

MEETING MINUTES

FOLCROFT BUDGET MEETING

DECEMBER 31, 2020

Council President Papaleo: Called the meeting to order at 5:03pm

Mayor Frey took a moment to think of the people dying from COVID and then said the Pledge of Allegiance.

Roll Call: (Council President Papaleo, Councilman Kyle Willis, Councilwoman Leigh Daly, Councilman Nick Waters, Councilwoman Malinda Isaac, Councilman Jason McGuigan, Councilman Robert Ruskowski was absent, Mayor Bob Frey, Solicitor Alex Baumler, Secretary/Manager Andrew Hayman) were present. Council President Papaleo said that Councilman Ruskowski was not able to participate.

Audience Participation:

Manager Hayman said there was no audience participation.

Items:

- Council President Papaleo discussed placing the 2021 Roads Program out to bid. He said that the sooner this goes out to bid, the better and then when factories open up in the spring Folcroft will be first to get the work done and then solicited for thoughts. Councilman Willis noted that this is on the agenda because in the previous meeting Engineer Lisa Catania had asked to include this and Council had blown by it.

Councilman Willis made a motion to put the 2021 Roads Program out to bid – Councilwoman Daly seconded. The motion passed unanimously.

- Council President Papaleo discussed a resolution establishing a BPT License fee. He noted that the wording of this was a bit misleading as there already is a Business License Fee which will go from \$25 to \$50. Mike Hill confirmed this.

A motion to establish a resolution adopting the 2021 Business Privilege Tax License Fee of \$50 per year was made by Councilman Willis and seconded by Councilman Waters. Council

President Papaleo, Councilman Willis, Councilwoman Daly, Councilwoman Isaac and Councilman Waters voted aye, Councilman McGuigan voted Nay. The motion passed 5 to 1.

- Council President Papaleo discussed the 2021 Folcroft Budget. Councilman McGuigan said that he has ten questions, line by line and said that in the interest in getting the meeting over he would like to just ask them and then have them answered and move on. Council President Papaleo agreed.

Councilman McGuigan said the first line item for money carried over from 2020 is set at zero. He asked what money is being carried over, today. Council President Papaleo said that bank statements had not been reconciled since June. He said there were also five financial accounts with M&T bank (confirmed by Manager Hayman) that should have been switched over as signers in January. He said former Councilwoman Peterson was still a signer on these accounts. Council President Papaleo said that it was difficult and that he was still not sure what the carry over would be. Mike Hill said that there was an approximation however it is hard to give a definitive number as if a \$10,000 to \$15,000 bill that we were not aware of this number could drop. Mr. Hill guessed that this number would be approximately \$200,000 but that there are late fees and penalties to come in yet. Councilman McGuigan asked if there is a balance as of today in the account. Manager Hayman said that the Borough has two general fund accounts. Manager Hayman said that the General Fund with M&T bank has \$336,273.38 with interest of \$47.53, the General Account with Republic Bank which is our primary general account has \$359,924.18 currently. Mike Hill noted that the M&T account does not include money removed from payroll, which he noted was \$100,000. Mr. Hill also noted that there are over \$200,000 to come out from Republic Bank in expenditures.

Councilman McGuigan asked about number 3.10 and said that the Borough expected to get an extra \$58,000 in Business Privilege Taxes and asked if this is a low estimate as we thought there could be a million dollars on the street. Councilman McGuigan noted that Manager Hayman had sent this which Manager Hayman confirmed. Mr. Hill said that this was over time and that there would certainly be an increase and some of this money has already come in and that at least \$58,000 could be expected.

Councilman McGuigan noted 364.301 says this is the same carry-over and that he believed that this was inaccurate is that the County plans to charge about \$5 extra per done of garbage. Council President Papaleo said that he understood that the reason this number decreased is that the new street sweeper has now been paid off. Councilman Willis confirmed this. Council President Papaleo said there was a capital outlay cost which was for the street sweeper. He said that without these funds it allowed some wiggle room from what the Borough was already bringing in for sanitation fees. Council President Papaleo said he was glad that this was mentioned and that he was unaware what this number would be.

