

The Special meeting of the Lansford Borough Council for budget purposes was held at the above date and place at 5:30pm. The meeting was called to order by President Martin Ditsky and the Pledge of Allegiance was recited. There were 3 newly elected officials and 1 News Reporter.

ROLL CALL

Secretary Treasurer Mary Fittos took roll call. Those present were Martin Ditsky, Mary Soberick, Samantha Yasson, Colin Jones and Rose Mary Cannon. Those absent were: Tommy Vadyak, Joe Butrie, James Romankow and Mike Greek.

PUBLIC COURTESY

There was no public courtesy. The newly elected officials were there to observe the budget process.

- 2016 Budget Review/ Approve and Advertise- Mr. Ditsky asked if everyone would like him to go through the budget or does everyone have questions. Ms. Yasson asked if the figure we are working off of is \$792,653.37. Mrs. Fittos said yes, that is what we are projecting to collect. Mrs. Soberick asked what the actual number will be in there and Mrs. Fittos said the \$792,653.37. Mrs. Soberick wanted to clarify how the budget will be imputed into QuickBooks and Mrs. Fittos said the figure that will be used for Real Estate Tax Current will be \$792,653.37. Ms. Cannon said it's more realistic. Mr. Ditsky asked how realistic that will be at the end of next year. Ms. Cannon said it's the best estimate.

Mrs. Soberick had some questions on the budget. General Fund: She said Occupational assessment and per capita delinquent revenue should be budgeted at a lower figure. She said every year we collect delinquent it's going to get lower and lower since we closed it in 2012. Ms. Cannon said in 2014 it was high. Mrs. Soberick said eventually it will be \$0.00. Ms. Cannon asked if we should budget nothing. Mrs. Soberick said maybe it should be nothing or reduce them to \$300, which was a suggestion. Mrs. Soberick said she sees we raised the building rent. Page 2, building permits, she asked if we only received 1 building permit. She was wondering if this wasn't coded right. She said she remembers talking with Jill and some of the items were not coded right. Mrs. Fittos asked what the building permits are for and Mrs. Soberick said Paul Jarrett issues them. Page 4, Council Misc. expenses, Mrs. Soberick suggested budgeting something there. Mrs. Fittos said it's not used and council can use the dues and fees. Ms. Cannon said in the past she paid out of pocket because of the tight budget. Mrs. Fittos said to watch with the expenses because we don't have a lot to work with. Mrs. Soberick said the professional services seem to run very low. Mrs. Fittos thought it was Norris McLaughlin. Mrs. Soberick said that should be under legal fees. Colin Jones had the notes that I gave him and said it was Kirk Suma and Beyer Barber Auditing and should it not be that much next year. Mrs. Soberick also wanted to clarify all the salaries. Mrs. Soberick said she sees what the salary is for Secretary Treasurer, but asked what the hourly rate is. Mrs. Fittos said \$20.50. Ms. Cannon said it was a .50 cent increase. She said that doesn't include any overtime it's just the base and Mrs. Fittos agreed. Mrs. Soberick asked what Jill Seigendall's rate was and Mrs. Fittos said \$13.76. Mrs. Soberick asked if she gets over time and Mrs. Fittos said sometimes but it's minimal. Mrs. Soberick said there wouldn't be any overage. She asked what the Solicitor's fee was and if we received a letter of increase. Mrs. Fittos said it is \$100/ hour and we have not been informed of an increase. Mrs. Soberick asked about Page 5, Commission expense what exactly it was. Mrs. Fittos explained it's a commission that Berkheimer collects. Ms. Cannon said looking at the engineering fees that are so over budget she was wondering if Lansford Alive could help contribute since a lot of it is the street scape expense.

