

**BOROUGH OF LANSDALE
ADMINISTRATION AND FINANCE COMMITTEE MINUTES
MEETING OF JUNE 7, 2023**

Members Present:

Denton Burnell	Borough Council President
Carrie Hawkins-Charlton	Committee Chairman
Glenn Dickerson	Finance Director
Andy Krauss	Electric Superintendent

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 May 3, 2023, second Ms. Hawkins-Charlton. Motion carriers 2-0.

2. Financial Reports

(1) Revenues & Expenses

Mr. Dickerson- In the last few weeks with our new financial system, there is a new tool and can create in 5 minutes using the budget to see where we are at. We are \$2.5 million ahead on revenue so far. We are doing very well in our budget right now. We don't anticipate anything on the budget to worry about except items like supplies which are pressing the budget.

We can bring this into the budget for next year and we have an intern helping us out. We can pull in things like salary instead of sending 8 different spreadsheets out.

Mr. Krauss- Before, we didn't have real time information.

Mr. Dickerson- Every morning at 2am, this refreshes automatically. The same functionality we can do same reporting for the balance sheet. This takes 5 minutes to do and before it took hours. I don't anticipate anything with the budget right now.

Resident question- What does the red mean?

Mr. Dickerson- First off, we have a budget and we are trying to estimate. We may spend more now and less later. It may be less red or even out at the end of the year. Within this, we can do projections for a full year.

Resident question- Why is the Parks and Rec in red?

Mr. Dickerson- Parks and Rec actual now has higher expenses than revenue because we don't transfer money until the end of the year.

Mr. Krauss- We talked about doing more transfers and would like 4 maybe and we wouldn't see this.

Mr. Dickerson- I thought about doing at the end of June. I want Andy and Greg to see their true operations.

Mr. Burnell- Can you see the historical trend of what funds get used down?

Mr. Dickerson- Yes.

3. Committee Business Items

A. Review of Sterling Act Reform Bill

Mr. Dickerson- This is informational for pending litigation. Local municipalities do not get money back from Philadelphia for wage tax and he is trying to get that, but it is not likely and would bring back \$190k back into Lansdale. It is the city wage tax Lansdale residents earns in Philadelphia. We could only hope for it to pass and the hope would be to benefit us. The state legislation would have to pass.

B. Review of proposed Sewer Rate Increase(info only) being proposed in PW Committee

Mr. Dickerson- It has been since January 2015 since an increase and there has been a period of significant infrastructure and other things. We need money to come in without raising taxes to pay for. In industry, Aqua has increased rates 50% and PURE 24% and 15% in other areas. We are looking for graduated increase and did a rate study. We graduate by 10% of each of the first three years and then down to 8%, 5% and 3%. The average quarterly bill is \$120 and would go up to \$132 and by 2037 the bill is \$243.11.

Aqua is now \$249 per quarter and PA American Water is \$319 per quarter. The charge is per 100cf of water and annual charge is the hook up and is now \$47.79 per quarter. This is being requested in Public Works to be brought forth in 2 weeks.

Ms. Hawkins-Charlton- Who is suggesting doing 3 % from 2028 to 2037?

Mr. Dickerson- A combination of everyone.

Ms. Hawkins-Charlton- We can't make decisions for future Council and I was wondering.

Mr. Dickerson- This can change as you know. Residential and industrial have different tiers. We are focused on residential on this one.

Resident question- Is resident only 10%?

Mr. Dickerson- No, 10% is for all both residential and industrial and 10 % across each tier.

Ms. Hawkins-Charlton- We have to vote on.

Mr. Krauss- We are trying to forecast and adjust long-term and look at.

Mr. Dickerson- We need to figure out how to adjust. I try to focus and think to look at for 10 years.

Mr. Krauss- In the 1970's a lot was done here and no increases and now things are not 30 years old but 40 years old and falling apart.

