

**MINUTES OF PERKASIE BOROUGH  
SPECIAL FINANCE COMMITTEE MEETING NOTES  
JANUARY 30, 2010**

620 West Chestnut Street  
Perkasie, Pennsylvania

ATTENDANCE:

Finance Committee Members:

Marty Gahman  
Richard Hendricks  
Barbara Krantz  
Florence Frei

Other Council Members

Steve Algeo  
Chris Nicolosi  
Matt Aigeldinger

Borough Manager:

Daniel P. Olpere

Finance Director:

Shannon Drosnock

The meeting convened at 1:35 p.m. Mr. Gahman opened the meeting.

PUBLIC FORUM

No one approached Council.

NEW BUSINESS

President of Council, Mr. Gahman, began the meeting by reviewing that the budget was adopted in December 2009 and re-opened for new Council members. He asked Borough Manager, Dan Olpere, to review the highlights.

Manager Olpere distributed budget summary information to Council.

Manager Olpere began an overview of the budget and highlighted the main items and issues discussed in fall 2009. He discussed that we had an electric rate increase which had been adopted already in 2008 to begin November of 2009. He informed Council that we have received some resident complaints about the rates. The budget highlights he addressed additionally were:

Interest earnings on Borough reserves down drastically

Reviewed that most Borough expenses will be held flat for 2010

He explained again that Council had moved to flatten the wholesale rate of electricity to \$95.50 per mega watt hour. He explained that there are still some variable factors and that number is not definite.

No wage increases were budget except for contracted employees.

Manager Olpere reviewed the inter-operational fund transfers that will occur. During this review a discussion about fund balance policy and a discussion on the 5 year capital plan took place. During the discussion of the capital plan there was some clarification on Liquid Fuels money and the roads program.

At this time Mr. Gahman opened up for questions among the Council members to staff.

Councilwoman Frei asked about real estate taxes and why the budget to actual wasn't exact. Staff explained that the difference is the amount uncollected.

Mr. Gahman addressed Real Estate Transfer Tax. Council and staff discussed that over the past 3 years, though the "normal" amount of RETT has decreased, there has been one or two large projects each year to increase that line item. These are not something we should count on to occur each year.

Mr. Gahman then turned the discussion towards the refuse fund and reminded Council about the upcoming meeting on trash collection.

Council woman Frei asked a general question relating to salaries because although she thought there were no increases for non-uniform staff, some of the budget numbers had changed. Staff explained that our allocation of labor hadn't been re-assessed for about 3 years so this year for the 2010 budget, staff time was looked at again and re-allocated according to labor changes. So no employee had received a raise but their time may have been decreased in one area and increased in another.

Mr. Gahman came back to refuse and reminded Council that there is a 119K revenue item that needs to be decided on in the next few weeks. He reviewed the 129K the refuse fund will transfer to capital and that 80K of that is immediately slated for the replacement of a packer truck in 2011.

Manager Olpere clarified to Council that while we are tracking the refuse independently with this new fund, there are still costs not reflected in there such as overhead for administration. The rationale behind that was if the trash program were to be outsourced, that administration time will still be utilized on other Borough needs.

Manager Olpere reviewed that 10-15% (estimated) of residents do not participate in the PAYT program.

Mr. Gahman commented that to get the current system working in the manner that Council wants and then after that, evaluate the costs.

Councilwoman Frei discussed her ideas on trash and questioned how other municipalities currently handle it.

Councilman Algeo discussed restrictions on when trash trucks could come in to the Borough if we outsourced. He discussed being worried about many trash trucks coming into the Borough on the same day if we went to a single subscriber system.

Mr. Gahman brought the trash discussion to a close by reviewing what was discussed and reminding Council to be prepared with questions for the upcoming meeting on trash.

Mr. Gahman directed discussion towards the pool. He commented that he feels has a very good handle on the finances related to the pool and its debt service. He thanked staff. He explained that Council needs to be diligent in looking at the debt service which is very large; the labor costs which were controlled very well in 2009 and the overall revenues of the pool.

Mr. Gahman then asked Council if everyone was okay with the budget as it stood and therefore no changes needed to be made. Council informally agreed. He asked staff to look towards March for discussing the transfer and fund balance policies.

Mr. Olpere asked Council if there was anything more they needed to clarify with the budget. Council informally agreed no.

Mr. Gahman asked staff if they needed anything else from Council.

Finance Director Drosnock discussed needing some guidance from Council on the philosophical long term question of where the Borough will get additional revenues as needed: taxes or electric. Discussed having a formal Borough philosophy on what electric should fund or contribute and what taxes should be responsible for.

Finance Director Drosnock discussed the substation with Council. Because it has been a “new” item for years now there was not a strong presence for it in the budget. Now it is 15 years old and this may change. Superintendent Harold Stone is having testing done on it this year and next and will have a better maintenance and repair plan on it in the next year. Drosnock reminded Council to “keep it on the radar”.

Mr. Gahman discussed a pool maintenance plan along the same thought process as the substation. Ms. Drosnock responded that staff has a pool maintenance plan that just went into effect for 2010 and will be referring to it later in the year for Council.

Councilman Aigeldinger asked about a marketing plan for the pool. Commented that at the cost it bears to the Borough it deserves its own marketing plan.

Council in general discussed what budget line items are or are not charged to the pool and why.

Council thanked staff.

Meeting adjourned.

#### PUBLIC FORUM

No one addressed Council.

#### ADJOURNMENT

Meeting adjourned at 7:48 pm.

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Daniel P. Olpere  
Borough Manager/Secretary