Councilman McGuigan said that under expenses he did not see an increase in insurance costs. Council President Papaleo said that he was aware that there was a projection that there would be a jump in Health Insurance in the next year or two due to people foregoing service. He believed there was a 3 percent increase set aside. Councilman McGuigan said that AJ Gallagher should have sent something. Manager Hayman said that he did speak to AJ Gallagher and that we are looking at a slight decrease in insurance for 2021. Councilman Willis confirmed that this was received recently. Council President Papaleo said that when the labor situation with the Highway Department there will be higher premium costs involved.

Councilman McGuigan asked about miscellaneous administrative expenses, noting that there is a substantial increase listed up to \$77,000. Council President Papaleo said that it is \$3,500 on the website and that this number has actually been decreased from 2020. Council President Papaleo said he believed that this number had been cut in half.

Councilman McGuigan asked why there is an increase in \$18,000 in legal fees and asked if this was for labor council. Council President Papaleo said no and that some of the increase is an increase in our Solicitor's fees and that some equivalent municipalities are spending \$80,000 per year and that this increase is \$54,000. He said the \$10,000 is for our Labor Attorney in 2021.

Councilman McGuigan asked about an decrease in expenses for electricity. He asked if this number was going to go from \$70,000 to \$27,000. Councilman McGuigan said that this was because the Borough was being significantly overcharged and that the 2020 budget actually allocated extra funds. This number is a contracted rate so the Borough will know exactly what to spend.

Councilman McGuigan noted maintenance and repairs as going down and asked if this is a good expectation and mentioned that an email went out about our boilers going down. Council President Papaleo said yes as many maintenance and repair problems will go away with the new building, to which Councilman McGuigan agreed.

Councilman McGuigan asked about capital expenses and asked if this is the debt service for the new Borough Hall. Council President Papaleo said he believed that the first year is a higher number than normal for the first year. Councilman Willis said that the first payment is actually lower in the first year and then they increase in the second year as the interest comes in.

Councilman McGuigan said that he noted a clerical error for the Police. He said there is no raise listed for the Police. Council President Papaleo said that there was an increase for the patrolmen. Council President Papaleo said that he understood that maybe this did not account for a new officer. Councilman McGuigan said he understood that there was a 2% raise from January to June and a 2% raise from June to December. Councilman Willis said that they

understood this overall number to be 3% which is factored in. Councilman Willis said there is a raise factored into the part time officers as well. Council President Papaleo asked if there was a contractual agreement that the Chief requires a raise. He said this may not have to be reflected in the budget but it must be delivered. Council President Papaleo said he believed the Chief to be on a different level from a Patrolman and asked Solicitor Alex Baumler if this was in the contract. Solicitor Alex Baumler said he wasn't certain but normally there is a separate agreement negotiated with their Chief and another with Patrolment. Council President Papaleo asked what a 3% raise would be on \$138,000. Councilman Willis said it would be \$140,979.19, a difference of a little over \$4,000. He asked to make this change. Councilman McGuigan said he now remembered if this wasn't in the \$1,200,000 and he now remembered that this was in the budget and shouldn't be an issue. Council President Papaleo asked for a change and said to deduct this from the operational reserve to give to the Chief. Councilman McGuigan said he wasn't looking for money to be moved around and said that so far all answers were good. Solicitor Alex Baumler asked if it was ok to move money as it was not changing the budget – this would move funds from an allocated pool to account for a contractual arrangement. Councilman Willis said the new number for an operational reserve would be \$36,893.81 after these funds are moved.