Mr. Jones asked how much the Grant will cover of engineering fees and Mr. Ditsky said 10% which has already been expended. Mr. Jones asked if this was an accurate figure for the engineering and Mrs. Fittos said it's an estimate and if we increase that, we end up with a negative budget and we can't approve a negative budget. Mary Soberick said you can have a negative budget and Mrs. Fittos said Shelly Houk emailed her stating council cannot approve a negative budget. Mrs. Cannon spoke about the engineering fees and some seem redundant. Colin Jones said he thinks the budgeted amount of \$25,000 seems low but he's ok with leaving it. Mr. Ditsky spoke about the street scape project for a few minutes along with a new Borough Garage. Page 5, Police Salaries under Police Chief Pension payout, Mary Soberick wanted clarity. Mrs. Fittos said that would be a Lump Sum payout. Mary Soberick didn't understand at first that the budgeted amount was for a pension payout in case it has to be paid out of the general fund. She finally understood it, but said it should go under pension salary. She asked if we are budgeting for a chief and Mrs. Fittos said no because we can't afford it. Mr. Ditsky said he thought Michael Greek said we have to have a chief. Mrs. Soberick said you're going to have a police department without a chief. Mrs. Fittos said if you saw this budget before, it was -\$158,000. Mary Soberick asked if that was the intention, to not have a chief next year. Colin Jones said he was pretty surprised when he saw that. Mrs. Soberick asked how many patrolman we have and Mrs. Fittos said 4. She asked about the part-time salary. Mrs. Fittos said we have about 5 part time police. Mrs. Soberick asked if the pay scale was going to be changed. Ms. Yasson said if we changed the pay scale than we would have to break open the contract and that would have to be the first step before we budget for it. She asked if that's something we want to do before the end of the year. Mrs. Soberick said it can be budgeted even if it won't be used. She asked how the part-time salaries were estimated. Mrs. Fittos said she compared it to last years and looked at the hours given and estimated it the same. Mr. Ditsky asked if it was a yearly progression. Mrs. Fittos said they start at \$14.00 an hour and it increases each year by .50 cents until they hit 4 years and they max out at \$16.00 an hour. She asked how the patrolman salaries were calculated. Mrs. Fittos said their base salary plus some overtime and the overtime was based on the year before. She said the same with the Sergeant. Mrs. Fittos said yes, it's the base rate plus some overtime. Mrs. Soberick asked if we were going to move the pension payout down to pension salary. Mary Soberick asked if there was going to be a chief. Mr. Ditsky said he thought there was a letter from the solicitor saying we cannot take that out of the budget, we have to budget for a chief even if it is not used. Mr. Ditsky said it was an email. Ms. Yasson said so let's add a chief what figure are we looking at. Mrs. Fittos said it will most likely be a negative 60,000 after budgeting a chief. Mrs. Fittos asked what council wants to do, if we add a chief then we need to either cut

from somewhere or get revenue from somewhere to make up for the loss. Mrs. Fittos said we already increased taxes a little over half a mill. Ms. Yasson asked if we can reduce the budget for snow removal. Ms. Cannon said lets leave this for now, finish the rest of the budget and go back to this. Mary Soberick inquired about the Vehicle Fuel its kind of low. Mrs. Fittos explained that it is being properly broken down between departments. Public works vehicle fuel is budgeted higher because they have the bigger diesel fueled trucks. Mary Soberick has a few more items to discuss such as: Office Equipment: Mrs. Fittos estimated a number. Mr. Ditsky mentioned that the expedition has a lot of rust under it. Ms. Yasson asked if the Mayor gave me any plans or expectations for the budget. Ms. Cannon said we didn't get anything from anyone. Page 6, Police Vehicle, we have \$11,000. Mrs. Soberick asked if this would be a new vehicle or existing. Mr. Ditsky said new vehicle. Code Enforcement: Sam Yasson asked where everything is being coded to now. Mrs. Fittos said when LVIS bills us its just code and zoning. Steve hands in his time, but then I need to decipher what is code and what is zoning. Mrs. Soberick said they should be submitting it and keeping it separate. Ms. Cannon said Steve should be breaking down his billing. Mrs. Soberick said it should be in-house. Mrs. Fittos said she will talk to Steve about breaking it down differently. Mrs. Soberick inquired about the Stenographer cost. Mrs. Fittos and Ms. Cannon said that cost is included on the attorney's bill. We also have not had to use one in a while.

Mrs. Soberick asked if the 911 service is it is going up. Mrs. Fittos said we have not received a letter stating an increase.

Page 7, crossing guard salaries: Mrs. Fittos said that is with their increase per contract.

