

**Mount Joy Borough Council**  
**Special Budget Meeting Minutes**  
**November 21, 2023**

The Mount Joy Borough Council held a Special Budget Meeting on November 21, 2023.

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

Invocation was given by Bill Hall, followed by Pledge of Allegiance.

**Roll Call** - Present were Councilors Castaldi, Eichler, Fahndrich, Greineder, Hall, Haigh, and Ruschke. Councilor Youngerman and Mayor Bradley were in attendance via Zoom. Councilor Ginder was absent. Also present were Police Chief, Robert Goshen, Borough Manager, Mark Pugliese; Assistant Borough Manager, Jill Frey; Public Works Director, Dennis Nissley; Parks Superintendent, Barry Geltmacher; and Codes & Zoning Officer, Duane Brady Jr.

On a **MOTION** by Ruschke, and a second by Greineder, approval was given to approve the agenda. Pugliese made an amendment to the agenda to include an executive session to discuss information given by the labor attorney concerning health care benefits. *Motion with amendment carries unanimously.*

**Public Input Period**

Dale Murray, 120 Farmington Way, asked if employee benefits were included in the cost of the new hire for the Community & Economic Development Coordinator. He said he estimated for 2023's budget that the benefit overhead was at 57% and for 2024 it is up to 61%. Murray spoke concerning the Chiques Crossing apartment complex going into Rapho Township directly beside the Mount Joy Borough. He said they are planning for 378 apartments, and he is concerned about the impact it will have on the Borough. He said he appreciates the Manager sending a letter to Rapho Township expressing concern, and he appreciates the Mayor attending and speaking at the meeting Rapho Township had about this. He said he thinks the letter did not express complete opposition to the project and feels the Mount Joy Borough should take a stronger stance in opposition. He asked Council to consider creating a Chiques Crossing Ad-Hoc Committee.

On a **MOTION** by Greineder, and a second by Ruschke, approval was given for the minutes from the November 14, 2023, Special Council Meeting. *Motion carries unanimously.*

Council went into executive session at 6:38pm. Council returned from executive session at 6:52pm. No decisions were made.

**2024 General Fund Budget Discussion**

Pugliese said that we changed line item 01.400.311 (Auditing Services) from \$45,000 to \$37,000. Council agreed and change was made.

Pugliese said that we can remove \$106,500 and \$35,000 from line item 01.492.100 (Transfer from Capital) and use Capital Fund balance to cover those items. He said we have over \$700,000 of unallocated funds available in Capital Fund. Council agreed and change was made.

Pugliese said that he heard back from PFM concerning an updated figure for the debt service. He said line item 01.471.100 (General Obligation Notes) should be \$257,353 to reflect the update. Council agreed and change was made.

Greineder asked if we can do the same with 01.409.372 (Rail Enhancements Maintenance & Repairs) and pay with Capital unallocated funds. Pugliese said that \$8,500 is to seal coat St. Mark's parking lot, per agreement, and that amount could be paid with Capital funds, leaving \$4,000 in that line item. Council agreed and change was made.

Fahndrich said that she voted no for the new salary of the Community & Economic Development Coordinator and for spending \$55,000 plus benefits. She said she feels that we are not in a position to have it in 2024's budget. Greineder said that if the salary were to go, everything under Section 463 would go as well. Haigh

said he does not agree and feels the position will pay for itself. He said we have to find a way to increase revenues, not cut expenses. Fahndrich said it takes years to see a turnaround for Community & Economic Development. She said it would be best to contract out the service, and that it is a great service to contract out. She also said she agrees that we need to generate more revenue. Hall said that the Community & Economic Development Coordinator is more than Community & Economic Development. He said we had hired for the position, which to the time, included Grants and Stormwater, but due to unfortunate circumstances, never had a chance to see it come to fruition. He said that contracting out is not a bad idea, but that we would have to put money in the budget for that. Youngerman said that feels the position will pay for itself and is in favor of it. Greineder asked if it must be full-time. Youngerman said yes. Pugliese said that with everyone who has taken on the responsibility for grants, we do not have the time to take on anymore. Hall asked if we have a consensus to take the position out of the budget. He said he would entertain a motion. No motion was made.

