

November 29, 2017

The Special Meeting of the Lehighon Borough Council was held in the Municipal Building on Monday, November 29, 2017. The meeting was held for budget and general purpose. The meeting was called to order at 5:30 p.m. by President Grant Hunsicker. Members in attendance were: Joe Flickinger, Darryl Arner, Helen Torok and Scott Rehrig. Absent: Lisa Perry, Jared McEvoy. Officials in attendance were: Borough Manager Nicole Beckett, Borough Secretary Brenda Koons, and Fire Chief Patrick Mriss.

Pledge of Allegiance

Approval of Minutes

None were submitted

New Business

Discussion on General Fund Budget

Nicole said council has received the 2018 budget presentation of the General Fund. There are numerous items for discussion to determine where we are headed for our next session. She does still have to provide the L&P fund, Sewer and Capital Fund budgets and Highway Aid. Are there any questions?

Nicole went over items she felt were important to touch on since no one had any questions or comments. Parking meters we discussed last year. We did zero out and remove the revenue and expenses. They are still in place, outdated, some need to be calibrated, and some can't be calibrated. This item can be discussed now or it can wait. If we receive grant funding for South 1st Street the decision would need to be made at that time as to what should be done.

The L&P transfer given to you in the budget remains at the 2017 amount.

Under expenses there is a need for a new boiler at borough hall along with roof replacement and security cameras as discussed in 2013 and 2014 and the masonry work. We also found out today that we have a blocked sewer line. Nicole should know tomorrow what that will entail – repair or replacement. We can discuss cost sharing with the other funds in order to reduce the contribution from the General Fund. There is a \$14,000 increase proposed with that.

Councilor Flickinger asked how much needs to be done to the masonry work. Weren't they here over the summer? Nicole said they pressure washed the front of the building. Their original proposal was \$19,200 for masonry repairs to the front and sides of the building.

Nicole said there was discussion of allocating funds for demolition of properties on 1st Street. No funds have been allocated for that at this time.

She did give what the 2017 budget is expected to come in at along with the increase for the 2018 budget to give council an idea of what is being outlined where.

Councilor Flickinger said under the police chief's salary it has him going into the DROP program in 2018 and doing all the buy backs. Nicole said the buy backs would occur around August and be the same as the other two officers.

Nicole had Chief Mriss is attending tonight because the fire department was requesting additional millage. Chief Mriss said the big item discussed at their annual Strategic Planning meeting is apparatus. Looking at the recent cost to replace engine 512 and looking at replacing the 4 frontline apparatus being the 2 engines, ladder and rescue is at today's cost \$2.2 million. That doesn't include the pick-up that is being replaced by a grant from the Fire Company #1 social quarters this year. For the 4 frontline with the ½ mil that went on in 2001 for apparatus replacement brings in about \$40,000 a year. He

provided council with a break down. The age of the vehicle being replaced would be 55 years. If we go to one mil it would be 27.5 years. He also provided NFPA 1911 regarding fire apparatus that states anything over 25 years should be replaced. He is looking out for council and the borough instead of asking for a big increase when these apparatus do need to be replaced by planning for it now. It was started in 2001 and the cost has gone up substantially. The engine they just bought in 1998 vs. 2015 is almost double.

President Hunsicker asked how much is in the account right now. Nicole said about \$330,000. Grant said when Jack Kuller was still here he asked for a ½ mil increase for an aerial and we put it on but then we took some out for a pumper. Patrick said its 28 years old it's a 1989. Patrick said the frontline pieces have to be replaced at some point. The replacement costs provided are today's costs. Two different manufacturer's told the department to budget for \$1 million.

Councilor Rehrig feels the fire department has to be more transparent to the borough. He would go as far as to say the funds should be keep under the control of the treasurer. He then asked a question. 10-12 years ago council was told a new rescue truck was needed. At that time we gave the rescue truck to Bowmanstown for "X" number of years then it was given back to the borough. Now that same rescue truck is being used for the dive team. Patrick said it is used for a lot of different rescue units. Water rescue is one, confined space and additional vehicle rescue are the others. Councilor Rehrig asked if it were 15 years ago how can it still be operational today if it wasn't fit for operational use when we bought the new one. Patrick said he doesn't know what you were told when you bought the new one. From his understanding Bowmanstown was done using it but it was still running and operable. They did some work to it and felt it was only right to donate it back since we donated it to them. It is a 1981 with a Ford chassis. The only other big component on it is the generator. Other than that it is basically a big tool box. There is no pump or ladder on it.

Nicole went on to the Zoning, Code Enforcement & Building Codes. There really isn't much under there except for being in the process of the Zoning/SALDO grant match. We have spent some of those funds in 2017 and will continue to spend in 2018. Our match is approximately \$8,200.

