

BOROUGH OF MECHANICSBURG
BOROUGH COUNCIL PUBLIC BUDGET HEARING 2003 FISCAL YEAR
2 West Strawberry at North Market Street
Mechanicsburg, PA 17055-6282

November 4, 2002

7:00 P.M.

RECORD OF PROCEEDINGS – 2003 PROPOSED BUDGET HEARING - REQUESTS

CALL TO ORDER

President Rider called the meeting to order at 7:00 p.m.

ATTENDANCE:

In Attendance: President Rider, Vice President Eichelberger; Councilmen: McDermott, Ritter, Seagrist, Whitcomb, Winchell; Solicitor Schorpp, Mayor Ritter, Chief Spotts, Secretary-Manager Stough, Assistant Secretary Boyer & Cress- Sentinel; Miller – Patriot News Others: Tonya Brown, Recreation Director, Bob Herman, & Larry Seagrist, Fire Chief

VERBAL REQUESTS:

Tonya Brown, Mechanicsburg Recreation, stated that she is in attendance to answer any questions that Borough Council may have regarding the recreation budget, which was submitted last week for their review. Manager Stough noted that the green sheet of paper is a correction to the budget sheet distributed last week. The bottom line costs are the same, but some of the line items have been redistributed.

WRITTEN REQUESTS:

The Borough Manager reviewed the following requests with Council:

Mechanicsburg Area Meals on Wheels	\$2,500	Mechanicsburg Area Public Library	\$3,500
Mechanicsburg Area Veterans' Council	\$ 150	Mechanicsburg Cemetery Association	\$ 500
Mechanicsburg Museum Association	\$1,500	New Hope Ministries	\$1,000
Union Church	\$1,000		

Washington Fire Company \$18,500

Manager Stough noted that the request of Washington Fire Company is a \$2,500 increase over the allotment they received in the last budget.

Borough Committees

Shade Tree Commission	\$1,000
Recreation	\$135,000.

Both are the same as last year.

Borough Department

Manager Stough then reviewed the proposed budget with Borough Council. He addressed the question of how much of the wastewater treatment plant expenses have been subsidized by other General Fund line items in the last ten years. The Manager noted that approximately \$170,000 of expenses is paid for annually out of General Fund monies. Of this \$170,000 approximately \$120,000 are for hard costs such as hospitalization, life insurance, social security, medicare, unemployment for the employees of the facility. The additional amount includes a portion of the costs for building and utility costs and administrative costs for services related to the billing and collection of sewer rents. Manager Stough then addressed the issue of debt service payment and what portion of same would be taken from the increased revenues if a sewer rate increase is approved. Manager Stough stated that about \$130,000 would be used to pay debt service.

Manager Stough then reviewed the revenue side of the budget, stating that most numbers would be consistent with last year's figures. He noted that Act 339 income was up 17.24% this year. The MMO payment is up due to increase in monies from the state, which are offset by the expenditure in the same amount. Manager Stough noted that the deficit spending included in this budget is a decrease of fifty percent (50%) from last year. The total General Fund revenues projected is \$4,243,301.00. If you take out the MMO payment and the debt service, this budget is actually a decrease from last year's budget. Manager Stough noted that every department has made an effort to keep costs in line for next year and decrease spending wherever possible.

On the expenditures side executive, expenses are showing a decrease due to the movement of some expenses related to sewer to the 429 accounts. Tax collections commissions have increased due the increased tax billing rate. Our legal expense has been high this year due to the police arbitration, and next year we are looking at non-union contract negotiations. Engineering costs are higher because we are talking about some projects for 2003 such as the bridges, storm water and paving that will

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involve use of additional engineering services. The building costs have been increased because we foresee additional cleaning and utilities costs in the new building, as we have a larger space to maintain. Some of these costs could be offset depending on the future use of the two existing office spaces.

The Police Department is showing a six point three percent increase (6.3%) which is attributed to police requests under the pending contract proposal going into arbitration. Fire service is showing a decrease due to a reduction in the communication line item.

Planning Services is increasing due to the addition of Cliff Ressler as a full time Zoning and Codes Officer, as his work on the building will be completed in the early part of 2003. Recently, a property on South Market Street had to be condemned and there are many more building and safety issues that need to be addressed. The addition of Cliff as full time will allow him more time to address property maintenance and building safety issues within the community. President Rider questioned the amount of the increase showing as one hundred thirty four percent (134%). Manager Stough noted that in last year's budget this position was only a part time position, and a portion of the salary was paid out of Administration and Building line items, as Mr. Ressler is overseeing the building project. The supply line item was also increased to cover the cost of possibly obtaining some permitting software in light of the proposed statewide building codes going into effect, as well as updating code books and materials. A discussion followed on this issue. Zoning & Planning stayed the same, as it covers basically Zoning Hearing Board related costs, which are difficult to project.

Emergency Management stayed the same. Health and Sanitation stayed about the same. Solid Waste was difficult to project due to the fact that we have not accepted a refuse bid as yet, and do not know what the rates will be going into 2003.

Wastewater shows an increase but this takes into account the \$170,000 of money that has been moved into the wastewater plant budget from other line items. If that money were removed, the wastewater budget would show a five point three four percent (5.34%) decrease. Highway shows a slight increase due to increases in wages for the non-uniform union personnel as per the current contract. Manager Stough reviewed the highway line items.

The recreation budget and community contributions are unchanged; however, the debt service line items fall within this section so the budget does reflect an increase, which is the debt service on the building loan and potential bond issuance. The New Hope line item has been increased to help elderly residents, as discussed, in relation to the proposed sewer rate increase.

The retirement line item is increased due to the increase in the projected MMO payment to the pension funds. Health and life insurance rates and unemployment remain about the same as last year. We did budget to reduce the amount of money expended from the reserve fund as indicated, also in the revenue side of the budget.

The Highway Aid fund remains about the same as last year with a slight deduction due to changes in funding levels. The proposed paving for 2003 is included in the Highway Aid budget.

ADJOURNMENT

At this time President Rider asked for an adjournment of the budget presentation to begin the regular scheduled Borough Council Committee meeting. The budget presentation was adjourned at 7:30 p.m.

Jonathan S. Stough
Borough Secretary