

**BOROUGH OF CARROLL VALLEY
FINANCE COMMITTEE
SPECIAL MEETING
MONDAY, OCTOBER 12, 2020 – 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
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 SEPTEMBER 8, 2020 SPECIAL FINANCE COMMITTEE MEETING

Following brief discussion:

*** F. Buhrman moved, J. Shay seconded, that the Committee accept the minutes of the Special Finance Committee Meeting of September 8, 2020 as submitted. Motion passed unanimously.

OLD BUSINESS

There was none.

NEW BUSINESS

2021 Proposed Budget Review:

Members decided by consensus to forgo the line-by-line evaluation and discuss the memorandum dated October 9, 2020 prepared by Borough Manager, David Hazlett. Mr. Hazlett explained that the budget as presented has a significant shortfall to overcome. As directed by Council, the budget includes funding for a Zoning Officer and a fourth Patrol Officer. The memorandum outlined the following options:

- A. A real estate tax increase equal to no less than .375 mils, which would generate an additional \$154,260, equal to a 15.3% increase
- B. Eliminate the two vacant positions from the Budget, which would reduce the expenses by \$176,369.83
- C. Utilize funds from the Borough's Capital Reserve Fund to balance the budget. Caution was suggested as this is not a permanent resolution to the funding problem and may threaten the long-term viability of the Capital Reserve Fund
- D. Review Employee benefits looking for cost savings; explaining that a cursory evaluation has been made that may garner a \$10,000 – 20,000 savings. Details are still being collected at this time
- E. A mix of the above options

Members agreed that Option A should be considered as a last resort, no one is in favor of a tax increase; especially during the pandemic. It was established that the last increase was .7 mils in 2012 representing a 35% increase.

Discussion regarding the vacancies led to the following comments, questions and concerns:

- If the vacancies were filled currently, would the Borough be considering layoffs?
- Chief Hileman was asked:
 - Who will back-fill the shifts the 4th officer would have covered? PA State Police or neighboring officers in cases of emergency. Non-emergency calls would wait for next on-duty officer
 - Will there be less patrol time available with fewer officers? Potentially, yes
- The Borough will become more re-active than pro-active
- Carroll Valley Borough has a particular reputation for providing a level of service to its residents that may be in jeopardy if the positions are not filled.

The third option of using the Capital Reserve Fund was discussed at length. Members agreed that using these funds to simply balance the budget was not recommended; however, the following suggestions were offered:

- Re-evaluating the replacement cycle on some items in the plan; for instance, computers may be able to be used for four or five years instead of three. And their replacement cost may be reduced from \$1900 to \$1000-\$1200 per unit.
- Consider paying off the Comi Property Land Loan. Current Balance is \$141,725 with a 2.5% interest rate. This would generate a \$24,319 reduction in expenses.

The fourth option of employee medical benefits generated the following discussion points:

- Can we leave the Consortium (PMHIC) from whom we purchase benefits? BENECON is the Borough's broker. There is a fixed exit time frame and costs associated with leaving the group due to the self-funded nature of our current contract agreement. It was suggested that this fee could be paid from the Capital Reserve Funds since it is a one-time cost.
- Employee cost-share options?
- Would the cost savings be worth it?
- The desire to not raise taxes should not be taken out on the employee

Members agreed that the solution will have to come from Option E; a mix of all the options. After much discussion; the Members agreed by consensus to provide a verbal report to Council outlining the following:

- Recommend the funding of both vacancies;
- Discussion included several ways to cover the shortfall; however, additional information is required especially in regard to the employee benefit issue;
- Recommend paying off the Comi Property Land Loan before the end of 2020;
- Recommend authorizing Borough Staff to garner quotes for employee medical benefits;
- Recommend Re-evaluation of the Capital Fund specifically the replacement cost and cycle of the computers

Due to the late hour, the remaining agenda item was not discussed at this time.

OPEN TO THE PUBLIC

No one addressed Members at this time.

ADJOURNMENT

*** F. Buhrman moved; B. Cool seconded to adjourn the meeting at 8:45 PM. Motion carried unanimously.