

The Special meeting of the Lansford Borough Council for Budgeting purposes was held at the above date and place at 6:30pm. The meeting was called to order by President Martin Ditsky and the Pledge of Allegiance was recited.

ROLL CALL

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

PUBLIC COURTESY

No public courtesy.

2015 PROPOSED BUDGET

Mr. Ditsky thanked everyone for coming and just reminded everyone that when he looks at a budget he looks at the Income and expenses and says the income should support those expenses. He also mentioned that we last left off on Park & Recreation. Mr. Ditsky asked Ms. Cannon if she brought any facts and figures supporting the wages for the employees at the pool. Ms. Cannon said we really can't do all the small funds until we complete the General Fund first and know what mileage we are going to be using so we can do the same for all the others.

Mr. Vadyak said our figure for Real Estate current taxes was unrealistic. He said he spoke with Mr. Wynn and the properties in repository were not sold, and there will be no taxes paid on them.

Mrs. Fittos asked why would we reduce what the county has provided as we need a baseline to start with and if auditors ask where we got our figures from, we need to be able to provide backup. Also, if we are going to be that accurate then we need to know exactly what properties won't pay taxes and have that total amount. Colin Jones agreed and said a budget is a lot of guesses and it's not set in stone.

Mary Soberick said we are basing our expenses on 100% so we need to base the income on 100% as well. She said we can't control if someone is not paying their taxes and that is where the delinquent comes in, which we should eliminate and not budget because that would just be an added bonus. She said it is guesswork but we should be as accurate as possible. She said what if we do collect 100% then we will be over budget then when you analyze it, some would think you should reduce the mileage but that's not how you look at it. She explained that you set your expenses, you set your Income and then you set your mileage to fill in income needed. She said she feels the budget has always been incorrectly done.

Tommy Vadyak mentioned that collecting the Handicap fee is illegal per his conversation with our Solicitor. Mrs. Soberick said he should make motions, that he is on council to change it. Mr. Ditsky said we are starting back with the General Fund on page 1.

Colin Jones makes the motion to base the tax assessment at \$890,629.32 what the proposed is for 2015. Seconded: Rose Mary Cannon vote. Vote was incomplete.

Mary Soberick said she doesn't think we can set a value. It's the last item that can be calculated after you have recorded all your expenses and Income.

Mrs. Fittos explained everything has been reviewed line by line, no more expenses can be cut and no income can be increased. We still need to decide if there will be rate increases for Pool, CDL and Part time police.

Samantha Yasson said it's too late in the game now to increase pay rates, maybe that is something we can look at next year.

Mary Soberick started to review the budget and said just using the crossing guard salary as an example it's not calculated correctly. We have \$9,000 for the reimbursement and \$15,000 for their wages, but we receive half of the wages to the reimbursement should be \$7,500. There was a misunderstanding between Mary Soberick and Mrs. Fittos, she was under the impression we didn't have to budget the full wages since we were receiving half as reimbursement but it was clarified on how to correct it.

Mary Soberick inquired about \$10,000 being budgeted for demolition, and added that we should not be taxing people without a plan to use the funds. If so, we should start smaller, maybe \$2,000.

There were a few separate conversations going on for a little while until we all came back on the same page.

Samantha Yasson asked Mrs. Fittos to explain the Police Pension situation regarding Mr. Turcmanovich. Mrs. Fittos explained we increased the pension salary by 30 something thousand. The calculation was \$2,600 something; multiply that by 12 and that would be the yearly pension. She said we also need to account for May 2014 – December 2014 as a catchup.

Colin Jones and asked what we decided on demolition and everyone agreed to leave it in.

Mr. Ditsky said to close out the RIRA and deposit it into the general fund to use towards demolition costs. That fund is already set up for demolition, which originally began as a recreational fund.

Samantha Yasson asked Mrs. Fittos if the Borough Salaries under Public Works was for 3 Full time people and Mrs. Fittos said yes. Rose Mary Cannon said the Part time salaries should be increased.

Colin Jones and Rose Mary Cannon said we should have it on our next agenda. Samantha Yasson asked if we are able to maintain our town with a snow storm with the cdl driver/ workers that we have. Samantha Yasson's main concern having to contract out the work when hit with a snow storm.

