

**BOROUGH OF LANSDALE
ADMINISTRATION AND FINANCE COMMITTEE MINUTES
MEETING OF MAY 5, 2021**

Members Present:

Denton Burnell	Borough Council President
Carrie Hawkins-Charlton	Borough Council Member
Leon Angelichio	Committee Chairman
Garry Herbert	Mayor
John Ernst	Borough Manager
Melissa Gemelli	Finance Director
Brian McGowan	Assistant Finance Director

Mr. Angelichio called the meeting of the Administration and Finance Committee to order at 6:15pm.

1. Action of Minutes Previous Meetings

Motion Mr. Burnell to approve the minutes from the Admin and Finance Committee meeting on 04/06/2021, second Ms. Hawkins-Charlton. Motion carriers 3-0.

2. Financial Reports Year to Date

Ms. Gemelli- The revenues to date are up 22%; part of this is a result of Covid. Last year, in the middle of the month and some revenues are down. In the Capital Fund, a \$322k payment is in there and one of the Luxor, I believe.

Mr. Ernst- Yes, that was the amount.

Mr. Angelichio- Does anything look out on revenues?

Ms. Gemelli- No, not at all. Similarly with expenditures are 6% below where they were last year. There were higher expenses in the Electric Fund and were to be expected.

In the Hihgway aid, we spent overall more for roads and salt for snow this year compared to last.

Mr. Angelichio- Where are we in relation in reality to expectations are we for revenues and expenditures?

Ms. Gemelli- For both we are slightly under budget. We expect that and it will lead into the next topic in the Electric Fund.

Mr. Angelichio- Do we want to add anything?

Mr. Burnell- No. It looks good, but I am curious to why expenses are down significantly in Parks and Rec.

Ms. Gemelli-What is driving the decrease, I think is just a timing difference.

Ms. Hawkins-Charlton- Glad to see revenues up.

Mr. Ernst- Karl said he was surprised and the # is above where normally are at this point.

Mr. Angelichio- I am looking and all things considered it is nice to see above average. We are not seeing lots of residential accounts out by hundreds of dollars. Let us now talk about this.

Ms. Hawkins-Charlton- Our residential delinquencies are about \$134k.

Ms. Gemelli- If you look at the top corner. The 440-280-134k is broken over 4 months.

Mr. Angelichio- That # has climbed and going through my notes and what we talked about.

Mr. Burnell- Compared to last month it is down \$40k. Was this the 4 month window or overall?

Mr. Ernst- I believe 4 month.

Ms. Gemelli- In those 4 months, the majority haven't paid since Covid and started during Covid and have not applied for aid. The vast majority couldn't pay and a handful which stopped paying when found out couldn't shut them off. As we have been making personal contacts, we have been referring to Mana and LIHEAP. We had another on today a church group offered to pay a consumer outstanding balance.

Mr. Angelichio- It just sounds like all talk the past 6, 7, 8 months pushing to help and what their reluctance is.

Ms. Hawkins-Charlton- I wonder if not worried no shut off or late fees.

Ms. Gemelli- I think the application can be a little cumbersome and people reluctant to share info. I think when we start to talk about penalties, turnoffs a big run to those organizations I put this month accounts over \$1,500 and biggest accounts.

Mr. Burnell- How do we read top to bottom.

Ms. Gemelli- The accounts over \$1,500 and I broke it out over the time.

Mr. Ernst- any order?

Ms. Gemelli- No, just increasing order of totals

Ms. Hawkins-Charlton- The highest is on the bottom.

Mr. Burnell- Those are residential.

Mr. Angelichio- If you have in #89, 4 months out and that is not ... in 3months like stacking.

Ms. Gemelli- No. That is correct.

Mr. Angelichio- We have 850 accounts delinquent?

Mr. Burnell- Yes, 850. What we are seeing is \$1,500 block is half the total.

Ms. Gemelli- Some of the big #'s in people not paying because of not interest, penalties and shutoffs and they run to the agencies for help.

Mr. Angelichio- Next item is motivational as you can imagine.

Ms. Gemelli- There is almost \$60k in delinquent on commercial and 4 months- 15 accounts and listed them. The biggest commercial accounts are all current. We have only 1 industrial account and it has been in litigation.

Mr. Burnell- Do we know what that is?

Ms. Gemelli- There is also a customer who has a balance in commercial and it is important to show.

Mr. Angelichio- Our biggest delinquency is residential, since the largest # of customers.

3. Committee Business Items

1. Ban on Electric Turnoffs

Mr. Angelichio- Everything is starting to transition back to normal in life. Our governor has said as of Memorial Day things will begin to transition back in. My thought process has changed about and a timeline. When do we want to start turning people off and accruing interest and doing penalties.