Borough Salaries: Mrs. Fittos said its three employees, their base salaries and some overtime. Mrs. Soberick asked how many part- time employees we have. Mrs. Fittos said we are down to 1 now and we have some seasonal winter drivers for snow plowing. Ms. Yasson asked if the top salary can change under Borough workers and she and Mr. Ditsky said yes it's possible. Mr. Ditsky mentioned about increasing the CDL rate for borough workers. Mrs. Soberick asked about the street vehicle payment. Mrs. Fittos said that is the 2014 International Dump truck. We have like 2-3 more years left. Mrs. Soberick asked where the other payment comes from and Mrs. Fittos said that would be for the 2015 John Deere which is paid out of Liquid Fuels and small amount from LST fund.

Page 8, Insurance, Mrs. Soberick was asking what Insurance it was; she thought it was just commercial. Mr. Jones looked up on the notes but it was blank, Mrs. Fittos said she thinks it's the general Liability and property. Mrs. Soberick inquired about the Life and Disability Insurance, if this was just for the Police and Borough workers. Mrs. Fittos said she has an Aflac Policy as well as a Life and Disability for her and Jill Seigendall. Mrs. Soberick asked if the IRA benefits was just for the police and Borough workers and Mrs. Fittos said yes.

Mrs. Soberick inquired about the Hospitalization Insurance which is for the Police, Borough workers and Assistant Secretary Treasurer. Mrs. Fittos said John Turcmanovich also has a policy. Mrs. Soberick asked if Mrs. Fittos received it, but said no she is not on the policy and Mrs. Soberick asked if the police were the only ones who contributing and Mrs. Fittos confirmed with a yes. Mr. Jones asked if we looked at that every year to compare pricing. Mrs. Fittos said yes and it is a combined plan that all the Boroughs are a part of so it's usually cheaper because of that.

Mary Soberick inquired about the Social Security/ FICA that it should be increased 9,000 more since it's based on the wages. Mrs. Fittos said it should be increased to \$40,000. Mrs. Soberick calculated \$39,865.

Colin Jones asked what the Library Tax was because it was \$0.00. Mrs. Fittos said we use to collect it, but we do not collect it anymore. Mr. Jones also inquired about the railroad commission under intergovernmental revenue. Mrs. Fittos said it comes from the county. Ms. Cannon said it's for an agreement where they cross our land.

Mr. Jones said he sees them down there clearing out the lines, and putting storage cars in Coaldale and was wondering if council has to approve that and who gets the revenue. He said Coaldale gets a \$1.00 a day. Ms. Cannon said she asked someone and they said they didn't. He also inquired about the meter dump. Mrs. Fittos said it's not being done as frequent. Sam Yasson asked Mr. Turcmanovich how long we can go without emptying the meters. He said they were going about 2 months and depending on the winter can go maybe 3 moths maybe even more. Mrs. Soberick said they should all be fixed. Mr. Jones also inquired about the Building and cleaning supplies was budgeted at \$0. Mrs. Fittos said we don't purchase any supplies as Debbie Kupres provides all the supplies. He also inquired about the board of health salary. Mrs. Fittos said that is Duane Dellecker and he is late for his billing. Colin Jones mentioned under the Public Works dept. " Signs" and thinks we under budgeted for that but Mrs. Fittos said depending on the signs they can be paid for our of Liquid Fuels. He also said we didn't budget anything for street lights and Sam Yasson chimed in and said maybe there are grants for street lights.

Samantha Yasson asked if a Grant Committee could be established and she would be willing to be on it. There was one in the past she said. Mr. Ditsky suggested asking the incoming council members if they are familiar with grants.

Mrs. Soberick said even if Ms. Yasson is not on council and if she goes online and tracks down a grant, she can present it. Ms. Cannon said Thanksgiving is right around the corner and no one is going to be thinking about a grant committee.

Mr. Jones asked if we are donating to the Library. Mrs. Fittos said no. Lastly, he inquired about Grant Expenses on the last page. He asked if we are budgeting for a grant and Ms. Cannon and Mrs. Fittos explained you can't budget for a grant.

