

BOROUGH OF HATBORO
COMMITTEE MEETING
MONDAY, NOVEMBER 7th, 2016

PRESENT

President Tompkins, Vice President Rich, Councilpersons Forgeng, Harbaugh, Hegele, Palmer & McElroy; Manager Zollers, Assistant Secretary Hegele & Chief Gardner

ABSENT

Treasurer Kalnjas was absent

CALL TO ORDER

Councilman Harbaugh called the budget workshop to order at 6:00 PM

Councilman Harbaugh stated Council was in receipt of Version #1 of the 2017 Budget for the Borough of Hatboro. He stated the numbers in version one were derived using August 2016 actual, then the last three months were projected out to year end. He stated that there were some slight changes made at 5PM today. He stated last year the budget included revenue from the sale of the largest parcel in the Borough; Station Park. He reviewed the budget with Council by department.

Liquid Fuels/Highway Aid money would be a separate enterprise fund beginning in 2017. There was a discussion on the use of DVIT credits. Assistant Secretary Hegele stated there is 39,000 available for use and the matter will be on the November agenda. Council can use the entire amount or a portion, but a decision is needed by November 30th. It was decided by staff to put \$15,000 in the budget.

President Tompkins stated Main Street Hatboro is looking for additional funding, a small portion of the money in this line item includes supplies. Staff has put in a new figure but Council needs to decide if we are going to continue to fund this program in 2017. There was a discussion regarding this program and the new County Planner the Borough is going to approve at the November meeting.

Councilman Harbaugh reviewed each department, he stated currently there are no raises calculated in the non-contractual employees. The health insurance numbers given need to be tweaked. Assistant Secretary Hegele stated staff is working on an assessment of the phones to see if we can get the bills lowered.

He stated the legal line item includes the negotiating of franchise fees for Comcast and Verizon. Engineering includes NPDES permits. Manager Zollers stated the new requirements in effect this time are very costly.

Chief Gardner made a brief presentation on Police staffing. Councilman Harbaugh stated the proposed budget adds a 15th man in the department. Chief Gardner stated that the current cost for police services with 14 men is \$2,270,990 million and for 15 men \$2,318,902 million, he stated the 15th man will help with overtime costs, state aid will change since the department will be adding another man, he stated the approximate cost for a new officer is \$47,912.00. Chief Gardner stated a new man hired now could be on the street by March. Chief Gardner feels that now is a good time to

operationally hire, he stated when one of the officers in the Drop leave, Council could reevaluate the extra man, if it does not work then the department would go back to 14 men. There was a discussion on the use of the extra man, logistics would have to be worked out with the bargaining unit. Chief Gardner also feels the costs will be lowered in 2017 for the new building.

Manager Zollers made a brief presentation on Public Works staffing. Councilman Harbaugh stated the budget adds another man to the Public Works Department. He stated that with the addition of more park space, additional space with new Police Department, storm drain, tree trimming, road work and other projects that have been deferred due to lack of staff, another man will be a tremendous asset to the department. He stated with wages, insurance, fica and retirement it should be an additional \$76,246.25 to the budget. He stated as a result of the hiring of another full timer will result in some reduction in other line items, i.e. seasonal help. Councilman Forgeng asked about one day a week trash collection. Manager Zollers stated there have been studies done previously and there is no savings. He stated it does not free up skilled employees only seasonal employees. Councilman Hegele stated if we did one day a week collection and there was a holiday, it could result in residents not having collection for two weeks.

Councilman Harbaugh stated the Little League was in attendance to ask for support. Mr. Pat McHenry from Hatboro Little League stated they have some projects that will require assistance, they include canopies, bathrooms, fencing, drainage, driveway repair and a sprinkler system for the fields. After discussion Council advised they would take the request under advisement and let Little League know.

President Tompkins stated he and Councilman Harbaugh met with the Library, the Library has asked for additional funding, he stated for the first draft of the budget staff used \$80,000. There was a discussion about Library funding and other sources of funding, after discussion Council agreed to move forward with the 80,000 number. Council stated that may change after the bottom line numbers are finalized.

Councilman Harbaugh reviewed the pool numbers, he stated the pool made money this year and he is recommending the excess of approximately \$11,249 be transferred to the Pool capital account for future projects there.

Councilman Harbaugh stated the Fire Company has presented their budget for 2017 and those numbers have been added. Their surplus will need to be transferred to the Fire Capital Fund for savings for new fire trucks and other major equipment purchase.

Councilman Harbaugh reviewed the sinking fund transactions, he stated this is where all the Borough debt is paid from. He stated there have been significant expenses due to projects. After reviewing all the debt he stated there was a shortfall of \$371,873, which represents mostly all debt service.

Councilman Harbaugh stated Council may have to consider a tax increase. He stated for each 1% increase that equates to about \$31,000. He stated for a 2.5% increase that would represent an increase of approximately 121,000 for an average typically assessed home in Hatboro it would be about a 23.00 increase. He stated Council could consider a larger increase in taxes or make cuts in the budget as presented. Councilman Hegele stated Council has not raised taxes in the later 10 years sooner or later one is going to be needed. Councilman Harbaugh stated this budget as presented has a conservative revenue projection, but money is needed for Capital. Councilman Hegele stated manpower is needed in Public Works, we are at least down 5 men from when he worked for the Borough. Manager Zollers stated he was right the department had 14 full timers at one time. Councilman Forgeng asked about sending out work. Manager Zollers

stated no, we have a full time mechanic. Councilman Forgeng asked if we could rent the 2nd floor of Borough Hall after the police move. Manager Zollers stated yes, but work will need to be done.

Councilman Hegele suggested cutting programs like the Main Street, we have been funding that initiative for 10 years, he would rather cut there then cutting services or cutting staff in the police or public works department. Councilman Forgeng asked if we supply benefits to Main Street, Manager Zollers stated no. Councilman Forgeng and Hegele both feel that Main Street should be giving the Borough a monthly report. They asked if the bill has details. Manager Zollers stated no, the monthly bill has no detail just hours. Both asked for discussion on the Main Street Program since the Borough is pinching pennies. President Tompkins stated Council needs to take some type of action. Councilman Hegele agreed stated he is tired of being blamed for the nail salons, thrift stores, etc. He wants to look at other avenues. He stated he is aware that Hatboro is not Ambler but thinks we could be doing better.

Councilman Harbaugh stated the Finance Committee will meet with staff again on Wednesday morning at 7:30 AM to finalize numbers and the preliminary budget will be in packets and on the agenda for November committee for adoption.

Assistant Secretary Hegele stated Council has \$39,951 in DVIT credits, these credits earn more interest than bank funds and she needs direction from Council on how much to use.

Councilman Harbaugh asked everyone to think about hiring a new police officer and new public works employee. President Tompkins asked everyone to look at the Main Street Program and a tax increase, he stated this is a reality and should have been doing this yearly.

ADJOURNMENT

The November 7th, 2016 budget workshop meeting was adjourned at 8:15 P.M.

Respectfully submitted,

Alfred "Fred" Zollers
Borough Secretary

Transcribed by Assistant Borough Secretary Diane Hegele