Ms. Gemelli- We put together a proposal. NPWA has already begun shutoffs. We are trying to be sensitive and understanding to those who lost jobs and need help. We will start automated calls starting May 20th if Council approves on the 19th if Council approves on the 19th. We will give customers 60 days before assessing penalties and interest. In a strongly recorded message to contact Mana and LIHEAP.

Say someone starts a payment plan in May and pays on it until October and they fall behind and stop, then penalties will start in October. We contact landlords when people don't pay their bills. We have been telling the landlords the amounts that are due and told staff to stop telling and the # of months past due. Do we tell the tenant that we contacted the landlord?

My plan is to add something at signup. If renting, they will call landlord and tell amount due. I don't know if we are telling people we are telling landlords. Going forward, we will be going forward and doing this. In most cases, landlords can figure out say 3 months.

Mr. Angelichio- Looking over cheat sheet in Dropbox and one item is concerning to me. The # of months to pay, amounts and the threshold over the months. If we kinda scroll through and if someone has a delinquency of \$750, we got a 9 month collection and pay 1/3 more a month. The # we give needs to be flexible. I think it is ridiculous that landlords get stuck with the bill.

The contract is between the tenant and the Borough. It is hard for me to swallow if the tenant skip. They can't have another tenant at the property until it is paid.

Ms. Hawkins-Charlton- Last year, we talked about credit check vs. deposits and how much is it, like \$150?

Mr. Ernst- I think it is \$300.00

Ms. Hawkins-Charlton- I think it goes to the balance 1st and the rest goes to the landlord. Every landlord has the right to know how far behind.

Mr. Angelichio- The customer has signed on a contract. If they don't pay, there is legal recourse. We have some legal recourse. We are saying that we are making you responsible for your tenant's behavior. It is an unexpected expense, I am glad that we are telling you to go after them. Nobody signed for my bill is me because I own the property, but make no contract that they will pay.

Ms. Hawkins-Charlton- Does PECO go after homeowner?

Mr. Angelichio- No. They go after the tenant and when we do this and should provoke some thought.

Mr. Ernst- Well, we would use tax \$ to go after a tenant who left the area. Several colleagues in neighboring Boroughs use 3rd party collection agencies to recover specific \$'s. To use the Borough's money involves all sorts of \$'s and fees. I would suggest that we look into a agency to do so.

Mr. Angelichio- The tenant does not make a contract with the landlord for electricity.

Mr. Burnell- I think we should talk about this further.

Ms. Hawkins-Charlton- Doesn't the landlord collect the 1st and last month as a deposit?

Mr. Angelichio- I collect that on my property for rent if not paid and also damages to the Property. Why do we hold someone else accountable? What will we tell Equis if half the people haven't paid their electric bill?

Mr. Angelichio- We will revisit and other municipalities do this. For instance, the sewer bill in some places have to stay in the landlord's name. I think it is a policy to revisit that is all. There is a real cost to doing these things. If I am a landlord and someone skips, I know where I am going. We need to have this written down and thought out and have no ambiguity and it can't be vague. What if the landlord doesn't pay? Take them to court then?

Mr. Ernst- Would it help to do a comparison among local utility providers. We are not like PECO and can absorb. We can contact the other local utility provider.

Ms. Hawkins-Charlton- Why don't we use what Melissa said as a guide and if someone can't and think maybe work with them like over 24 months. We got to set a cutoff and setting up a payment plan it can't like go longer than 2 years.

Mr. Angelichio- I agree and if this is a model that works for you.

Mr. Burnell- Give them X and ask them what they can pay and it must be paid up in 24 months. Ge them to draw the line.

Ms. Hawkins-Charlton- Are we calling every late tenant?

Ms. Gemelli- We will be doing robo calls and it is on the 2nd page. In July, we will start Going penalties and interest and then shut-off and urge Manna, LIHEAP and other's that Come along. We will put it on our website the payment guidelines. On robo calls, if don't setup payment plan by July 22nd to start than we start interest and penalties.

Mr. Ernst- We did a resolution to put on hold and will need before we start penalties. We would like to start to get out to the public and timeline.

Mr. Angelichio- I think we should target businesses in June that will give us some time.

Mr. Angelichio- Tell us about assessment.

Ms. Gemelli- We have a current and a 3rd all are in our favor in a small amount.

Mr. Ernst- We will be looking at \$3,500 for each 1 +2. We know 2 are in our favor and waiting on school district.

Mr. Angelichio- This I am going to circle it and it never happens. Any idea on the final property?

Ms. Gemelli- It is about \$10k for 3rd property and for total of \$17k.

Old Business

Public Comment

Meeting Adjourned at 7:15