Ms. Cannon Said before we move on she suggested discussing the chief position. She said more expenses were added and nothing was cut. Ms. Yasson said Mary Fittos should look it over and give more options. Ms. Cannon said we can either raise millage or cut somewhere else. Mrs. Fittos said we increased the millage a little over half a mill and wanted everyone to understand the more that mileage goes up, the higher our loss is going to be and will stay in the negative. Sam Yasson agreed.

Ms. Yasson said at one time we had 6 Full –Time officers and asked how many we have now. Mrs. Fittos said it will be down to 3 with Officer Tanner gone but looking to replace him. Ms. Yasson said she thinks the part- time police budget should be lowered and they should be utilized more. Ms. Cannon said we have part- time police officers that don't always work here so it's hard to get them due to their schedules. Sam Yasson said if we are raising mileage and need to cut a full time slot she is implying that we use the part time officers more and not replace Officer Tanner's position. She said we may just have to use more part- time help than full time. Ms. Cannon said the full time police are required to work a certain amount of hours and that cannot be cut. Mrs. Fittos said raising millage is not the answer, people are struggling as is and delinquent is also hard to collect. Mr. Ditsky said if we raise it more, how many more houses will be up for sale. Mrs. Fittos said we calculated what the rate increase would be per home depending on what each house was assessed at it can be between \$5.00 and \$30.00 per house hold. Mrs. Fittos asked where we stand with the general fund if we are budgeting for a chief which Colin Jones was in favor of. Mrs. Fittos explained it was fine to budget for it, but how does council want to resolve the deficit. Mr. Ditsky asked for a consensus on the general fund. Mr. Jones said it's a budget, there are going to be a lot of estimates. Mrs. Fittos asked for suggestions to resolve the deficit. Mr. Jones said he thinks we received a lot of revenue on the inspections. Mr. Ditsky went over those figures. Mrs. Fittos talked about the code software that LVIS proposed and how it was expensive. We could really use it but cannot afford it right now.

Mr. Ditsky moved on to review the remainder funds.

Fire Tax Fund Review

Mr. Ditsky asked if anyone had any questions on this fund. No one had any comments.

Park and Recreation Fund

Mrs. Soberick inquired about the salaries asking if the rates are same or if there was an increase. Mrs. Fittos said there were no increases since this year. Mr. Ditsky inquired about the pool and if it was assessed for repair. Ms. Cannon was explaining what has to be done with a camera that has to look through the pipes for holes while Mrs. Fittos was giving wage rates to Mrs. Soberick. The rate is \$10.00 an hour for Life guards and \$7.25 or \$7.50 for Stand workers/ part time salaries. Some managers make \$10 something an hour. Mrs. Soberick said who are the managers, Smokey, Mary Ann Krajnak and who else. Mary Fittos said and Frank Karnish. Ms. Cannon said Smoke gets like \$10 and change and the others are a little less.

Mr. Jones asked the condition of the pump house and estimate of repair. Mr. Ditsky said we don't know that yet. Ms. Cannon said she has not been able to have anyone televise the pipes yet. She has had 2 different contractors come in to look at two different things and the last recommendation was to televise the pipes. The contractors believe there is a hole in one of the pipes. There was a brief conversation about this pool repair situation.

Sanitation Fund

Mrs. Soberick asked about the Delinquent sanitation charges of \$25,000. Mrs. Fittos said Jill keeps track of this on munibilling and would be the delinquent income but maybe shouldn't be called a charge. Mrs. Soberick asked if the contract collection fees and recycling were combined. Mrs. Fittos said yes but at one point it was separated. Ms. Cannon said that's because we had two separate contracts. Mrs. Soberick said yes but it's for two separate items so she suggested it should be broken down.

Mr. Jones inquired about paper supplies. Mrs. Fittos said we can remove that item because we don't use it. Mrs. Fittos said she will remove it. Mr. Jones asked how we are \$300 over budget on postage. Mrs. Fittos said the rates go up plus they have to get mailed through Lehighton and there is a different charge to mail in bulk.

Street Light Fund

Mrs. Soberick said it looks like the rates came down under electricity. She said we budgeted \$70,000 but if you look in the past we never reached it and we raised the millage based on these figures. Mrs. Fittos said she will look at it again because we only spent \$55,000 right now and we have November and December to pay. Mrs. Fittos said it would probably be ok to reduce it to \$65,000. Mr. Jones said that makes sense to reduce it. Mrs. Fittos said she will reduce electricity to \$65,000 and reduce the millage.