Public Works was next. Nicole said with the way we are headed this department's wages can be split with special highway funds if council is interested in investigating this option along with the impact it would have on Highway Aid funds. If we use some of that money for wages we obviously can't use it for streets or equipment. The leases for the Mack truck and pick-up have been split between General Fund and Sewer. The split can be adjusted for cost savings.

President Hunsicker asked if they need a dump truck. Nicole said they can use a dump truck and a pick-up truck but neither is in this budget.

Recreation, Parks & Pool details are outlined for those funds. Nicole did not include the grant match for Baer Memorial of \$200,000 cash and in-kind. That contract expires in 2020. Now the DCNR grant for the Grove Feasibility Study and New Rec Center grant match is \$40,000 cash and expires December 2019. The grant match for the Upper Park is not included either, as we are still waiting for the contracts and engineering for the bidding. Anticipated construction for that project would be 2019. We would be paying engineering in 2018. There some money is built in for that.

Councilor Rehrig asked about the increase in lifeguard wages for night time swimming. Nicole said Pool Pals had met with Tom and herself. They were interested in some night time swimming hours to celebrate the 10 year anniversary of the pool being open. In discussion was where the funds would come from. Nicole added \$2,000 for that

and then needs to determine if the Pool Pals would pay for that or if another entity would reimburse the borough for that or if we would just fund it.

In order to balance the General Fund budget we would need \$276,585. That millage would be 3.37. Every year we talk about how we will make up the difference or how we can cut. She just needs direction on where to go – additional millage, additional transfer. We have continually discussed certain projects and they are not part of the budget but she likes to keep track of them.

Councilor Rehrig went on record that he is opposed to any tax increase. Councilor Flickinger said unfortunately he doesn't think we can keep taking from Power & Light being legislation is already attempting to cease that. If that were to go through we are basically cutting off our nose to spite our face. We would have to come up with those funds if that ever stops. The deeper the hole we dig the worse it will be. Unfortunately some of us may or may not be here. It could be 5-20 years; it could be less but he doesn't think it is right to keep going like that. He doesn't think we should go for a large millage increase but we need to look at it as a business. When your expenses go up your revenue has to go up somewhere. President Hunsicker hates to put a burden on people in this community. And that is what we do when we raise the taxes. Councilor Flickinger agreed but asked what we will do if that ever goes through. Where will the \$1 million come from? Grant said we will have to cut then. Councilor Rehrig agreed. Councilor Torok said we need to cut spending.

Nicole said she looks at that when preparing the budget but when you hire new employees or do capital projects you create that expense. She is willing to go over the spreadsheets to see what can be cut.

Councilor Rehrig said if you go to the list there are somethings that have been on there for 30 years like demolition of blighted properties. Pavers and new lights aren't fixing 1st Street. The streets need to be widened to accommodate modern day traffic. A new recreation center is on the list but the old one needs a new roof and interior work done to it. Building maintenance projects go on forever. Nicole said borough hall has been low on the list for repairs and with the way things have been going this is the year to start looking at the infrastructure here. Scott said public works also. President Hunsicker said we just spent about \$20,000 for a new boiler. Scott said there are unknown variables every day.

Scott said Sgt. Stanley Hoffman Boulevard is a complete cost to the borough and we have just been notified the overhead signs are delinquent. Grant matches are fine but we have to use them in accordance with what we really need. So we have none of that in the budget. We have a sewer plant that should come down that is a liability to the borough. That will cost money.

Nicole said she needs input as to what we are going to do whether its millage, additional cuts or the transfer. She did look into an increase to the transfer and take it to \$1.3 million but we still have the item of ½ mil tax for the fire department and would need \$37,000 to balance. Scott said it's fine to say we need a millage increase but the only ones you are affecting are the property owners and business owners; the renters pay nothing. Councilor Flickinger said he agrees but in the same token you don't want to put yourself in that boat where you're not able to transfer those funds anymore where will you come up with that million and some dollars a year that you are already transferring over. That's been the trend for years and we can't keep doing it. You can't keep digging yourself in deeper. It's like a business taking a loan just to pay their payroll.

Councilor Rehrig said then we have to do no raises and have layoffs and everything else. President Hunsicker said we have to do that in every department we have. We can't spend on one department and not the rest of them because they all need something. Joe said we have the transfer but we have to be mindful of that too.

Nicole said council had received PMEA's evaluation a few months ago on the 35 municipalities who have the electric utility as far as what their transfer is percentage wise. She will redistribute it back to council to look over. Lehighton is middle of the road but some places are not. Some places are taking up to 68% and higher but then some are 9% and less. We do have the rate study to refer too and the outlines for all of our electric projects over the next 5-7 years. Right now the average is 35% for the electric transfer. We are at 24% for the borough. Grant said that is why we had the electric department years ago to keep millage down. At some point yes we might have to put millage on but should we do it now or later. Some of that stuff will be paid off in a couple of years. Joe said like Scott said it is ongoing and in a couple of years something's will be paid off but you're going to incur something else that's gonna cost even more because nothing goes down; it only goes up. Nicole said that is why she always recommends the incremental increases in her memo. It makes it less painful to the public.

