

**Minutes**  
**Special Steelton Borough Council Meeting to**  
**Review the 2016 General Fund and Sewer Fund Budgets**  
**November 5, 2015**

**Present:**

Council President Jeffery Wright  
Council Vice President Maria Romano Marcinko  
Councilman Stephen Shaver  
Councilman Brian Proctor

Mayor Thomas Acri

**Staff:**

Douglas E. Brown, Borough Manager  
Rosemarie Paul, Assistant Secretary-Treasurer

**Call to Order**

The November 5, 2015 special meeting of Steelton Borough Council was called to order by Council President Jeffrey Wright at 6:02 p.m.

**Pledge of Allegiance**

The Pledge of Allegiance and a moment of silence was led by Mayor Thomas F. Acri.

**Executive Sessions Between Meetings**

Mr. Wright announced that there were no Executive Sessions between meetings.

**Approval of Minutes:**

Mr. Wright entertained a motion to approve the minutes for the October 19, 2015 meeting of Steelton Borough Council. On a motion by Mr. Shaver, seconded by Ms. Marcinko, Council voted unanimously to approve the minutes for the October 19, 2015 meeting of Steelton Borough Council.

**Audience Participation:**

Mr. Wright opened the floor for public comments on agenda items only. No comments were offered by members of the public present at the meeting.

**New Business:**

**Review of the Draft 2016 Steelton Borough General Fund and Sewer Fund Budgets and Authorization to Lay Budgets Out for Public Inspection**

Mr. Brown clarified that at this meeting Council will consider laying out the draft 2016 General and Sewer Fund budgets for public inspection prior to their consideration and adoption at the December 7<sup>th</sup> council meeting. This public inspection period is required by the Borough Code. Mr. Brown reiterated that Borough Council is not adopting the budget this evening, but is

authorizing that the budget be laid out for the required public inspection period.

Mr. Brown thanked Rosemarie Paul, Assistant Secretary-Treasurer, for her many months of hard work getting the budget together including working with staff to ensure the numbers presented were as close to realistic as possible. Mr. Brown noted that having come into the budget process very late, Ms. Paul has been critical to preparing the budget that is presented before Council for review.

Mr. Brown started with an overview of the 2016 Draft General Fund Budget. He noted that this budget was considered and revised by the Steelton Borough Council Finance Committee at two separate meetings before being presented to full Council for review. The General Fund Budget before Council was formally recommended by the Finance Committee at their last meeting for Council's consideration.

Mr. Brown provided the following summary of the Draft 2016 General Fund Budget:

The 2016 Draft General Fund Budget is a \$4,021,097 balanced spending plan that includes no tax increases.

The major means to balancing the 2016 budget without a tax increase comes through cuts to certain departmental line items and reorganization of personnel including leaving certain positions vacant.

The budget represents a \$125,314 decrease in spending from the 2015 budget.

The 2016 Draft General Fund Budget decreases budgeted expenses compared to Fiscal Year 2015.

Reductions in expenses include:

- Holding one police patrol officer position vacant saving \$92,680 in personnel expense.
- Reorganizing the Highway and Sewer Departments to operate with lead employees saving \$70,000.
- Freezing major capital purchases from the General Fund for 2016.

Major cost drivers in the 2016 budget continue to be personnel related with all insurance and benefits increasing. Liability insurance has increased by 10 percent and medical insurance has increased 9 percent. Contractual wage increases for uniform employees and non-uniform employees are projected to increase by 2 percent in 2016.

Personnel assumptions in 2016 Draft General Fund Budget include:

- An allocation to fill one Police Chief vacancy.
- An allocation to fill one Codes Officer position.
- An allocation to replace one Highway Laborer vacancy.
- An allocation to hire one part-time administrative position at 20 hours per week.
- A freeze on hiring one new patrol officer (will be revisited after first quarter of 2015).
- A freeze on hiring one Public Works Director due to departmental restructuring.

The revenue package in the 2016 General Fund Budget totals \$4,021,097 and assumes revenues remain relatively flat compared to budget year 2015. With 2015 year-end actual revenue projected at

\$3,992,638, the total revenues assumed in the 2016 budget are increased by less than 1 percent over where the borough anticipates ending FY 2015.