4. Old Business

A. ARPA Project list review.

Mr. Dickerson- We have identified \$2.3 million in projects. We cannot spend more than \$749,999 or this triggers a Single Audit. Our staff suggests that money goes to road infrastructure. We would take \$749k off PW. We have an additional dispatch and \$134,939 and it is not an additional because the one is old and it would be \$400k to replace. By using this company, it is \$135k and Abington is using. We are allocating \$749k to paving and reallocating \$135k to console is what it should say. We are talking also about Neshaminy Creek.

It will be \$749.5k for road projects and reallocate what was in the original budget back to the console.

Mr. Krauss- We can just take \$749k right to paving and that is restricted and take \$749k and allocate how you like from the budget.

Motion to recommend to full Council to allocate \$749,500 to plan road infrastructure and the money reallocated \$134,900 to console and the rest reallocated to other projects. Second Ms. Hawkins-Charlton. Motion carries 2-0.

B. Additional information

Mr. Dickerson- I got added information to share tonight and 2 vehicles and one of which was a Dodge Charger that has blown its engine.

Mr. Burnell- How many miles?

Mr. Dickerson- 80k and I literally found out today. Within this, there are 2 vehicles currently available are about \$135k. We also had an officer leave at the end of March and not in the budget. My suggestion is not to purchase now and do a lease to buy. We can pay semi-annual for the next 5 years until we own and this gives us flexibility in the budget. For one, we need one because the engine blew and the other because we are short a vehicle.

Mr. Krauss- We did it with Kona's and chipper. It was a cash flow issue.

Mr. Dickerson- If you want to say purchase, then you can go ahead.

Ms. Hawkins-Charlton- How much?

Mr. Dickerson- We probably got 80% if you are asking me. The leasing option right now is the way to go through in case anything else comes up. This is really financing and gives us flexibility and gives us a new car warranty and wiggle room in the budget in case anything else comes up or happens. Within this financing includes all of the outfits and is a good way to go.

Mr. Burnell- What is the annual outlay for both?

Mr. Krauss- Why don't we buy here is because it has to be a Costars vendor and New Holland and Sands and it costs money to be a Costars vendor.

Mr. Dickerson- \$17,000- semi-annual and 5% rate of interest.

Ms. Hawkins-Charlton- I am nervous about in the long-term and what do we do and what happens in 2 years and we need more. Is this the way going to be purchasing?

Mr. Dickerson- In Capital, we bought a vehicle and we didn't budget for a replacement. Like if Andy buys a vehicle which lasts 10 years, then we start putting money away for the next 10 years. We are going to start this now for everything to put the money aside.

Mr. Krauss- When the Police are done with the vehicle, these vehicles get reused through out the Borough.

Ms. Hawkins- Charlton- I don't like the debt and financing and feel this stuff comes up from other departments.

Mr. Dickerson- I feel this may come up in other departments. The Dodges do not hold up well.

Ms. Hawkins-Charlton- Do we have another option?

Mr. Dickerson- No, this is the way and think we should do it this way. Again, the thing I feel is financial flexibility. I wouldn't want this to be an issue.

Resident question- Do these vehicles go in for regular maintenance?

Ms. Hawkins-Charlton- The Fleet manager does that.

Mr. Dickerson- In Public Works, we have a mechanic.

Ms. Hawkin-Charlton- I feel like Andy has been on top of it.

Motion Mr. Burnell to move to recommend to full Council to lease 2 Police vehicles with \$17k semi-annual payments. Second Ms. Hawkins-Charlton. Motion carries 2-0.

5. New Business

A. Review of new budgeting tool

Mr. Dickerson- I already went into the Budget tool and can press the refresh button and this is the current data. We have charts and we haven't worked on yet. I hope by the end of next month to have more.

Mr. Burnell- I think having historical date.

Mr. Dickerson- Yes, we can and hopefully by the end of next month.

Meeting adjourned at 7:20.