

BUDGET WORK SESSION

November 15, 2021

Council President Barbara Heffelfinger called the meeting of Pennel Borough Council to order at 7:30 p.m. with the Pledge of Allegiance.

Present at the meeting

Mayor Robert Winkler
Council President Barbara Heffelfinger
Council Vice President Beverly Wolfe
Councilman John Stratz
Councilman Mark Moffa
Councilman Joe Dudash
Councilwoman Laura Germain - absent
Councilman Gary Nickerson - absent

Also present

Geoff Thompson, Borough Manager
Marie Serota, Borough Secretary/Treasurer

2022 Budget Review

Council President, Bev Wolfe read the projected starting balance, revenues, expenditures and ending balances for each fund. Geoff Thompson informed council that we may exceed \$300,000 in Earned Income Tax revenue. Keystone Collections is comfortable with our anticipation of 2022 receipts budgeted for \$300,000. We reached \$91,000 in Real Estate Transfer Tax payments, which we can't depend on next year. Council's allowance on reimbursement for supplies has been increased to \$100 annually.

Joe Dudash questioned where we are regarding the Fire Marshal's contract, his pay, and requests for equipment/supplies. Geoff explained that the contract is in the solicitor's hands. Nick has requested to be paid hourly for hours worked instead of a percentage of his inspections. He also does not need a lot for supplies. We budgeted for three generators for three traffic lights at the retail cost of \$1,200 each. They run from eight to ten hours. Joe also questioned if the millage has been reduced as the residents were told. Beverly and Mark explained that the millage was decreased by three mils as we did for the 2021 budget. That is a total of six mils reduction budgeted in 2021 and 2022.

Discussion on which invoices are paid from the specific legal lines in Section 404 in the General Fund budget, legal expenses, lines that engineering bills are paid out of, capital projects, funding for capital projects and fund splits. Joe Dudash has an issue with the \$22,000 paid to the General Fund from the Sewer Fund for annual rent. Beverly read from Municipalities Sewer Rental Act, which was enacted in 7/18/1935 and Title 11, an amendment, Section 132-13.1 for PA Cities rental fees, which states that this is acceptable. Bev Wolfe explained that we have very thorough audits annually and the auditors has never mentioned this expense. Neither has any of the professionals employed by the borough or hired consultants. Joe said his concern is having reserve funds for emergencies. We had an emergency this year and we had sufficient Sewer Reserve Funds. Bev said that the committee discussed pump station expansion projects, which we should acquire grant funds.

Geoff included the Holly Avenue & Oak Avenue Paving Project in the Liquid Fuels budget. Joe Dudash mentioned the water problem in that area that would ruin the paving work. Geoff responded that that question should be addressed to the borough engineer, but it would be a capital expense. We cannot pay engineering fees from grant funding or Liquid Fuels' funds. We plan to use ARPA funds for sanitary sewer and storm sewers. The snow plowing line was increased to \$18,000 next year.

MOTION BY MARK MOFFA TO APPROVE THE 2022 PRELIMINARY BUDGET AND AUTHORIZE ADVERTISEMENT FOR PUBLIC REVIEW. SECONDED BY JOHN STRATZ.

Mike Smith, 127 DeHaven Avenue, disagrees with 60% of wages being paid out of the sewer fund for some employees.

Tom Sodano, 126 W. Woodland Avenue, asked about the ARPA funds. Payroll splits are incorrect for Lou Carcel and Marie Serota. He said we need to make sure that we do not do anything that could lead to litigation.

Joe Adams, 327 Neshaminy Street, asked when will the budget become public, how to get a copy and who he should contact with questions.

Roll call vote: Joe Dudash aye, Mark Moffa aye, Beverly Wolfe aye, Barbara Heffelfinger aye, John Stratz aye. Motion carried 5-0.

MOTION BY MARK MOFFA TO ADJOURN THE MEETING AT 9:00 P.M. SECONDED BY BARBARA HEFFELFINGER. All ayes, carried.

Submitted by: _____
Marie Serota, Secretary/Treasurer