Fahndrich said that there was never a discussion, as a body, on if we are comfortable with a tax increase. Hall said that his thoughts are that once we have maximized all the revenues and minimized all the expenses, then we would discuss a tax increase, if necessary. He said that discussion should typically come last.

Castaldi said that our contributions to a couple of different organizations have increased. He asked if we want to consider rolling back the contributions. Hall said that he is not sure of his thoughts on the Municipality hosting events. Mayor Bradley said that Community & Economic Development, which is who would typically hold events in town, is not a new expense to the Borough. He said it was just accounted for in a different way. He said we had paid \$50,000 to Main Street Mount Joy and they would handle it. Castaldi said he was referring to the 456 line items (Library/Other Organizations), not 463 line items (Community & Economic Development).

Haigh asked if line item 01.433.022 (Street Painting/Marking) includes Wood St. Nissley said no, and that it is accounting for thermos plastic on Main St. Haigh asked if we could move the painting for Main St. to Capital as we did St. Mark's parking lot. Hall said that he sees the crosswalk painting as different because it will wear out much faster and not last as long as St. Mark's parking lot.

Castaldi asked about line item 01.387.000 (Fees-In-Lieu of Taxes) and if there is any chance of increasing that line item. Chief Goshen and Pugliese said they are working on seeing what can be done with the tax-exempt properties in the Borough. Hall asked if we wanted to change the number. Pugliese said it would be hard to properly do it for the 2024 budget. Hall said to leave it as is.

Pugliese suggested reducing, under Community & Economic Development, line item 01.463.200 (Materials & Supplies) from \$3,500 to \$1,000, and line item 01.463.340 (Advertising & Printing) from \$2,500 to \$1,000. Council agreed and changes were made.

Chief reported that there are 125 non-profit properties in the Borough, totaling \$37,975,500 in value. Youngerman said that there are two churches that will be back on the tax roll soon. Brady confirmed.

Castaldi asked if the Earned Income Tax rate is capped by the State. Youngerman said that Section 1302 of the Borough code levies taxes and would have to see if it includes EIT. Brady said that EIT is capped at 1% according to Section 245.71 of the Borough code. Dale Murray said that the Borough is at 1% according to the County.

Greineder said that we are showing \$159,000 short to balance the 2024 budget. He said that looking at the mileage rate chart, we would have to go to 4.47 mills to cover that. He asked if we could get a sense from Council on where they stand with that increase.

Haigh said that we still must consider the cost of the Municipal complex and the Refuse Fund as well. He said that if the debt service is in the budget it continue in the budget year after year. Hall stated that at the Ad-Hoc Building Committee meeting it was recommended to move to full Council to approve the building at the December Council meeting. He said if the 2024 budget passes with the scenario we currently have, we are saying from a budget standpoint that we agree. The alternative is to go back to the first scenario and start over. Haigh said that he agrees with the current scenario but wanted Council to be aware.

Castaldi asked if Council considered a six-month hiring freeze. Haigh said we already did that at a prior budget meeting.

Mayor cautioned Council to make sure we are not so scarce with finances that in the future we are faced with a large tax increase at one time.

Fahndrich said that if we are going forward with the building project, how are we going to get through the next four or five years of budgeting and asked if Council has a plan. Hall said that we know some properties that are going to be going back on the tax roll, we have a possible revenue source with fees-in-lieu-of taxes, and we will have a grant writer position that will be filled and hopefully pay off. He said it is hard to say exactly what those things will mean, but we have to move on.

Pugliese reported that he has provided a sheet called "Municipal Office Building" and it shows that the Mount Joy Borough Authority is willing to contribute one million dollars toward the project and that the appraisal for the current properties came in at all but one million dollars.

Haigh said that a friend once told him that the most important decision a Municipal body can make the hiring of the Police Chief and Borough Manager, and the second most important decision is giving them the freedom to do their job. He said that we will be ok for 2024's budget and for 2025 and beyond there are different ideas and revenue sources we have to work on.