Staff attempted to use historical averages of actual spending when possible to project a revenue estimate that they believe is realistic.

Mr. Brown further elaborated on the personnel changes planned for the Police Department noting that the Finance Committee recommended holding a meeting after the first quarter of 2016 to review the fiscal state of the General Fund and how the Police Department is performing with the vacancy left unfilled. At that point, the Borough can decide whether to fill the Chief position budgeted at \$80,000 or fill the patrol officer position.

Mr. Brown then asked Council for any questions regarding the 2016 Draft General Fund Budget.

Mr. Proctor asked about the decision to leave the police patrolman position vacant and asked for clarification. Mr. Brown stated that there is currently a vacancy in that position as well as for the Police Chief position. The Police Chief—the more expensive line item—was budgeted for as an expense in 2016 to be safe. After three months into 2016 we will assess which position the borough would like to fill. Currently, an officer-in-charge is acting in a leadership role in the Police Department and the arrangement is proving to be effective.

Ms. Marcinko followed by stating that if the borough fills the patrol officer position at this time Council will have to cut somewhere else. Because of this, the Finance Committee decided to wait three months into 2016 to analyze the budget picture and determine if the position can be filled. Ms. Marcinko clarified that it was not the decision of Officer-in-Charge Minium. Rather, Borough staff and the Finance Committee consulted with Officer Minium to see if the Police Department can do without another patrol officer until a decision is made in the first quarter of 2016. Ms. Marcinko also noted that there is the budgeted police chief position which has not been decided on yet. This leaves a buffer after the first quarter of 2016 to determine which position to fill. The Police Department has indicated that they have the coverage needed to continue adequate level of service without filling the patrol officer position.

Mr. Proctor stated that he still has questions about the decision on which he will follow up.

There were no further questions by council members regarding the Draft 2016 General Fund Budget as presented by Mr. Brown

Mr. Brown next presented the Draft 2016 Sewer Fund Budget and provided the following review:

The 2016 Draft Sewer Fund Budget totals \$2,094,519 and includes no sewer rate increases for next fiscal year.

Since 2012, the Sewer Fund continues to exhibit strong and consistent yearly revenues in the \$2 million range; this has allowed the Sewer Department to make capital purchases and perform capital improvements without the need to raise rates.

The 2016 Draft Sewer Fund Budget reflects similar increases in personnel expenses experienced by the General Fund. Insurance line items have increased including liability insurance increasing 10 percent and medical insurance increasing 9 percent. Contractual wage increases are projected to be at two percent for 2016.

Additional expenses budgeted in the 2016 Draft Sewer Fund Budget are:

- Installation of new mains at Bessemer and Mulberry Street - \$250,000.
- Increase in costs for supplies by \$15,000.
- New debt service for the 2015 General Obligation Bond - \$30,000.
- Replacement of a sewer truck and share of new dump truck - \$50,000.
- An allocation to fill one Sewer Laborer vacancy.

Personnel Assumptions in 2016 Draft Sewer Fund Budget include:

- Reorganizing the Sewer Department to operate with a lead sewer employee instead of Public Works Director (saves on Sewer Funds portion of expenses related to Public Works Director salary and benefits.)
- An allocation for the hire of one sewer laborer to replace the current vacancy.

The revenue package in the Sewer Fund Budget equals \$2,094, 519. This estimate is in line with the average year end actual revenues experienced from 2012 until present. Projected year-end actuals for 2015 are \$2,070,048. The major source of revenue, Sewer Rentals, is projected to increase 5 percent over the 2015 budget. This is based on anticipated year-end revenues for 2015 and is a 1 percent increase over 2015 year-end projections.

Staff attempted to use averages of actual spending when possible to project a revenue estimate that they believe is realistic.

Mr. Brown asked Council for any questions regarding the 2016 Draft Sewer Fund Budget. No questions were offered by Council.

Mr. Shaver made a motion that the proposed Draft 2016 General Fund and Sewer Fund budgets be made available for public inspection by the Borough Secretary for a period of at least ten days prior to adoption; to advertise the notice that the proposed budget is available for inspection according to the law; to advertise the budget ordinance prior to adoption as required by law; and to authorize the solicitor to advertise the tax ordinance according to law. Ms. Marcinko seconded the motion. Council voted unanimously to approve the motion.

