

**MINUTES OF PERKASIE BOROUGH
SPECIAL FINANCE COMMITTEE MEETING-BUDGET 2016
OCTOBER 03, 2015
620 West Chestnut Street
Perkasie, Pennsylvania**

ATTENDANCE:

Council Member:	Justin Stottlar
	Steve Pizzollo
	Jim Purcell
	Jim Ryder
Mayor:	John Hollenbach
Borough Manager:	Andrea L Coaxum
Finance Director:	Joe Berardi
Park & Recreation Director:	Carolyn Hanel
Electric Superintendent:	Harold Stone

The Finance Committee meeting was opened at 9:00AM by Finance Committee Chairman Jim Ryder. The Pledge of Allegiance was recited.

PUBLIC FORUM

Resident Andy Rumbold stated that the Electric rates increased by 68% in 2008 and that 100% of the 2016 reductions in cost should go back to the residents.

Scott Edgel-Vine Street said that he was in attendance to understand the budget and how the electric rates are going to change in 2016. He also wanted to understand the electric charges to the customer versus a tax. He did understanding spending on resources and that we should work towards reducing our costs.

Amy Nees said that her average monthly electric bill was \$270 because she has an all-electric house. She spent money on new windows and other things to reduce her electric bill. Amy expressed the need for the Borough to pass all of the savings on to the residents not the businesses. She advised the Borough to increase taxes instead of increasing electric rates in order for her to obtain a tax deduction for her financial support of the Borough.

BUDGET

The Finance Director provided Council answers on two open items from the previous week's meeting. First, there are no statutes requiring minimum or maximum Fund Balances. The balance levels are at the discretion of the municipality and are dependent on the risk of the individual funds. Second, excess interest on Pension assets is placed into retired members, active members and the Borough account equally based on the assets in each account.

The Finance Director went through the overview of the 2016 Budget for the Electric Fund including the spending on Capital purchases. Joe Berardi said the proposal included in the Budget is a 4% reduction in electric costs to the all customers and that the Borough charges are very competitive with Exelon and PPL and neighboring municipalities. The power purchases are being reduced by 24.8% in 2016 and that 21.7 (87.5%) of the 24.8 points are being returned to the residents from

2014 through 2016. The remaining 3.1 points are going toward the operating costs of the Borough. Harold Stone went through highlights of the spending in the electric department and included a discussion about the new smart meters.

During the above presentation, Mayor Hollenbach inquired about whether we could buy a portion of the new meters and not 100% at one time. Harold Stone said that we could as long as the new meters are compatible with the old meters. Itron is compatible with the present system and the other brands are not. Harold said that the Utilities governed by the PUC must have the new meters installed by 2022 but the Borough is not under the PUC guidelines.

Mary Antczak asked who pays the \$125 for the new meters in the new housing developments. Harold said that the lot fees cover the meter and installation costs. Mary expressed her concern with the existing business model for the Borough being dependent on electric when the new houses are having natural gas installed to heat the homes.

Amy Nees asked who pays for the electric consumed by the street lights. Harold said that a portion of all customers' monthly bills contains a charge for the street lights.

Joe Berardi reviewed the Menlo Pool department expense overview and the Capital spending. Carolyn Hanel reviewed the highlights of Menlo Pool.

Justin Stottlar asked Carolyn if she knew if the Holiday house was closing. Carolyn said that she was not aware of a permanent closing but that we received around \$4,000 on Sunday of labor day weekend from Holiday House because they were closed and Menlo Pool was open.

Susan Green asked if the money remaining on the Bond could be used for repairing the slides. Carolyn said that Bond Funds are not to be used for repairs.

Andy Rumbold asked if the Pool is financially self-sufficient. Jim Purcell stated that the Pool is self-sufficient but the spending does not include debt service.

Mary Antczak asked about the capacity of Menlo Pool. Carolyn said that the capacity was 1,800 and that we never came close to filling the pool to maximum capacity.

Justin Stottlar asked about the ratio of kids to instructor at our pool day camps. Carolyn stated that all of the instructors must be water certified and that the instructors get advice from the pool life guards and no mandated ratios are known.

Joe Berardi reviewed the revenue and spending for the Fire Fund and the Liquid Fuels Funds. There is no financial impact to the Borough for either fund. All of the monies received are sent to the Fire Co or used on road paving respectively.

OTHER BUSINESS

None

PUBLIC FORUM

Amy Nees asked if there is information available for the proposals provided by Steve Barth, the economic development coordinator. Amy asked about the number of new homes that are being proposed in the Borough. Amy asked about relief, on her electric bill, for total electric houses. Amy expressed her desire to be able to purchase her electric from a competitor. Amy said that her curb is being destroyed from snow plowing and her yard is flooding in the winter when the large snow piles are placed in her yard.

Andy Rumbold said that the comparisons to other municipalities are not relevant and that the Borough should return 100% of the reduction in power purchases to the residents.

Mary Antczak asked how many lights are being purchased for town center for \$65,000. Harold said that is for 65 lights and that there are a total of 130 in the town that will need replacing. Mary asked which pick-up truck is being replaced in 2016. Joe Berardi said this was for the truck that is being used by the electric superintendent. Mary expressed her concern with the increase in trash fees and that she does not want to pay more. Mary stated that trash from the recycling center is blowing all over town.

PRESS FORUM

None

ADJOURNMENT

The meeting adjourned at 10:50 AM.



Andrea L. Coaxum
Borough Manager/Secretary