

**BOROUGH OF CARROLL VALLEY
FINANCE COMMITTEE
REGULAR MEETING
MONDAY, OCTOBER 14, 2019 – 7:00 P.M.
BOROUGH OFFICE**

MINUTES

Chairman Ronald Harris, Mayor called the meeting to order at 7:00 P.M.

The attendance was as follows:

FINANCE COMMITTEE MEMBERS

Present

Ronald J. Harris, Mayor

Beth Cool

Sarah Skoczen

Frank Buhrman

Absent

Jason Shay

BOROUGH OFFICIALS, ETC.

David A. Hazlett, Borough Manager

Gayle R. Marthers, Borough Secretary

Chief Richard L. Hileman, II

OPEN TO THE PUBLIC

No One Addressed Members at this Time.

CONSIDERATION OF THE MINUTES OF THE JUNE 24, 2019 REGULAR FINANCE COMMITTEE MEETING

Ms. Marthers noted one error on page 2 under “Request from Council” subheading “Police Departments” in the first line of the first bullet the word “is” should be “in”. Following brief discussion:

*** S. Skoczen moved, B. Cool seconded, that the Committee accept the minutes of the Regular Finance Committee Meeting of June 25, 2018 as corrected. Motion passed unanimously.

OLD BUSINESS

There was none.

NEW BUSINESS

2018 FY Audit Report:

It was noted that there were no findings and Borough Staff concurred that the results were as expected. Mayor Harris questioned the list of “accounting pronouncements which will be considered for implementation in subsequent years” outlined in the Auditor’s letter. Borough Staff explained that these were new standards that will be in affect for future audit periods. The auditor will aid staff in compliance with these new standards. There are no new processes or procedures needed at this time to comply. Following brief discussion, Members agreed by consensus to accept the report as submitted and recommend Council accept it as well.

Request of Council – Separation of Duties:

Ms. Marthers explained the current methods of separation of duties to ensure audit compliance. The question from council stemmed from the request for proposals from banking institutions that Ms. Marthers had added. Electronic Banking login criteria and in-office scanning devices will provide the appropriate level of separation to maintain this audit standard.

2019 3rd Quarter Review:

Members reviewed the quarterly figures while reviewing the proposed budget. Anomalies recognized were the following:

- 01-310-100: Real Estate Transfer Tax over budget due to the sale of Liberty Mountain

- 01-310-610: Trending lower than expected; this may be due to “Stay-n-Play” packages that do not generate as many greens’ fees for taxing purposes.
- 01-367-800: Park Rentals lower than expected; staff is reviewing the number of rentals and rates.
- 01-404-131: New account for GMS Funding Solutions fees for grant administration.
- 01-415-300: FREMA expenditure is not consistent so not budgeted.

The data was incorporated into the proposed budget document; therefore, Members did not vote to accept a separate report, but did accept by consensus, the information contained therein.

2020 Proposed Budget:

Mayor Harris opened the discussion complimenting Mr. Hazlett on the Budget Message. Mr. Hazlett expressed concern that although the budget is presented without a tax increase and does balance; he cautioned that there is virtually no room for unexpected expenses.

Mr. Hazlett led Members through the 2020 Proposed budget with the following accounts prompting discussion:

- 01-362-413: Cumberland Township is projecting a large spike in building with several subdivision plans ready for development. The budget allocation reflects this prediction.
- 01-401-321: The utility bills are being reclassified into the respective departments for budgeting purposes instead of pooling in the Administrative Department; therefore, you see a reduction in the “401” and will see increases in the other line items.
- 01-404-131: New account for GMS Funding Solutions fees for grant administration reflects an entire year of allocation.
- 01-407-321: Increase proposed for redesigning of the Borough Website. Mayor Harris questioned the issue of cyber security whereby Chief Hileman explained that the Borough subscribes to cloud-based data storage through Amazon Workspace and Microsoft 365 which provide government-level certification for the data security. In short, we are covered.
- 01-410-450: Increase in Contracted Services due to moving the in-car video system to a more secure cloud-based storage system requiring annual fees and adding an annual maintenance agreement for the Evidence Management System.
- 01-410-460: Increase indicative of each department being asked to add training/continuing education to their respective budgets.
- 01-430-196: Retirement of PT employee prompted a FT replacement option; therefore, benefits were increased.
- 01-430-321: See explanation from 01-401-321.
- 01-430-361: See explanation from 01-401-321.
- 01-433-245: Increased due the request to purchase “Loose Gravel” signs.
- 01-434-361: Miscalculation; correct number should be 48,382.
- 01-454-196: Employee lost coverage with spouse and had to be added to Borough Policy.
- 01-493-549: Per Sarah Skoczen, the program has been successful; therefore, fewer cats have been trapped. Also, the program has raised some funds through their fundraising efforts. Mrs. Skoczen asked that the amount be reduced to \$210; the amount required to Trap-Neuter and Return six (6) cats.
- Capital Reserve Plan: Correct starting figure to \$512,520.

Chief Hileman expressed his concern that the personnel pay rates did not reflect the step and longevity increases that were outlined in his 2017 study. He requested that the rates of the officers’ pay be increased to meet the established pay scale outlined and used for the past 2 years. Chief provided an updated copy of the study that reflected the COLA for each of the subsequent years. Following discussion, Members agreed by consensus to include the pay increases; however, Chief Hileman was required to reduce his proposed budget line items to account for the additional expense. The following was his proposed changes:

- Corporal: from \$71,020 to \$71,544
- Patrolman (6yr) from \$61,717 to \$62,412
- Patrolman (3yr) from \$52,901 to \$56,573 (the starting # reflects the correction of an error in the draft budget)
- 01-410-460 Reduced by \$2400
- Change to the Capital Reserve Plan in the replacement cost of the 4WD Utility Vehicle and the replacement cycle
- Change to the Capital Reserve Plan in the replacement cost of the Mobile Data Centers and the replacement cycle
- Change to the Capital Reserve Plan in the replacement cycle for the Police Rifles

Proposed 2020 Fee Schedule.

Members discussed several changes that would need to be made in order to have the income realized; most important would be an increase in the public sewer rates. The Sewer and Water Authority requested that the rates be reviewed and adjusted. The park/pavilion rates were discussed as well as the limiting of the rental of the Cortner Pavilion to a single Rental Option that would entitle the user to the full facility. Additional discussion regarding the need to replace the roof on the Cortner Building included ideas for additional medium and small open pavilions throughout Carroll Commons. More discussion to follow and Mr. Hazlett agreed to have a draft of the 2020 Fee Schedule ready for review at the Joint Budget Workshop on Tuesday, October 22, 2019.

2020 Meeting Schedule.

Members reviewed the memorandum dated October 10, 2019 listing the proposed meeting dates for the Finance Committee in 2020. The dates were agreed to by consensus and will be included on the Borough Meeting Calendar for approval and advertisement.

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No one addressed Members at this time.

ADJOURNMENT

*** F. Buhrman moved; B. Cool seconded to adjourn the meeting at 9:45 PM. Motion carried unanimously.

Gayle R. Marthers, Borough Secretary