Scott said he has always said and believes we have the best fire and police departments in Carbon County and surrounding areas but here is one thing he'd like to point out. There was money received through a grant to build that fire company and there were certain accommodations that were met for the second floor and we still have 2 mils of tax on to pay for it. So the grant didn't pay for everything. Joe said he don't think any of that was even said. Scott said there were some things that happened upstairs that council isn't even aware of. So new isn't always better. Joe said it's not just one department like Grant said it's every department. Scott said right so if we are going to cut we are going to cut everywhere not just one department. Joe agreed.

Grant asked to the council elect if they had any comments. Autumn said she agrees with what Scott and Joe are saying and she doesn't want to raise taxes on the borough residents. She doesn't want to put a burden on the elderly but in the same sense there is a list here that she has heard talked about for the last 5 years. They are things that keep getting talked about but never get done because there is just never the money to do it. At some point as council we have to make an action on them or nothing will ever get done. So she doesn't think raising the millage a lot is a good idea but she thinks it's necessary if we want anything done. She knows from talking to residents over the past year that street paving is one of the main things they want done. Grant said these elderly people cannot afford to take any more money. They got a \$28 raise in social security a month which is nothing. If you had to put \$45 in there you're taking that \$28 plus more yet. They can't do it. Joe said Nicole can remember back to when he first came on council that they had a meeting before hand and talked about incremental increases and things like that so you wouldn't feel it all at one shot. He can remember Nicole saying that since before he sat at the council table about having capital reserves so you have money to do this stuff. It is a necessary evil unfortunately. Grant said that is ok to sit here and say that but you have to look at the people in your community that have to pay for it. That is where the problem is. The payment. Joe said either way you are paying at some point. Grant said no. Those people have medications and everything else they have to pay for and that went up and the health insurance you can see went up for us here and now you're going to take more from the people. Joe said you say renters don't pay but they do. If you are a good landlord you will include that increase in your rent. Grant said that is all well and good. He was a landlord and he closed his apartment up because you can't just raise the rent. It doesn't work.

Councilor Torok said as long as you have a system that permits persons to rent land and not force them to pay taxes the taxes only fall on the land owner you can do nothing but lose and that is what is going on here. Grant said it's the people in your community

that are suffering. Councilor Arner said this list does need to get done but we have to prioritize and decide what we are going to do first. We used to get a lot more money from the state for street paving and if the state would get their act together and get a budget and a government that works together to get more money out to the municipalities maybe we could do more of these things. We need to look at where we can cut something or if we can transfer something from here to there. A big tax increase isn't the answer. This is a senior citizen community and they are trying to keep their homes as much as they can. To force them to have to sell isn't going to be successful because there will be too many homes on the market without enough people to buy. He is in real estate and he knows it would be a disaster. He understand you need to increase it sometimes but not a huge amount. Joe agreed and said he doesn't want a huge increase either and we need to do the cuts and look at all aspects. We don't know all the numbers yet as to what we can transfer from where because Nicole hasn't given us everything. We are really putting the cart before the horse without having all the numbers in front of us.

Nicole said in the memo you will see we have 6 mils on for occupation tax. We do not have a per capita tax. She looked into what it would be and she thinks it will be more of a nuisance tax and not bring in enough of the revenue. The borough has had a lot of development over the last couple of years that will increase the earned income tax leading to increases in other areas. Her memo touches on what we haven't done but we have also done a lot of projects over the last 6 years. We have managed to get things off the table.

She did send an email out to council regarding the replacement of the furnace at Engine Company #1. There are 3 furnace boilers up there. This repair was for the social club. Does council want Nicole to see if they are willing to contribute toward the repairs? By their lease they are not required too. Some council members thought she should ask.

We have a meeting slated for next Tuesday but she needs direction on where to take the General Fund. Joe said to take it back to the department heads and see where they can cut until we get the other numbers.

Nicole is going to try and have the other funds to council over the weekend.

Autumn asked if we lost a tenant at the annex building and Nicole said yes Mountain Karate left. She then asked if that will lower the utilities. Nicole said the utilities are budgeted high because you can't predict the weather.

Motion to approve transfer of \$361,551 transfer from L&P fund to General Fund

Councilors Arner/Rehrig made the motions to approve and all were in favor with no questions or objections.

Adjournment

Motion to adjourn the meeting

Councilors Flickinger/Rehrig made the motions to adjourn at 6:20 p.m. and all were in favor

Brenda L. Kreitz
Borough Secretary