

Mount Joy Borough Council
Special Budget Meeting Minutes
November 16, 2021

The Mount Joy Borough Council held a Special Budget Meeting on November 16, 2021.

Council President Hall called the meeting to order at 6:30pm.

Invocation was given by Mayor Bradley, followed by Pledge of Allegiance.

Roll Call - Present were: Councilors Deering, Eichler, Fahndrich, Ginder, Ruschke, Youngerman, President Hall and Mayor Bradley. Councilor Reese was absent.

Also present were; Borough Manager, Mark Pugliese; Assistant Borough Manager, Jill Frey; Public Works Director, Dennis Nissley; Assistant Public Works Director, David Salley; and Chief Goshen.

Executive Session

Council went into executive session at 6:32pm.

Council came out of executive session at 6:42pm. No decisions were made.

Councilor Castaldi arrived during executive session.

Public Input Period

None.

Approval of the Minutes

With a **MOTION** by Ruschke, and a second by Youngerman, approval was given for the November 4, 2021, *Motion carries unanimously.*

2022 General Fund Budget Discussion

Pugliese spoke concerning the General Fund budget. He stated that Council has been given an updated version showing the changes from the previous budget meeting. He reviewed and explained the revisions and suggestions to the 2022 Minimum Municipal Obligations (MMO) for the Pension plans.

Youngerman spoke of the Police Pension MMO. He said that by using a lower rate of interest we would be investing more money into the plan and that RJHall suggests using the lower rate of interest. He said his recommendation is to not change the MMO at this time. He said he still has questions about this and that we can revisit in two years and possibly make a change then. Hall said to keep the \$325,500 proposed in line item 01.487.160 (Pension). Youngerman agreed.

Hall suggested to settle the Refuse Fund and that doing so may shed light on the other funds.

Pugliese reviewed the Refuse Fund budget and showed the possible change of raising the refuse/recycling rate by \$20/yr and the key fobs for East Donegal Township from \$20 to \$25.

Hall said there is a fund balance we could use for the remaining deficit but cautioned that the fund balance will keep dropping if we continue to do that.

Mayor Bradley said that proposals help but do not resolve the issues. He said maybe we need to slowly go with increases through the coming years to absorb the deficit.

Youngerman said that this shows what happens if we do not raise fees or taxes. He asked if anyone knows historically what happened. Hall said that each year we transfer money from Refuse Fund to General Fund and never offset that with increases.

Castaldi said that he is in favor of absorbing the sur-charge for online payment charges. He said he is also in favor of increases

Hall asked if everyone on Council is in favor of raising the refuse/recycling fees by \$20 per year. Council agreed and change was made.

Hall asked if everyone on Council is in favor of raising the key fobs for East Donegal Township by \$5 per year.

Council agreed and change was made.

Pugliese stated that the new rate would have to be set by Council at the December Council meeting. Hall said we will approve the new rates then and suggested Council move on to the Capital Fund.

Pugliese spoke concerning the Capital Fund budget. He explained and reviewed the new format to the budget. He spoke of line items, 30.279.156 (Fund Balance of Medical Insurance) and 30.279.160 (Fund Balance of Early Retirement/Pension). He explained that money in the fund balances of Capital Fund may be moved by Council's approval, as they wish. He said that these two line items have been seemingly appropriated sometime in the past and that both line items currently show a \$0 trial balance. He said the pension line item is not recommended to even be in the Capital Fund.

Castaldi suggested that we zero out these two line items and re-appropriate any remaining fund balance in Capital Fund. Council agreed to take away the commitment to these two funds.

Mayor Bradley asked why the leaf collector and compost site is included in the Capital Fund. Hall said because Grants are involved with those items and Capital Fund is the appropriate fund to have that type of revenue and expense run through.

Deering suggested that \$69,714 be allocated to line item 30.279.409 (Municipal Building Fund Balance). Council agreed and change was made.

Deering spoke concerning the Ad Hoc building committee. He said the total number for design development in 2022 is \$442,858. He said the cost for everything up to construction is approximately \$360,000. He said for schematic design and design development only is \$265,715. Mark said that you can repay yourself those fees back with the loan if you so choose.

Hall said there are a lot of questions concerning the design of the new building. He said we cannot get those answers unless we engage the architect.

