

December 31, 2017

The Special Meeting of Lansdale Borough Council was held on Sunday, December 31, 2017 at Lansdale Municipal Complex, One Vine Street, Lansdale, PA and called to order at 9:03am by Council President Denton Burnell.

ROLL CALL:

- (X) Councilman Angelichio
- (X) President Burnell
- (X) Councilwoman Hawkins Charlton
- (X) Councilman DiGregorio
- (X) Vice President Fuller
- (X) Councilman Hansen
- (X) Councilman Malagari
- (X) Councilman Van Dame
- (X) Councilman Work
- (X) Mayor Szekely

Borough Representatives:

Borough Manager, Jake Ziegler
Finance Director, John Ramey
Assistant Borough Manager, John Ernst
Parks & Rec. Director, Carl Saldutti
Electric Superintendent, Andy Krauss
Public Works, Rick DeLong
WWTP Superintendent, Dan Shinskie

Borough Solicitor, Sean Kilkenny
Borough Engineer, not present
Acting Chief, Mike Trail
Library Director, not present
IT/GIS Coordinator, Bryan Poster
Cust. Svc/Records Mgr., not present
HR Director, not present

Residents:

None

President Burnell – We are here this morning because the Mayor vetoed the tax ordinance and Council must override his veto or come up with a different solution.

Agenda Item #5 - Residents

None

Agenda Item #6 – Action Items:

Councilman Van Dame presented Motion A and read as follows:

I move that Borough Council adopt the attached Ordinance 1905 fixing the real estate tax rate for the Borough of Lansdale for fiscal year 2018 for general Borough purposes, fire safety, library and debt service, said tax amounting to 5.5 mills. This ordinance has been properly advertised.

Mayor Szekely – He apologizes for having to have this meeting on a Sunday morning and he would like to invite staff, council and residents to Stove and Tap for drinks after the meeting.

He had spoken with Mr. Ziegler and Mr. Ramey about the budget and has the upmost respect for all of the Department Heads and their due diligence when working on the budget and he is sorry for his actions when it comes to the staff having to be at this meeting. However, due to past spending and tax increases in

the last few years he does not think a tax increase is necessary now. There are future developments going into the Borough and those upcoming taxes should be estimated into the budget. He was told by Mr. Ramey that future taxes cannot be configured into the budget until the project is finished.

There have been some past business decisions that were not the best and didn't go as planned. Council approved the new municipal complex and the taxpayers are paying for it. The Equus project changed their plans several times and the taxpayer is on the hook for those changes.

Fixed income residents, particularly senior citizens, have problems paying the current taxes so increasing taxes is going to be even harder for them. He has figured that there has been an increase to taxpayers in the last seven years of about \$600 between the increase in taxes, electric rates and sewer rates and that is just too much. The spending has to stop.

Councilman Hansen – The Mayor made some good arguments and those on a fixed income will have a difficult time paying the increase. We do not have control over what the school board or county will do with their taxes, but we can control what we do in the Borough. We have to tighten our belt and still provide services without putting out a tax increase to the residents and keep the Borough moving forward.

Councilman Angelichio – He has thought long and hard about what he wanted to say this morning. It is taken for granted that the nine people who sit up here at every meeting are affected by a tax increase just as much as everyone else. People want Lansdale to grow and there is a jaded perspective about wanting to grow but not pay for that growth. He has heard, "Do we need two pools? Should we close one?" If we do then what is the cost to maintain an empty pool because it will have to be maintained. What are the cost increases of materials used by each department? We could sell the electric plant and use those funds for general funds, but once that money runs out we have no revenue from the electric plant. We could sell some parks to developers, but I am sure there will be some people not happy about that. Many people have been vocal about this building, but we are here now and are making the best of the situation.

How many people ran for council this last election unopposed? Either people have agreed with the decisions that we have made or no one wants to bother and take their time to run and sit on Council. How do you think Council feels when people complain on Facebook but don't care enough to come to a meeting and voice their concerns? We could over estimate revenues and under estimate expenses but how responsible is that? We did say three years ago that a tax increase would be needed in 2018.

Councilman Van Dame – He appreciates the points that the mayor has made but he could have made these points back in September when we started the budgeting process. We hadn't heard anything about cutting parts of the budget from him back then. It is important to work through this. We can't guarantee any development will be finished 100%. A lot can happen with a developer. Nothing is definite until it is done.

Vice President Fuller – Thank you Councilman Angelichio for what you said and how you said it. She is a resident too and this affects her as much as anyone else. We need to balance against where we are now. We are dealing with past decisions

of council before even us up here were on Council. It is easy to say to the department heads to cut their budget, but they have been over their budget with a fine-toothed comb and they take their budgets seriously and look at all possible savings. We know that we have contract obligations and we have to stick with them. Also, the tax increase has nothing to do with the skate park. And in reply to any reference about the Madison Parking lot project the Parking Authority sold that property, not Council. She is hoping that the Parking Authority will provide the grant match for the skate park; it is not definite, but she will fight for that money. We are your neighbors and we do this job to make Lansdale a great place to live, work and play.

