

Penbrook Borough Budget Meeting

October 28, 2024

1. The meeting was called to order at 6:30 pm. Elected officials present were Newcomer, Stokes, Armbruster and Deardorff. Mark Sostar was also in attendance.

2. Sewer Fund Revenues and Expenses

A. There is no need to increase residential or commercial fees for 2025

B. Although Council approved the submission of the CDBG grant for the 2700 blk Ferndale project it is unlikely that the project will start in 2025. The grant will not be awarded until September 2025. Hogarth suggested allocating \$50,000.00 for manhole restoration and sanitary sewer pipe lining. Members present agreed.

3. Municipal Solid Waste Fund

A. Hogarth reviewed the MSW revenues and expenditures. Collection rate for the borough is roughly 92% and there are 1181 trash contracts that the City services. Assuming payments from 1087 accounts at the current rate of \$300 versus the City's 2025 contract price of \$318.32 the Borough will have a deficit of \$21,000.00. Hogarth provided Council with a chart showing proposed payments in five dollar increments from \$305 to \$325 per year. The revenue expense difference has a \$4,000.00 surplus with the \$325 fee. Hogarth also commented that the fund has a surplus of over \$250,000.00 and there are rarely any expenses other than the services provided by the city. Therefore, Council can consider the deficit as acceptable and using the fund balance to make up the difference. Both Deardorff and Armbruster were concerned that increasing costs would require a steep increase in later years if the fee remains the same. Armbruster suggested a ten dollar increase from \$300 to \$310 per year. The other members present agreed, so Hogarth amended the proposed budget spreadsheet to reflect that amount.

Hogarth also commented that there was a DEP 902 grant submitted so the Borough could do in-house recycling of woody waste. If that were to be approved perhaps the contract with the City could be reduced. The grant included a backhoe and a chipper. We would also have to prepare a site that would have to be approved by the DEP, and we would have to amend the ordinances. Our current backhoe is over twenty years old and in poor shape and insufficient for woody waste collection because the hoe bucket does not have a "thumb". The backhoe is shared with Paxtang Borough, so they also applied for a different grant for a new backhoe. That grant was approved. Newcomer suggested possibly using the surplus funds to purchase the chipper if the grant is not approved. Hogarth agreed, saying that the funds have to go back to making improvements MSW Collection program

4. Asylum Run Debt Service

A. Hogarth reviewed the plan to transfer funds from both the general fund and sewer fund to pay the interest and principal payments in 2025. \$96,000 will be transferred from the General fund as a result of the County's LSA grant award and \$98,871.35 from the Sewer Fund.

5. All other Capital Reserve Funds

A. The Compensatory Capital Reserve Fund will propose a transfer to the General Fund to pay unused leave time for retiring officer Brant Maley.

B. The Liquid Fuels fund balance will be over \$200,000 for 2025 and currently there are no paving projects. Hogarth suggested allocating at least \$100,000.00 for paving projects in 2025. The members present agreed.

Other maintenance issues were discussed as well as the purchase of a "hot box" which was discussed at an earlier budget meeting. Currently our staff has to borrow the necessary equipment from other municipalities. Hogarth suggested a relationship with Steelton Borough who is interested in sharing equipment and manpower to patch roadways. Sostar described a recent inlet repair that required a trench be dug across Union at 29th St and asked if the Storm Water Authority would be willing to pay for a percentage of the equipment. Liquid Fuels can contribute up to 20% of our annual allocation, which is roughly \$16,000.00. Certainly both the General and Sewer Funds could contribute as well. Steelton Borough has the mill head and brush attachment. Both municipalities could also contribute to manpower needs.

C. The Vehicle Capital Reserve Fund has a balance to support the purchase of a new police vehicle which is due in 2025. However, Hogarth applied for a grant that would cover the cost of a new vehicle and asked for Council's decision early to order the vehicle and upfitting materials because waiting for 2025 will result in a cost increase and the grant was written for a specific amount based on the quote and cannot be changed. Newcomer asked what happens if the grant is awarded. Hogarth said the fund will support the cost of a new purchase. Also, Hogarth would like to keep the existing cars if the grant is awarded. Which means the upfitting cost is slightly higher because equipment is being transferred from the old car to the new. If the grant is awarded, then a trade in would be required and cost savings as a result.

D. Hogarth reviewed the costs associated with the post-retirement health insurance coverage for three retired officers. He noted that if Officer Maley retires in November there will be an increase of 2 months of premiums.

6. Hogarth reviewed changes in the General Fund since the last meeting. Those changes were:

362.180 Police Grants. This line increased by approximately \$76,000 with the anticipation of a grant extension that will continue to pay for one officer's salary through 2025.

392.000 Interfund Transfers shows the transfer of funds from the Compensatory Capital Reserve Fund.

410.112 shows the increase for unused leave time with Maley's retirement.

410.700 reflects the approximate cost of adding shore power for the police vehicles. This was removed as an expense at an earlier meeting when proposed revenues were lower.

430.600 reflects the approximate cost of new asphalt at the borough garage. This expense was taken out but now put back for consideration with the surplus being higher.

487.150 shows a health insurance cost increase from Benecon.

492 Interfund Transfers propose \$201,000.00 in transfers to various funds

There remains a surplus of \$20,921.17.

7. Armbruster commented that there was no mention of repaving the borough building parking lot and believes it's necessary. Hogarth said it was Council's prerogative to fund any project they see fit, but he didn't propose it. Deardorff commented that he and Hogarth spoke about it earlier and both believe it's premature before Council decides what they're going to do about a new building. Hogarth also mentioned the memo distributed to Council at the last budget meeting relating to General Fund surpluses in recent years. Hogarth still suggests, if 2024 sees a significant surplus, to transfer \$100,000 to the Parks Fund for the Community Park Project. Other ideas could include the parking lot, a hot box for road maintenance or just to increase fund balances in the various Capital Reserve Funds.

8. The meeting was adjourned at 8:06 pm

Respectfully submitted.

Joseph Hogarth

Borough Secretary