

Mount Joy Borough Council
Special Meeting Minutes
November 8, 2018

The Mount Joy Borough Council held a special meeting on November 8, 2018, at the Mount Joy Borough Council Chambers.

Vice President Youngerman called the meeting to order at 6:30 PM.

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

Roll Call - Present were: Councilors Deering, Fahndrich, Ginder, Smeltz, Youngerman and Mayor Bradley. Councilors Hall (arrived at 8:23 pm), Millar and Reese were absent. A quorum was established.

Also present were; Borough Manager, Samuel Sulkosky, Codes officer Stacie Gibbs. Members of the public present were Dave Schell (MSMJ), Katie Marrello, Dale Murray, Maryann Payne and Bruce Haigh.

Public Input Period

Bruce Haigh talked about a memo that he sent to Council concerning paving project, hiring additional summer employees to seal coat and delay any new paving and put everything into maintenance.

Dale Murray introduced MSMJ Board members Katie Marrello and Maryann Payne. Murray made additional comment about the potential building project and asked Council to take care in moving forward. Josh Deering stated that there are multiple options on the table.

End of Public Input Period

Budget Discussion

Deering made a motion to open budget discussion, seconded by Ginder, all in favor.

Sulkosky reviewed changes from the last budget such as line item 01.471.100 was reduced to an interest only payment and was adjusted downward from \$153,000 to \$30,000 by utilizing a line of credit draw down. Line item 01.395.001 was adjusted upward by \$42,000 due to receiving numbers from Benecon for surplus fund distributions on the Borough's previous health insurance coverage. Due to these changes the deficit was reduced by \$165,000.

Youngerman referred everyone to line item 01.399.000 use of fund reserves. Sulkosky explained that there is \$1.1 million in the PLGIT General Fund Balance. A discussion was held on the remaining revenues and expenditures expected for 2018 and the historical trend of those items in 2017.

Sulkosky explained to Council that the transfer to capital of \$200,000 was not all earmarked for roads and streets that only \$121,300 was earmarked for streets after capital expenditures for a police vehicle and capital payments. Deering stated that the road maintenance plan recommends that \$200,000 be earmarked annually for the transfer to capital for use on roads. Deering made a motion to add \$78,700 to line item 01.492.100 to allow for \$200,000 total to be earmarked for roads making the total transfer to capital of \$278,700, seconded by Ginder, motion carried unanimously. Per question concerning the cost of N. Angle Street, Sulkosky reported that \$175,000 from Highway Aid and \$175,000 from Capital Fund is budgeted in 2019 for N. Angle Street.

Youngerman asked Council if anyone wanted to discuss the requests for contributions from the Library, Food Bank, MSMJ and Historical Society. There were no questions from Council.

Fahndrich asked about the Dog Housing line item 01.410.491 increase from \$1,000 to \$3,500. Chief Williams explained that we must have an agreement with a kennel in place of the SPCA and the annual agreement fee will be \$2,500. The kennel housing fee is \$100 daily and there has not been a need to board any animals.

Smeltz discussed the police contract and the growth of the patrol officer's salary which shows 8% growth. Although the contract reflects a 3% salary adjustment but with the new officer step increases the actual growth is much higher. This high growth is not sustainable over the long term. Smeltz stated that he supports the police officers and appreciated what they do. Smeltz reminded everyone to keep this in mind as decisions are made and this growth needs mentioned out loud. Deering asked what the Chief about what he expects moving forward. Chief Williams reviewed the overtime and PT line items and the trends going forward in 2019 and 2020. The Mayor pointed out that until just recently that the police department was not fully staffed which affects the overtime and PT officer costs. Ginder commented that the police salaries are over \$1.1 million and expected to be \$1.4 million in 2020.

The Mayor asked Chief Williams to address line item 01.410.175 training expenses and line item 01.410.300 general expenses which reflect 20% and 29% increases. Training costs increased due to new sergeant and new detective training. General expenses increased due to the RMS system and citation package with additional printer costs.

Councilor Smeltz asked if purchasing a new police vehicle was necessary? Chief Williams noted that the vehicle being traded for a new vehicle spends more time in the garage than time spent on the road and warranties have or will be expiring. Sulkosky reported that the building maintenance and repairs was increased because of the assessment to the police for cleaning and waxing of the floors on an annual basis.

Stacie Gibbs reviewed department 414 that the overall departmental budget is minimal. Contacted services is being increased for codification on general codes and codes software. Equipment purchases was eliminated since furniture and file cabinets were purchased second hand at substantially cost savings, so this year's \$2,000 to \$3,000 expected cost was eliminated. Under construction permits and fees increased by less than \$2,000 and there is very little wiggle room available.