Councilwoman Hawkins Charlton – She questioned why Mayor Szekely didn't sit with Mr. Ramey the last two months to review the budget?

Mayor Szekely – Last year at the last-minute staff was able to balance the budget without an increase so he thought that could happen again. He could have come in earlier, but he didn't.

Councilwoman Hawkins Charlton – Last year she was the deciding vote to not raise taxes because a couple of years prior to that when there was a tax increase that council said it would be good for three years and she wanted to stick to that timeline last year. What suggestions would you have made to balance the budget?

Mayor Szekely – Come up with a six or seven-year plan instead of a five year plan and possibly not increase a full mil and do less than a mil.

Councilwoman Hawkins Charlton – Why did you not veto the budget the year that this building was put into the budget?

Mayor Szekely – He vetoed the final development plan if that counts. In 2011 he saw the need to increase taxes and in 2015 maybe. You could make the argument that I didn't veto that budget. He thinks a full mil three years later is too much.

Councilwoman Hawkins Charlton – Are you not for hiring new police officers in 2018 because that would be one thing that could be cut from the budget?

Mayor Szekely – That is playing politics by making a comment like that. I am a big supporter of public safety. You can agree on some things in the budget and disagree with other parts of the budget.

Councilwoman Hawkins Charlton – She just feels like this whole thing is a bit of showboating before leaving as mayor.

Councilman Hansen – He is frustrated to hear that people think the mayor is showboating. He is doing the job that people have elected him to do.

Councilman Malagari – He can talk about the Admin & Finance budget and Public Works as those are the committees he sits on. He thinks that in 2018 we can consolidate more services and/or supplies within all the departments to get better pricing and save some money. Having a tax increase is the right course of action

now but we look “outside the box” when planning the 2019 budget. There is always room for improvement.

Councilman DiGregorio – He appreciates the mayor’s opinion. He is not happy with doing a tax increase and thinks we should take the money from reserves to balance the budget. We should get the money from the Parking Authority and give it to the Borough. There will also be money coming in from inspections for the new developments next year.

Vice President Fuller – We need to be careful about looking at future revenues. The Andale Green Development was supposed to be completed 8 years ago and it is still not done.

Councilman Hansen – He was not at the December work session meeting because he had been sick with the stomach flu otherwise he would have spoken up then.

President Burnell – We have been talking about the budget for four months. Mayor Szekely is responsible on his part for waiting until the last minute to speak up. He did not try do anything before the business meeting knowing that we would be voting on the tax ordinance and the budget that evening. In regards to Borough Hall, an architectural bid was not required by law but that is past, and we are in the building now, so we need to move on from that.

We have used reserve money in the past to balance the budget, but we can’t do that every time we have a shortfall. We have to be able to put money into reserves too. In 2002 through 2004 new debt was incurred and taxes were not raised to pay back that debt. Reserve money had been spent to almost nothing. Having too large of a reserve account is not optimal either. There has to be a balance. In 2008 Mr. Mangan had explained to the sitting Council that there was no way the Borough could continue spending without a tax increase or the reserves will be depleted. We are being made scapegoats for sins of the past. We have considered the past before us and we look toward the future.

The Madison Lot project with Equus is not the issue nor is the Parking Authority regarding a tax increase. The skate park has been in the capital plan since 2012. The Parking Authority does have about \$3.5 million and they have to maintain and update all the Authority owned parking lots. We have to remember that we cannot balance a budget with a one-time source of income. The mayor has not objected to the expenses in the budget he just wishes there was another way to pay for them.

Mayor Szekely – Maybe he should have done more research before he vetoed the ordinance and he apologizes for this meeting, but he has heard from residents that they can’t pay for the \$600 increase over the past several years. He questions why the EDU fees for Equus were waived which would have equated to \$600,000. Would those EDU’s have patched the budget until the revenues from the apartments started rolling in?

Vice President Fuller – She would like to think that this meeting would turn into a positive and that we as Council can instigate thoughts for the new year and maybe think about doing small increases each year versus a larger tax increase every three years.

Motion seconded by Vice President Fuller and approved 7-2 with Councilman Hansen and Councilman DiGregorio voting no.

Agenda Item #7 – Old Business

None

Agenda Item #8 – New Business

Councilman Hansen – Thank you to Jake for all his years serving the Borough and he wishes him all the best in his future endeavors. Welcome to our new mayor who will start on Tuesday.

Mayor Szekely – Thank you Jake for your years here at the Borough.

The meeting was adjourned at 10:02am.