds Highlights" handout. While reviewing the handout, he corrected that the section pertaining to the debt service also includes a few other essential projects, not just the debt service. Mr. Purcell asked Manager Olpere about the debt service on the pool. He wanted to know if the debt service was completely paid by revenue from pool operations. Manager Olpere explained that it was not.

He then reviewed "The Perfect Storm" handout to explain how the Borough arrived at the current situation with the Borough's budget. He also reviewed two different options for funding the Capital Plan.

Mr. Purcell asked about the necessity of the brick pavers project. Manager Olpere explained that it was a safety issue.

Mr. Hendricks asked about the possibility of restructuring the debt service. Finance Director Shannon Drosnock explained how it is structured and how favorable the rates are at this time.

Manager Olpere then reviewed the two "Electric Rate Analysis" handouts. Mr. Purcell asked for clarification on when new electric trucks will need to be purchased, and then stressed his commitment to making sure they have safe vehicles.

Council President Gahman reminded everyone to look beyond 2010. He stressed that because of bad decisions in the past, Council will have to make tough decisions this year.

Mrs. Drosnock began her presentation by following her summary memo with associated graphs.

Mr. Gahman asked for clarification on the graph titled "Borough Taxes vs. Public Safety". There was then discussion on the rate charged to Sellersville for police services. Mrs. Drosnock then reviewed several other graphs pertaining to the general fund.

Mrs. Drosnock reviewed the Menlo Pool budget summary and associated graphs. Several members in Council expressed interest in having staff look at the fees for non-resident users.

Councilwoman Maria Slowik arrived at 7:05 pm.

Mrs. Drosnock proceeded to discuss the overview of the refuse budget with graphs. Councilmembers Hendricks and Nicolosi complimented her on the detail of the graphs.

Mrs. Drosnock then went over the 2010 electric fund summary and graphs. There was a lot of discussion and the electric fund and then the electric rate increase scheduled for November 2009 of 17.4%. Several options were discussed for restructuring the rates, as well as discussion of our rates compared to our neighbors with PPL and PECO. There was a general agreement that the scheduled electric rate increase is necessary and should go into effect as planned.

President Gahman asked Councilmembers to review the line items for the Police Department and Park & Recreation to prepare for the next Finance Committee meeting.

PUBLIC FORUM

The Committee then asked for public comment.

Steve Algeo of 805 North Ridge Road, asked why the Borough has chosen to provide electric utility to the Borough. Manager Olpere explained the benefits of providing the service and explained how all "revenue" goes back into the community, rather than to a large corporation. Mr. Algeo then questioned if all municipal run electric utilities used their "profit" to fund other municipal expenses.

Flo Ann Frei of 736 South 9th Street, had several questions concerning employee health insurance. Manager Olpere explained how the Borough greatly reduced that expense by switching to a Municipal Trust several years ago.

Barbara Krantz of 503 Country Point Circle, asked more questions about how the fees were created for providing police services to Sellersville.

Matt Aidelinger of 540 Penny Lane of commented that now that he has seen the draft 2010 budget, he does not foresee the Borough being in a position to fund a new skate park in the near future. He stated that the Borough should do more to market the Borough's recreation services such as the pool

ADJOURNMENT

The meeting adjourned at 8:20 pm.

Daniel P. Olpere
Borough Manager/Secretary