Fahndrich asked if Council has officially decided that we want to create a new building at this location and the budget for that. Hall said that there has not been a formal vote for the renovating at this location, but we have rejected other locations and have always come back here by default. He said as for the budget, the question has been, do we build the budget around a building, or do we build a building on the budget we have.

Castaldi said that Council is here to work on the budgets. He said we could budget \$300,000 for the building and it still does not commit Council to spend it.

Mayor Bradley said that we are talking about budgeting for a building for three different organizations. He said there has not been a conversation or agreement with all involved and at the very least there needs to be a meeting with the Borough and the Authority. He said there must be assurances in place first. Hall said the footprint for the Authority is rather small. Youngerman asked if we currently have any agreement with the Authority. Deering said yes, a two-year agreement. He said all entities involved are represented at the Ad Hoc building committee meetings and have been involved in the discussions.

Hall asked Council if they are going to put money in the budget for the building for next year. He reminded Council that just because they money is there, does not mean it has to be spent. He said if money is not put in the budget, does not mean the project is over, it just will not move forward for another year.

Deering asked if we could move funds from other areas in the Capital budget to cover the building cost with no projects being affected in 2022. Pugliese said yes.

Hall suggested to put the building expense in the General Fund budget and take it from fund balance.

Mayor Bradley said there needs to be a robust conversation with all parties involved. Fahndrich agreed with the mayor and agrees with putting money in the budget for the building cost. Deering agrees as well. Mayor Bradley said he does not think we should cut from Capital fund and hopes Council finds another way. Hall said we need the items we have in Capital and agrees, this is not the place to look for building funds.

Pugliese said if Council wants to proceed, we know we need \$360,000 and anything less than that holds off the project for another year.

Hall recommended that \$360,000 be transferred from General Fund to Capital Fund, using \$360,000 of fund balance on revenue side.

Youngerman said it is hard for him to support that tax increase. Hall said it is not a tax increase, but rather taxes collected that were never used. Castaldi suggested that each committee should discuss this project. Hall said that we have an Ad Hoc committee just for that.

Hall made a **MOTION**, with a second by Deering, to move \$360,000 from General Fund line item 01.492.100 (Transfer to Capital Fund) to 30.279.409 (Municipal Building Fund Balance), with the intention to spend it for building costs. Mayor Bradley stated that he hopes that there are robust conversations before any money is spent. *Motion carries with Youngerman voting no.*

Pugliese reviewed the proposed Highway Aid Fund draft budget. Hall stated that we will be spending this fund down significantly.

Eichler asked if the residents on Pinkerton Rd. and N. Angle St. have been communicated with concerning the streets and sidewalks. Deering said yes. Eichler asked what timeline was given to them. Deering said that the Borough gave them an extra year to get the sidewalks done.

Deering suggested changing line item 01.487.160 (Pension), to \$286,732.52, creating a \$0 balance in the General Fund.

Hall suggested using the actual MMO figure of \$272,065.05 for line item 01.487.160 (Pension) and put the difference of \$14,667.52 into line item 01.410.314 (PD Legal Fees), creating a \$0 balance in the General Fund. Council agreed and changes were made.

On a **MOTION** by Youngerman, and a second by Castaldi, approval was given to advertise the 2022 Draft Budget for public view and to place approval consideration on the December 6, 2021, Council agenda. *Motion carries unanimously.*

Any Other Matter Proper to Come Before the Council

Mayor Bradley said that he was under the impression that the Borough was going to communicate discontent at the State level concerning the 5G. He asked if anything has been done. Youngerman said he created a draft letter and asked it to be added to the Administration & Finance Committee meeting for Thursday, November 18, 2021.

Pugliese thanked staff and Council for their work, participation and patience with the new format for the budgets.

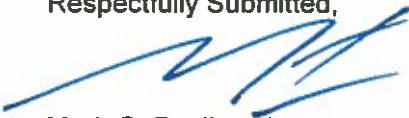
Hall thanked Pugliese and staff for their work with the budget.

Executive Session (if needed)

None.

On a **MOTION** by Eichler, and a second by Ginder, meeting was adjourned at 9:00pm.

Respectfully Submitted,



Mark G. Pugliese I
Borough Manager