On a **MOTION** from Haigh, with a second by Ruschke, approval was given to increase the mileage rate in the budget to 4.47 mills. Castaldi stated that this is a 6% increase. Greineder said this increases revenue by \$159,873. *Motion carries unanimously.*

Hall said line item 01.301.100 (Real Estate Taxes – Current Year) will be increased to \$2,597,055. Change was made. Hall suggested to reduce 01.301.001 (Transfer from Fund Balance) by \$480.68, taking the number down to \$116,781.07. Council agreed and change was made.

Council went on to look at and review the 2024 proposed Capital Fund budget.

Council went on to look at and review the 2024 proposed Highway Aid Fund budget.

Council went on to look at and review the 2024 proposed Refuse Fund budget.

Pugliese explained that 04.301.001 (Fund Balance) has \$87,516.60 projected carry over from 2023 fund balance. Haigh said we could move the \$87,516.60 to Fund Balance. Hall said we could move \$139,039 to Fund Balance.

Hall said that he does not think we should do two years in a row with a tax increase and two years in a row with a trash increase.

Mayor Bradley said that next year's budget will be speculation and most indications show Council will be looking at a difficult budget season again next year. He said that although he is not in favor of holding a large balance in the Refuse Fund, he also feels we are dwindling it down now to where there is no wiggle room.

Pugliese said that the Commercial rates last year were only set \$10 above the Residential rates and feels they should be adjusted. Haigh said he is in favor of an increase, especially to Commercial.

Mayor Bradley stated that he does not understand why there is a separate charge for woody waste. He said that there are people who do not need or use the woody waste pick up option and do not feel the residents should have to pay for something they do not utilize. Frey said that there was always a separate line item for woody waste and is not exactly sure why.

Hall suggested we change the Residential rate to \$357 per year, increasing line item 04.364.301 to \$1,038,870, and change the Commercial rate to \$457 per year, increasing line item 04.364.302 to \$28,500, and eliminate line item 04.364.304 (Woody Waste). He also suggested to change the annual key fob key

cost for East Donegal Township residents to \$40 per year, increasing line item 04.364.312 (Key Fobs) by \$3,750 for a total of \$22,350. Council agreed and changes were made.

Haigh made a **MOTION** to raise woody waste bags from \$.50 each to \$.60 each. Motion dies for lack of second.

On a **MOTION** by Greineder, and a second by Ruschke, approval was given to authorize Borough staff to advertise the 2024 General Fund, Capital Fund, Highway Aid Fund, and Refuse Fund proposed budgets to be available for public review prior to the December 4, 2023 Council meeting. *Motion carries unanimously.*

On a **MOTION** by Greineder, and a second by Ruschke, approval was given to authorize the preparation of an Ordinance or Resolution as needed with regards to an increase of the mileage rate from 4.2 mills to 4.47 mills for 2024, as well as authorization to advertise any ordinance with regards to tax rates for 2024 if required to do so. *Motion carries unanimously.*

On a **MOTION** by Greineder, and a second by Ruschke, approval was given to move the 2024 General Fund, Capital Fund, Highway Aid Fund, and Refuse Fund proposed budgets to the December 4, 2023, Council meeting for action by Borough Council. *Motion carries unanimously.*

On a **MOTION** by Castaldi, and a second by Ruschke, approval was given to adopt the new fee schedule. *Motion carries unanimously.*

Mayor Bradley said that he is opposed to charging residents to the use of the pavilions in the Borough and that the pavilions should be a benefit to the residents at no charge.

**Public Input Period**

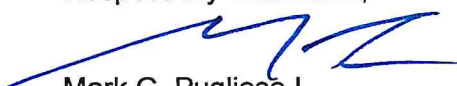
No public input.

**Any Other Matter Proper to Come Before the Council**

Haigh requested to see the debt service numbers updated by the December 4, 2023, Council meeting. Pugliese said the numbers provided tonight are the updated numbers.

On a **MOTION** by Greineder, and a second by Fahndrich, meeting was adjourned at 9:55pm.

Respectfully Submitted,



Mark G. Pugliese I  
Borough Manager