Councilman McGuigan asked about the MMO payment. He said it looked like it was taken from the 2020 budget and in September the Borough received notification that it would be \$520,000 and previously it was \$480,000. Councilman McGuigan said he would confirm this amount and then found it was \$524,782. Council President Papaleo asked him to put that number in and if what AJ Gallagher put in for insurance is correct and he had no problem going with those projections – Manager Hayman said that we are expecting a decrease of about \$50,000 over all Borough insurance and including workman's comp. Manager Hayman said that the Borough can expect to save \$30,000 in workman's compensation. Council President Papaleo said that we could take that \$30,000 and add to the pension and to take the remainder would be about the 3 percent added to insurance costs and it should be about the same amount of money.

Councilman McGuigan said that he wanted to point out on record, skipping down to Parks and Playgrounds, he said that \$12,500 set aside for contracted services which were meant for supplies for community day. He said he would hate to see this go away and asked if there would be money from somewhere else that could pay for it. Council President Papaleo said that this was assuming the virus does not go away and if it does go away and with mass vaccinations there would be enough money in the operational reserve to account for events.

Lastly, Councilman McGuigan said that he wanted to caution Council and that there was a decision from the lawsuit between the County and Delcora. Essentially, it looks like the Borough

will be stuck with another 10 percent increase on authority payments. He said this is a cut and paste line item from last year and they go up each year. Council President Papaleo noted that Councilman McGuigan is on both boards and asked Solicitor Alex Baumler if we have to change sewer fees at any time or if it must be done now. Solicitor Alex Baumler confirmed that it could be changed at any time. Council President Papaleo asked Councilman McGuigan to let him know what the increase will be as soon as he can in case we need to adjust sewer fees later in the year.

Council President Papaleo said he wanted this budget to look to the future. He said that this budget includes increases for the new Borough Hall and community center but this will not solve all problems. He said this budget will put the Borough on a fiscal path to allow for development and changes that are needed to make Folcroft better. He said that the tax increase was not to spend crazily to be prepared. Councilman McGuigan said he went through every question that was answered and that he thought everything seemed in line. He said he thought this budget could survive without the tax increase. He said that the conservative carry-over of \$200,000 should be enough to cover the increase and asked why raise taxes? Council President Papaleo said there was a lot of expenditure reduction that COVID afforded the Borough, specifically noting almost \$50,000 saved for Crossing Guards. He said we ended up with a surplus in Police overtime because of the PECO work that we cannot count on next year. With this in mind and with an eye to the future and other projects that could be undertaken moving forward, this drove that increase. He also noted that the Borough must procure a large piece of land and build a pole barn for Highway equipment, the Montgomery Park gateway and the Botanical Garden and outdoor classroom and work along Delmar Drive that cost money which was a factor, too.

A motion to adopt the 2021 Folcroft Budget with the amendments made was made by Councilman Willis and seconded by Councilwoman Isaac. Council President Papaleo, Councilman Willis, Councilwoman Daly, Councilwoman Isaac and Councilman Waters voted Aye. Councilman McGuigan voted Nay. The motion passed 5 to 1.

- Council President Papaleo discussed the consideration of an Ordinance Affixing the Real Property Tax Rate for the Year 2021 noting that it was discussed in the discussion that the Borough just had.

A motion affixing the property tax rate for the year 2021 was made by Councilman Willis and seconded by Councilman Waters. Council President Papaleo, Councilman Willis, Councilwoman Daly, Councilwoman Isaac and Councilman Waters voted Aye. Councilman McGuigan voted Nay. The motion passed 5 to 1.

Council President Papaleo asked if any members had any old or new business and then mentioned that he is looking into some sort of rebate for trash or sewer fees for resident who qualify for a tax or rent rebate and make less than \$35,000 per year. He said there are probably only 200 to 300 people who would qualify and that this would neutralize the effect of the tax increase that they would feel. He said that Ridley Township did this and he believed it would cost between \$50,000 to \$60,000 which is a roughly projection. He said that he believed Council should look into this.

Councilman McGuigan said that he is glad 2020 is old business and 2021 is about to become new business.

A motion to adjourn was made by Councilman McGuigan and seconded by Councilwoman Isaac. The motion passed unanimously. The meeting adjourned at 5:45pm.

Members wished each other a Happy New Year.