

**BOROUGH OF LANSDALE
ADMINISTRATION AND FINANCE COMMITTEE MINUTES
MEETING OF JULY 5, 2023**

Members Present:

Denton Burnell	Borough Council President
Carrie Hawkins-Charlton	Committee Chairman
Rachael Bollens	Borough Council Member
John Ernst	Borough Manager
Glenn Dickerson	Finance Director

Ms. Hawkins-Charlton called the meeting of the Administration and Finance Committee to order at 6:30pm.

1. Action of Minutes Previous Meetings

Motion Mr. Burnell to approve the minutes from the Admin and Finance Committee meeting on June 7, 2023, second Ms. Bollens. Motion carriers 3-0.

2. Financial Reports

(1) Revenues & Expenses

Mr. Dickerson- Looking at the screen we can see the following information. The yellow means detail, red is bad and green is good. I brought in the prior year and we have the current year. The property taxes went up and we have more this year. On a year-to-date, we have \$257k more surplus than last year and last year we had \$212k. I don't see any issues making budget and maybe a small surplus. The only issue is supplies and cutting back on things and I also see prices coming down. The X means a variance and negative to a certain extent. This is a 12- month average and it does even out. It gives us a quick way of looking at. My department leads have access and can look at any time and it updates at 3am. This instantaneous access and where the budget is and we are no longer a month behind. This will pull information from the database. We will use the same system to do the budget for next year. I am going to put 2 more years of info. I do salary and benefits also.

Mr. Burnell- Do we know the contract expenses?

Mr. Dickerson- Yes, we do and will and I will make available and don't see any issues. The property taxes are ahead and the only concern that I have is with prices on supplies.

Mr. Dickerson- I put together a tentative schedule for 2024 budget. Beginning this month, all departments are looking at capital needs and a 10-year plan and no longer a 5-year plan. In August, we have planned revenues and expenses and the 1st draft. In September, we are doing an internal review and October 4th I will present it to you. From October 5th- October 27th, I hear comments from you. For

the first meeting of November, we have a full budget and we roll out seasonal wages and salaries. We then have another feedback on November 15th. We then do a full review and will get feedback and we prepare and advertise. This is all tentative. We need to be ready to submit to the newspaper and make available to the public. We will have the full review and will publish and a document for the end of the year.

Ms. Hawkins-Charlton- Is a month long enough?

Mr. Dickerson- I don't think that we need.

Mr. Dickerson- Based on the fact working on a 10-year plan and items not in the plan for some time. We had a meeting with the Bond advisor just to explore the needs for capital and to replace things. It was all department heads and Carrie in the meeting. The Bond advisor went through everything and if we did a full \$10 million on infrastructure, vehicles and allocate for capital replacement fund. Any time that we buy capital assets like vehicles, we should start to save money for new. We should be thinking about how much to put aside each year and the way other businesses should work. This is like the apartments across the street which were built. Things like a heater and the water heaters they have a replacement to fund. All of these wanted to know the potential budget impacts. We want to structure this to minimally impact the budget. There are things not budgeted and want items to have the biggest impact on the Borough.

Mr. Burnell- We had a capital plan for 10 years. Not that we haven't been thinking, but it is depreciation. What is our debt-ratio?

Mr. Dickerson- We had ability up to \$45 million and have \$27 million. So, it wouldn't affect our bond rating.

Mr. Burnell- We should be using on long-term,

Ms. Hawkins-Charlton- Roads and sewer is where it should be used.

Mr. Burnell- Is that enough?

Ms. Bollens- So we are going into debt to spend \$10 million annually and is that logical?

Ms. Hawking-Charlton- I think it is a jump start. I think things are so far behind.

Mr. Burnell- Methodologically is the way it was done. We bought Electric trucks and then never saved for new and after 10 years we should.

Mr. Dickerson- We are looking to create debt is to roll it on to the end of existing debt. The impact to our debt is minimal.

Ms. Bollens- How do we save money and pull from the future?

Mr. Dickerson- Our software will help us.

Mr. Burnell- I think this is good debt and not the people here are paying for and the people in the future that are here are also paying for. We have saved money and put into funds.

Mr. Dickerson- We have saved significant money with hiring in Public Works and it is working to do these projects. We shouldn't be looking at tax increases.

Ms. Hawkins-Charlton- We are so far behind in saving for infrastructure and the only way to do this. It's a tricky situation if we raised taxes on the people and are the ones paying, but the people in the future are the ones benefiting. We started raising taxes and didn't. The school district is in the same situation and they can only raise legally so much. This is a trend and how we can do now and for the future and not have this in 50 years.

Mr. Dickerson- In the 1960's, there was a lot of money spent on communities and the people later weren't concerned about what would be needed later.

Mr. Burnell- We are required by multiple regulations to have at least 6 months GF in reserves in case of a disaster. The danger is to pull from reserves.

Question from resident- Are we able to put money into our savings account each month? When I do my budget, I put money away.

Mr. Burnell- It is a delicate to balance and the majority of revenue comes in from taxpayers and it can't sit idle and the savings aside is for emergencies.

Question from resident- Didn't we have to buy 2 new Police vehicles? Did the money come out from savings or budget?

Mr. Dickerson- It came out of the Police budget. We didn't purchase outright and we did a lease to own. We are utilizing and we had 4 officers leave and we hired 3, so we are not hiring the one. We will use the money to start payments next.

Question from resident- How much does each cost?

Mr. Dickerson- The cost is about \$40k each and the equipment is about \$13k each and then radios and decals.

Question from resident- How long do we keep the cars?

Mr. Dickerson- When the Police no longer use, we reutilize the cars like in Code Enforcement. We have an in-house fleet maintenance and rehab for cheap and use instead of putting onto Municibids.

Question from resident- Talking about the budget and before you said about 10 year budget and not passing on to the next generation correct?

Ms. Hawkins-Charlton- Yes, it is a proposed increase each year. We look at this but it is for future Council over 10 years. This is a proposed increase and what departments heads have said that this is beneficial. Future Councils will have to decide then if it is ok or more is needed.

Comment from resident- Sometimes there are things we do need like the basic necessities. These are things that the residents don't all understand. If your heater breaks, then you don't go on vacation.

Mr. Burnell- When we take on debt, we have to follow the laws and we have an AAA rating.

Ms. Hawking-Charlton- When rates were low our Bond Council comes in. It is stable.

Mr. Dickerson- There are regulations and time when regulations do come in and the bond advisor does meet with us.

Question from resident- If you do a bond, this is seed money coming in from projects and what is the methodology to save going forward?

Mr. Dickerson – Every time that we buy, we start saving like 1/7th if the car lasts 7 years. For sewer projects, we state to put away.

Question from resident- Where are you putting the money aside? How do you identify it?

Mr. Dickerson- We will be tracking all majors assets and estimated future costs to replace and put that money away. Every year, we right now go up and down on what we need by going forward we will save. If we ever have a situation, we need a plan on how to put it back.

3. Committee Business Items

4. Old Business

5. New Business

5. Public Comment

Meeting adjourned at 7:30.