

**BOROUGH OF LANSDALE  
ADMINISTRATION AND FINANCE COMMITTEE MINUTES  
MEETING OF MARCH 1, 2023**

Members Present:

Denton Burnell	Borough Council President
Carrie Hawkins-Charlton	Committee Chairman
Glenn Dickerson	Finance Director

Ms. Hawkins-Charlton called the meeting of the Administration and Finance Committee to order at 6:40pm.

### **1. Action of Minutes Previous Meetings**

**Motion Mr. Burnell to approve the minutes from the Admin and Finance Committee meeting on February 1, 2023, second Ms. Hawkins-Charlton. Motion carriers 2-0.**

### **2. Committee Business Items**

#### **A. Review Preliminary 2022 Financial Results**

Mr. Dickerson- As of today, I am 99.8% confident that 2022 is done, but we are not at 100%. I believe the #'s that I have are final, but these are not audited. Total revenue is up \$661k and is real estate transfer taxes, EIT & LST, SRU fees are most of this. In prior years, we transferred what was budgeted and a set amount. This year, we transferred what we actually had to transfer rather than budgeted. We are allowing the money to stay in the Proprietary funds.

Mr. Burnell- We transferred less, but we made the General Fund whole and we typically transfer a flat amount. Glenn this time transferred only what we needed to balance.

Mr. Dickerson- Usually, we don't need to transfer until end of the year. At the end of the year, we transfer what is needed from Proprietary. In previous years, we transferred what was budgeted. We leave money in the Fund where it should be and balance revenue and expenses in General Fund.

In Parking, revenue is spot on and expenses are down a little bit.

For 421 W Main, I believe, 1 month of revenue needs to be recorded and need to check.

In Electric, revenue is right-on and expenses are slightly below.

In Sewer, revenue is up and expenses are up

In Parks & Recreation, the revenue is a little less. We didn't sell discount tickets and daily admission was down. We had sent people to the Park office for daily admission and going forward we aren't going to do that.

In Debt Service, we are right on.

In Capital, the revenue is up and expenses are up a little bit. We did a lot of work to upgrade because of Merck, so revenue and expenses are both up. We had to upgrade to handle the flow from Merck.

In Highway, the money is just sitting there and allocated.

So, overall revenue versus expenses, we are in excess of \$230k and money allocated to road programs for 2023.

The audit process has started and hopefully in May/June timeframe. We are continuing to transition to the new system. We have moved over and using A/P, A/R, Bank reconciliations and Code. We have approval for AMI software for Electric to get required billing info by the end of the month to get it transitioned.

### **3. Old Business**

#### **A. Revisit idea of eliminating Residential Electric Deposits**

Mr. Dickerson- We talked about eliminating electric residential deposits. I researched to know the max transactions where landlord is responsible and had to pay is 75 out of the 3,000 we have in a year. So, this is 3-5% of the time. If we eliminate, this is not a lot of time. We have time to enter into an agreement with Portnoff. If the landlord is doing a credit check with Social Security #, then if the landlord comes in to pay then any money we get back from Portnoff will go back to the landlord. There is no cost to the Borough and fees are paid by the person on top of what they owed.

Question from resident- So, any person who comes in has to pay a deposit? Why would they pay their last bill?

Mr. Dickerson- There is a \$200 non-electric and \$300 for electric heat. Technically, the owner of the property is responsible. In order to create a new account, the landlord then must pay the bill.

Question from resident- So, the money goes back to the landlord and usual fees?

Mr. Dickerson- Correct. Portnoff Law Associates work with multiple municipalities across PA. They collect and people pay on top.

Ms. Hawkins- Charlton- We are technically playing landlord.

Question from resident- Do we know who are all-of the landlords?

Mr. Dickerson- Yes. If we decide to eliminate deposits and the tenant is in good standing then they have an option to apply deposit or receive a refund. If they were delinquent in the past 12 months, we will apply it to their account.

Question from resident- Why don't we just wait until they move out to refund them?

Ms. Hawkins- Charlton- This is the whole point of wasting time and doing what the landlord is supposed to do. We are doing their work. I think we will still be doing some admin work.

Mr. Dickerson- There is an Electric deposit account that we have the money recorded into. We would process this and they will get the deposit plus interest and we reduce account to zero for these deposits.

Question from resident- What about Sewer?

Mr. Dickerson- The property owner is responsible for and they can charge the tenant. In a week, I sign 17 refund checks.

Ms. Hawkins- Charlton- This is a waste of time like I said. This is why we are doing and exactly the reason why. I think we should move forward.

**Mr. Burnell motions that we move forward to eliminate the residential electric deposit and enter into an agreement with Portnoff for collections. Second Ms. Hawkins-Charlton. Motion carries 2-0.**

## **B. Online payment vendor replacement- Paymentus replacement discussion**

Mr. Dickerson- I had a conversation with John Ramey and this would eliminate all fees w/online payments, but there is confusion about the fees.

Paymentus is all online payments and takes all credit cards and any type of payment like Apple Pay and others. There cost is \$3.50 per transaction and no fees charged and these are absorbed by the Borough. But there are merchant billing fees that are being charged. I am still trying to figure out if Paymentus is not giving a valuable service to the Borough. The new finance software does do email billing. The vendor we are looking at can do everything for half of the cost and does email billing, online billing and notifications @ still 50% of the cost of Paymentus. We can go from \$160k with Paymentus down to \$80k. There are 2 ways to absorb all and pays \$.75 per transaction fee. If we pass on some of costs, there is 20% on top of that and this is a different tier of service in VISA/MC and such. We are not actually doing things under VISA/MC. We requested going back to convenience fee which we should be doing and the \$ should be credited back. I would like to get a half year, but I think they owe us all of it.

Mr. Dickerson- You can set up direct debit from the bank.

Comment from resident- If I pay from bank, my bank still mails you a check.

Mr. Dickerson- You can set up and ACH to do that. Of the money that we can control, what are the options to stay with Paymentus and not get beneficial services. People who set up auto payments and after a few months it stops then the customer gets late fees. The new vendor will be fully integrated with Caselle and do all of the services we need and cut the credit card fees in half.

Mr. Burnell- Is there anything passed on to the residents?

Mr. Dickerson- I would say no. I have done a survey with Finance Director and only 1 passed on and the rest absorbed the fees.

Mr. Burnell- I say that we move.

Ms. Hawkins-Charlton- I also say yes.

**Mr. Burnell motions that we dismiss Paymentus and move to new vendor which supports the next system. Second Ms. Hawkins-Charlton. Motion carries 2-0.**

## **C. Review Banking Services**

Mr. Dickerson- TD Bank charges us \$6k a year and I narrowed it down to zero fees. They offer us interest and pay no fees. Last week, Penn Community Bank came back and they said they would raise the interest we earn to 3.25%. It came down to Univest and Penn Community Bank. We currently have a lot of money at Univest and would like to use Penn Community Bank. We won't be paying fees and earning interest.

Mr. Burnell- I am curious about the interest. I think there are certain rules about how we can earn.

Mr. Dickerson- Every single deposit earns money. Wells Fargo, Penn Community, Univest are the ones I check with and are local here. Here is another flavor and just 2 months after starting here TD Bank cashed a check with an anchor on it and had to setup Positive Pay then for their error. This is all because they made a mistake.

Penn Community will also send us once a week a list of the checks that cleared and we can import into the system to clear for the bank reconciliations.

Motion Mr. Burnell to move to full Council that we move to Penn Community Bank. Second Ms. Hawkins-Charlton. Motion carries 2-0.

Meeting adjourned 7:20