Dave Salley discussed the public works departmental budget 430 includes decreases in electricity costs, eliminated communication radio expenses since they are not used, overall the department is rather flat in expenses. Salley reviewed stormwater expenses 446 which with are MS4 reductions already met, most of the expenses are going towards maintenance and replacement of stormwater pipe such as N. Angle Street.

Sulkosky expressed appreciation to all of staff for all their hard work in helping to develop the budget. Gibbs stated that Jill Frey did a tremendous job on the budget.

Deering questioned 01.410.314 whether this was reduced due to the police contract negotiation were completed. Sulkosky noted that the Civil Service Commission line item legal fees were established as requested by the Public Safety Committee. Deering asked about line item 01.395.001 refund of Prior Year Expenditures in the amount of \$115,005. Sulkosky explained that this line item consists of three things such as \$42,000 health insurance surplus distribution, reimbursement for Jacob Street Bridge escrow account and the normal \$12,500 routinely received annually. The Jacob Street Bridge will be reimbursed by the state for inspection service during the project where the Borough placed \$75,000 in escrow with Amtrak.

Upon public questioning Smeltz explained that the 2019 General Fund Budget reflects a debt service reduction from \$153,000 to \$30,000 floating draw down interest payments only which is more prudent. The purchase price of \$208,000 is still in the budget. Smeltz continued stated as the project moves forward there will be a \$300,000 financing costs that may need a tax increase.

Councilor hall arrived at 8:23 pm.

Deering and Youngerman held a discussion on the fund balance and what equated to the 25% required fund balance. Youngerman answered that that would be about \$1,150,000. Deering made a motion to use \$208,00 from the fund balance under 01.301.001, seconded by Ginder. Smeltz stated that this makes good sense since the Borough is committed to building purchase, longer term borrowing has interest costs, this is the people's money, this isn't being used to cover operating costs but a one-time expense, would alleviate immediate issue. Youngerman asked if Council would consider reducing the amount for fund balance to cover the deficit only. Deering withdrew his motion without object. Deering made a motion to increase line item 01.301.001 to \$160,952, seconded by Ginder, motion passes unanimously.

If you are a person that requires accommodations to participate, please contact Borough staff to discuss how we may best accommodate your needs.

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Sulkosky answered the question from Smeltz that discounting the \$208,000 real estate purchase that expenditures increase by .33% where revenues have increased by 3.23% which in large part is attributable to the new investment policy and increased earning from PLGIT and the move to Northwest Bank.

Fahndrich asked about the different salary increases shown on the budget. Sulkosky explained that the percentages on the budget was not accurate because the 2018 budget reflects bonus payments .5% to 1% that required to be backed out, so council should disregard the salary percentages reflected on the budget. Salary increases generally are 3% with a couple exceptions such as the public works maintenance technician positions which are getting a one-time bump.

Deering made a motion to advertise the general Fund 2019 proposed budget, seconded by Ginder, motion carries unanimously.

Sulkosky reviewed the supplemental budgets for Refuse and Recycling, Capital Fund and Highway Aid Fund. The refuse budget contains no increase in rates, \$200,000 transfer to general fund, escrow for dump truck, purchase of leaf collector, with a surplus a little over \$11,000. Hall made a motion to approve the Refuse and Recycling Budget, seconded by Ginder, motion carries unanimously. Sulkosky reviewed the Highway Aid Fund with the expected annual revenue, \$175,000 expense for North Angle Street. Hall made a motion to adopt the Highway Aid Fund, seconded by Smeltz, motion carries unanimously.

Sulkosky reviewed the Capital Fund with Council. Hall made a motion to adopt the Capital Fund Budget. After further discussion Hall withdrew his motion. Council will take a vote on the Capital Fund Budget on December 3, 2018 after updates have been made.

Any other Matter proper to come before Council

Sulkosky informed Council that the Council vacancy notice will be in the Merchandiser on Wednesday, November 14, 2018 and is already posted on the Borough website.

Deering made a motion to nominate Councilor Youngerman as President of Council which Youngerman accepted. No other nominations were made. All voted yes.

Deering nominated Councilor Hall as Vice President, Hall accepted, no other nominations were made, all voted yes.

Youngerman nominated Josh Deering as president Pro-Tem, Deering accepted, no other nominations, all voted yes.

Hall made a motion to adjourn, seconded by Deering, motion carries unanimously. Meeting adjourned at 9:08 pm.

Respectfully Submitted,



Samuel Sulkosky
Borough Manager/Secretary