Colin Jones had a question under Municipal Administration under heat; he was asking how the proposed \$12,000 is calculated. Mrs. Fittos said that figure came from everyone deciding on it. Council decided to reduce the proposed Heating expense to \$8,000.

Martin Ditsky asked about the Health Insurance expense, if it was the pricing, but Mrs. Fittos said no, the new pricing will have to be approved at the next monthly meeting. Rose Mary Cannon asked if everyone wanted to reduce the litigation expense. Litigation was reduced to \$20,000. Colin Jones asked who the IRA benefits are for and Mrs. Fittos said that is for Mario Marconi and Jack Soberick. John Matula will have it if he comes back; right now we are not contributing to it. Also any new full time officers that may get it, but Mary Soberick corrected Mrs. Fittos stating the contract doesn't provide an IRA now, it did in the past but that contract was over.

Samantha Yasson asked if we have anything budgeted for our borough garage. Mrs. Fittos responded no. Ms. Yasson asked if we can apply for a loan. Mr. Ditsky went over those details; he said Mr. Vadyak also suggested a pole building. The conversation went from discussing a pole building to discussing the defunct ambulance situation we have with their building and the radios and pagers we never got back.

Mr. Vadyak said we should budget for a new garage. He said if OSHA goes up there, it could be closed down. Mr. Vadyak and Ms. Cannon agreed on starting a Capital Improvement fund and starting it with \$10,000.00

Mr. Butrie asked if we acquired the Ambulance building, where and who would that money go to. Mr. Vadyak said it should come back to the community. Council went of Topic for a few minutes discussing the Ambulance. Mary Soberick had some questions on the General Fund but noted that this was the first time she was looking at the new revised copy. She mentioned that the Library Tax should be eliminated because we are the only ones who charge mileage for it and send them money. She said we shouldn't set a milleage and we can always just contribute to them. She thinks we can cut it. Mr. Ditsky said to cut it as well. Mr. Vadyak said we are the only ones who contribute. Mr. Butrie thinks we should cut it as well.

Mary Soberick said we should increase county fines to \$3,000. If you look at the past years it makes sense. Mr. Vadyak mentioned that he's sure we collected more than \$70.00 in meter fines. Mr. Romankow said when he started he wasn't separating it. Mrs. Fittos asked if he can just look back and separate it so she can correct it in the system. She is sure it was just coded in the wring account. Mr. Romankow said he will do it.

Mary Soberick asked about the Municipal Pension on page two if it was the exact number from the MMO. She also inquired about "In lieu of taxes", we are budgeted \$3500, but have received about \$8,000. Rose Mary cannon said it's through donations that we receive that money and you cannot budget donations. She said we receive money from the Lutheran Church and Mid- Rise. Mr. Ditsky asked if we should budget it at \$0.00, but Ms. Cannon said we do receive it from the Mid-rise and if they forget she calls them.

Mary Soberick said the Zoning Variances is budgeted at \$2,000 but it should be \$1,800. Mary Soberick asked about the drug task force, and Ms. Cannon said it should not be budgeted. Council agreed to have it at \$0.00. Mary Soberick also inquired about the Act 13 UCC code, that nothing should be coded there, but Mrs. Fittos explained that we did receive money related to that code. Mrs. Fittos also mentioned that gentlemen from Barry Isett stopped in the office the other day to inform us of a list they put together of all the units which were 2200 so far but it was incomplete. There was a brief discussion on the collections from Barry Isett with the Landlord Licenses and inspections and Mary Soberick said we should start seeing the money no later than March if they follow the ordinance.

Mr. Vadyak inquired about the street opening. He suggested we increase the Fee. He said we spend more on the service than what we are charging the people. Colin Jones asked what he was proposing, but Mr. Vadyak wasn't sure, maybe \$100 fee as opposed to \$50.00. Mr. Vadyak said the dumpster permits are being paid for. There are people getting dumpsters with no permit. Mary Soberick said the handicap installation fee should be analyzed to make sure it's a fair value. Mr. Vadyak said we should increase the fees if we are not charging what we spent. Mary Soberick said we should also include for removing the spaces.

Mary Soberick inquired about the school crossing guards being budgeted at \$9,000 on the income reimbursement. She also said their full wages need to be in the expense.

Mary Soberick inquired about all the transfers coming into the General Fund. Mrs. Fittos explained that they represent the reimbursement of the tax collectors salary. Mrs. Soberick asked about the Special Highway fund being budgeted at \$36,000. Mrs. Fittos said that was the one we had to reimburse special highway that money for wages that should not have been paid back to the general fund because it was not done timely.