Ms. Marcinko asked if Council needs to recommend that Mr. Wion (Borough Solicitor) prepare an ordinance regarding the two percent salary increases for non-uniform and non-represented employees. Mr. Brown replied that he is currently working with Mr. Wion to prepare all housekeeping ordinances and resolutions that need to be passed as part of the budget.

#### **Authorization to Enter Talks with the Dauphin County Redevelopment Authority for the Purposes of Selling 24-26 Adams Street**

Mr. Wright brought up the recommendation by the Steelton Borough Council Neighborhood and Economic Development Committee to sell the borough-owned property located at 24-26 Adams Street to the Dauphin County Redevelopment Authority for purposes of conveying the property to a new business that would like to use it for auxiliary parking. Mr. Shaver made a motion to enter discussions with the Dauphin County Redevelopment Authority regarding selling the property to the Redevelopment Authority. The motion was seconded by Mr. Proctor. Council voted unanimously to approve the motion.

**Public Comment:**

Mr. Wright opened the floor for the public to comment on any issues of concern.

**Ms. Natasha Woods – 181 South Front Street**

Ms. Woods asked for clarification about the additional fee levied in 2015 to pay for projects on Pine and Harrisburg Street for debt service related to the project, and, if residents will still be required to pay the fee. Mr. Shaver indicated that the fee is in place for at least five years.

Ms. Woods asked what the rate of the charge is. Ms. Paul stated that the charge is 2 percent.

**Mr. Markis Millberry – 349 Spruce Street**

Mr. Millberry asked if there is a budget section for the Codes Department that budgets for replacement of the Codes Officer. Mr. Brown replied that there is money budgeted for a department head/Codes Officer in the 2016 budget. Mr. Brown noted that replacing their position is a priority.

Mr. Millberry asked when the Codes Officer position will be available.

Mr. Brown replied that November 6<sup>th</sup> is the last day for resumes and applications to be received. An interview process and selection of a candidate will take place after that.

Mr. Millberry asked about the status of the Highway Laborer position. Mr. Millberry stated that a friend had interviewed for the position and still did not hear back about the job. Mr. Brown asked when the friend had interviewed with the borough. Mr. Millberry replied that it was before Ms. Gellatly had left the Borough Manager position.

Mr. Wright noted that the position has been reopened for applications and resumes are to be submitted again. Mr. Brown indicated that he is working on sending letters to previously interviewed candidates to inform them of the status of the position, but had not done so yet. Mr. Brown will follow up and submit notification letters to previous applicants inviting them to reapply for the position. Mr. Wright emphasized that Council will not fill the laborer position until previous applicants have a chance to respond and resubmit applications and resumes.

**Council Concerns:**

Mr. Brown – Mr. Brown thanked Ms. Paul and the Finance Committee for their hard work in getting the budgets ready.

Mr. Shaver – Mr. Shaver thanked staff for putting the budgets together in a manner that was easy to work through. Mr. Shaver also thanked Mr. Musser (Borough Consultant) for assisting in putting the budgets together while the borough was without a manager.

Mayor Acri – Mayor Acri thanked staff for their hard work on the budgets.

Ms. Marcinko – Ms. Marcinko thanked Ms. Paul and Mr. Brown for their work on the budgets. She also thanked department heads and staff for holding the line on spending and finding cuts in the 2016 budgets to reduce spending.

Ms. Marinko noted that the November 2<sup>nd</sup> meeting was the first time in a while that their agenda

packets were complete and sent to them. She noted her disappointment in the fact that there were not enough council members present at the previous meeting to constitute a quorum.

Mr. Wright – Mr. Wright thanked the public for showing up to the meeting. He also thanked Mr. Brown and staff for stepping up in a rough time and putting together a solid budget. Mr. Wright asked that the people in the audience let other residents know that this budget has no tax increases. Mr. Wright congratulated the newly-elected Steelton Borough Council members.

**Adjournment:**

On a motion by Mr. Shaver, seconded by Mr. Proctor, Council voted unanimously to adjourn at 6:24pm.