

**MINUTES OF PERKASIE BOROUGH  
SPECIAL FINANCE COMMITTEE MEETING NOTES  
OCTOBER 12, 2009**

620 West Chestnut Street  
Perkasie, Pennsylvania

ATTENDANCE:

Finance Committee Members:

Marty Gahman  
Jim Purcell  
Richard Hendricks  
Maria Slowik

Other Council Members:

Ray Conville  
John Hollenbach

Mayor:

Daniel P. Olpere

Borough Manager:

Shannon Drosnock

Finance Director:

The meeting convened at 6:37 pm. Mr. Gahman opened the meeting.

PUBLIC FORUM

No one approached Council.

Mr. Gahman began the meeting by discussing the agenda for the evening.

Manager Olpere distributed paperwork to Council.

Manager Olpere explained the paperwork as draft two of the budget. He continued that it represents the changes the committee has discussed thus far from the first proposed budget. He began to review the changes.

Mr. Hendricks arrived at 6:42

Mr. Gahman clarified the disposal fees in the Refuse Fund. The budget is assuming flat fees from 2009-2010. This may be subject to change as the bids come in and are awarded but it will be conservatively flat for solid waste.

Mr. Conville asked what the Sellersville police contract is based on, is it population, service calls, etc.

Manager Olpere reviewed that it is currently 25% of our total expenses and we are suggesting it may need to be 30-35%. Mr. Purcell asked if it would make sense to be based on population. Manager Olpere recommends calls for service are a good indicator to use for the percentage.

Discussion moved to General Fund expenses.

The solicitor line item has been increased partly due to labor attorney fees.

The other department expenses were reviewed.

Capital budget is reviewed. Manager Olpere reviewed the handout titled Capital Funding Dilemma. He explained the comparison between the new handout and the Capital Funding Dilemma. He referred Council to the changes in the Capital Reserve Plan handout to begin discussion.

Mrs. Drosnock reviewed the changes with Council.

Mr. Purcell asked staff if the changes are changes we can afford to make rather than pushing off and hurting the Borough in later years.

Mr. Drosnock explained that staff relied on 2013 and 2014 to make the changes. These two years have few capital expenses scheduled. Staff attempted to move what the Borough could postpone, into the later years that were low.

Manager Olpere reviewed the final changes to the overall budget.  
Discussion ensued around the Pay as You Throw (PAYT) trash system.

Manager Olpere moved to electric wholesale rates. He discussed the 3 options for changing the Borough's wholesale rates within our contract.

Option 1 was to keep the rate flat for all years at 95.50

Option 2 was a descending rate which would step down from 97.05-92.42

Option 3 would be ascending giving the Borough the lowest rate now (94.-97.)

Manager Olpere explained the tax increase options.

Mr. Gahman reviewed the overall financial picture to the Council. He then asked for a discussion about wholesale re-structuring and what the committee should recommend to Council. Discussion ensued.

Mr. Hendricks would like to see the electric rate flat (retail side) for a few years. He is understanding of a tax rate increase, but not for 2010.

Mr. Conville asked if a tax increase could be done to lower the electric increase of 17.4%. Staff and Mr. Gahman explained that this was not an option for the Borough to have a balanced budget.

Mr. Purcell understands a tax increase for the pool debt service now but is uncomfortable with an electric rate increase of 17.4% and taxes in the same year. He would prefer to keep electric retail flat in 2011 and deal with taxes then.

Mr. Hendricks left at 7:40 pm.

The Mayor stated that he understands each scenario. He is uncomfortable with a tax increase now for residents during these electric rate hikes.

Mr. Gahman directed staff to move forward using option 3 for electric wholesale rates. He commented that he wished we could fix everything but understands it takes some time to get out of what took some years to get into.

#### PUBLIC FORUM

No one addressed Council.

#### ADJOURNMENT

Meeting adjourned at 7:48 pm.

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Daniel P. Olpere  
Borough Manager/Secretary