Ms. Cannon explained to the new officials about the loan being paid out of streetlight and how there was a scam for new lighting etc and the borough entered into an agreement with these individuals who never provided a service to the borough. There were a few other boroughs that also were scammed.

Mr. Walsh said it was a smart idea to reduce the electricity as well. Mrs. Fittos mentioned to Colin Jones that she took him up on his suggestion about energy saving and contacted a company that will do an energy audit for the lighting in the building. She said we have outdated lights and they have LED bulbs that conserve energy, save money, but there is always an expense to it so we still need to get an estimate.

Highway Fund

Mr. Ditsky asked why it was in the negative. Mrs. Fittos said it's really not as we have about \$80,000 in this account. Ms. Cannon said the resurfacing by the fire house is atrocious. Council spoke about this resurfacing project for a few minutes and mentioned that Steve, our code enforcer may have to look into this. The county is going to be repaving that street so it may not be worth repairing it right now. Some members questioned the snow removal figure of \$5,000 as we budgeted \$25,000 for 2015, but that's because in 2014 we had to hire Radocha to haul the snow away. We now have more equipment such as new trucks and should not need to outsource. Mrs. Soberick inquired about the allocation figure of \$106,000 if it was a good estimate. Mrs. Fittos said yes, it came from the state. It could change but most likely will stay.

Sewer Transmission

Mrs. Soberick asked if the loan amount will be changing. Mrs. Fittos said the interest does change a little each month. Ms. Cannon said we are paying the principal and the interest. Mrs. Soberick said there is a loan we have where we are just paying the interest and then the principal will have to be paid in combination with the interest but wasn't sure what loan. She inquired about the project engineering cost if we have any anticipation of sewer projects. Ms. Cannon and I responded that they don't give us any feedback. Mrs. Fittos explained to the new officials that we start the budget process in August and send out a memo to the departments giving them a blank budget template to fill in and give us feedback to we can budget accordingly but they never respond so we have to just estimate. Ms. Yasson explained now we are scrambling at the last minute when we could have fine-tuned it if they provided the figures. Ms. Cannon mentioned in the past the borough was given CDBG funds to work on the streets and that's gone now. It was \$100,000 plus but because of the population size we do not qualify. We are below 4,000.

Mr. Jones said one thing we should budget for that he doesn't see is budgeting for the cost of 529 plan. Ms. Cannon said that still won't happen just yet. Maybe in another 2 years it will happen.

LST

No comments.

Mr. Ditsky asked what council wishes to do with the budget. Ms. Cannon said to recheck all the figures. Mrs. Fittos asked if council wanted to approve the tax anticipation note while we are here. Mrs. Soberick thought it was done, but it was not approved at the last meeting. **Rose Mary Cannon makes the motion that we apply for the \$125,000 tax anticipation note from M & T Bank for 2016. Seconded: Samantha Yasson vote. Opposed: Martin Ditsky. Motion passes.**

Ms. Cannon explained to the new officials that in a borough there is no revenue received for the first quarter so we apply for a tax anticipation note that must be paid by end of year.

Mrs. Fittos asked if everyone wanted to meet for November 18th or could work on the budget and present it at the next council meeting. Ms. Cannon did not suggest having it a council meeting. Mr. Ditsky said he is not comfortable with the figures and would say no to presenting it at the next council meeting. Ms. Cannon asked Mr. Ditsky if he will tell us what he wants to change since he is not happy with it. Mr. Ditsky said he does not agree with the money projected to come in at \$792,000. He said last year he voted for it so we can get the tax anticipation loan. He said he is talking to people who are getting their homes reassessed but Ms. Cannon said that doesn't happen overnight. He said he doesn't know how much money we are going to collect next year and Ms. Cannon said none of us know.

ADJOURNMENT

Samantha Yasson makes the motion to adjourn at 7:15pm. Second: Colin Jones vote. All in favor, motion passes.

Respectfully submitted,

Mary Fittos

Secretary/Treasurer