Tommy Vadyak left at 8:02pm.

Mrs. Fittos said half of the year was \$18,000 but it depends what work the guys do. Council agreed to reduce it to \$20,000.

Mary Soberick inquired about professional services, page 4 under general government and Mrs. Fittos explained that it was Beyer Barber and Kirk Suma, which is Penny's company and she does the 1099's for us. Mary Soberick asked why we are paying to have the 1099's done when we can do them in-house. Mary Fittos said she knows how to do them and doesn't mind doing them.

Mary Soberick inquired about the tax collectors supplies which were only \$650 but YTD was \$1,696. Council agreed to increase it to \$1,600. Mary Soberick is reviewing some line by line. She inquired about building and cleaning supplies: Mrs. Fittos explained we have been paying for Debbie Kupres's salary under this code, but can move her under contract services. Mary Soberick feels her salary should not be under building and cleaning. Council agreed to budget \$4,500 for cleaning services and move it under contract services. Council agreed to budget \$1,000 for Building supplies and for contract services was budgeted \$11,000.

Samantha Yasson asked if we can shave \$5,000 of the part-time police. Mr. Romankow will look into it and get back to us. He said is looking to cover 5 shifts a week which could be about \$23,000 for the year. Rose Mary Cannon said the part- time police officer does the same job as a full- time officer. Mary Soberick explained on how to calculate the part- time officer's hours and the accurate way to budget for them.

Samantha Yasson said if there was a spreadsheet that showed everyone's hours and rate, it would be easier to look at that then to sit and explain it.

Rose Mary Cannon inquired about vehicle fuel and Mr. Jones said it could probably be reduced. Rose Mary Canon said we should keep it at \$20,000.

Mrs. Fittos said we should end this now and schedule another day to meet to complete everything else. Mrs. Fittos looked at the week of the 15th or Monday the 8th would work. She also suggested emailing out the changes to everyone. She said we are in good shape as far as the budget goes. Mrs. Fittos asked if everyone had a chance to look at the remainder of the funds. She also mentioned they all look good with the exception of Special Highway and Sewer Transmission account. Mr. Ditsky mentioned he would like to pay the Sewer Transmission account back. Ms. Cannon responded to Mr. Ditsky and said if we can, but it's not something that Mr. Vadyak is enforcing. Mrs. Fittos said it is a choice if we want to, but we really don't have the money to do so.

Mrs. Fittos mentioned that if the 2015 proposed budget does not get approved, and the tax anticipation note does not come through, we will need to transfer money from Sewer Transmission to the General Fund to cover for the 1st QT expenses, plus the Sewer operating account is running low and needs to be funded by another account within Sewer that holds a bigger balance. She also mentioned there is a large loan that is paid from Sewer which is about \$18,000 a month and comes to \$224,000 a year. Mrs. Soberick mentioned that council was told eventually they would run out of the money in Sewer transmission. There is no way we would be able to pay \$18,000 / month with the same sewer transmission fee that we have now, and she understands no one wants to increase it, but we may have to. Samantha Yasson asked is there would be a conflict if we raise the fee but had borrowed money and didn't repay it. Ms. Cannon responded with no, because it's our fund, it's not millage, it's not bank money, it's our money. Ms. Cannon said you have to either raise the Sewer or raise the millage. You have to have money coming in from somewhere. Mr. Jones said you raise the millage then, you wouldn't raise the sewer fee. Mrs. Soberick said unfortunately the past 8 years that account has been used frivolously fixing this and fixing that. Thousands of dollars have been used to repair the street sweeper.

Mary Soberick suggested maybe a Saturday morning could be a possibility to meet.

Mary Soberick mentioned that the street light fund, delinquent tax should be set higher than \$5,000. She also mentioned that there is room to decrease the millage and make some changes. She said if we end up increasing the General Fund, the numbers would balance by decreasing the some of the smaller funds.

The majority of council decided on Monday, December 8th to meet and finalize the budget.

ADJOURNMENT

Rose Mary Cannon makes the motion to adjourn at 8:38pm. Seconded: Martin Ditsky vote. All in favor, motion passes.

Respectfully submitted,

Mary Fittos

Secretary/Treasurer