

**BOROUGH OF LANSDALE  
ADMINISTRATION AND FINANCE COMMITTEE MINUTES  
MEETING OF APRIL 7, 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 calls the meeting of the Administration and Finance Committee to order at 6:15pm.

### **1. Action of Minutes Previous Meetings**

Motion Mr. Burnell, second Ms. Hawking-Charlton to approve the minutes of March 3, 2021 Administration and Finance Committee Meeting. Motion carries 3-0.

### **2. Financial Reports Year to Date**

Ms. Gemelli- At the last meeting, I had talked about presenting in a different format as balance sheet and income statement. For 2021 compared to 2020 for February, I am not going into much detail and to note assets are 2% higher than the same time last year. Liabilities are down 19% which is A/P, payroll, escrow, deposits and deferred revenue.

Mr. Burnell- I am surprised by the A/P being lower.

Ms. Gemelli- Last year there was a big payment on construction.

Mr. Angelichio- We have a lot of projects out there and engineering. The liabilities balance at like 76% is like woah. This is from February 2021.

Ms. Gemelli- Feb. 2020, we were not into Covid at this point. Moving forward, I asked Melissa to show 2019 which is a non-Covid year. There might be a unique trend compared to Covid.

Mr. Angelichio- I bet municipalities and corporate see #'s so skewed. Buildings are vacant and the electricity usage is down, no travel and the overhead costs are down and will increase when people go back to work. We can expect to see this explain why going back to 2019 and 2018. I do not envy your job that you have to do Melissa.

Mr. Burnell- Digging into details in revenue and expenditures. What about the highway aid fund?

Ms. Gemelli- This is not a discrepancy, the 2021 of \$2 interest income there was a small check which came in form last February for \$20k,

Mr. Burnell- I wonder if we are missing something.

Mr. Angelichio- There are probably some timing issues. There is a 4% difference in capital and hope it is timing.

Ms. Gemelli- In the packet, there is also a variance analysis to explain large swings. The General Fund revenue are down partly due to \$75k in refunds from health insurance and workers comp. That # depends on timing and how well in programs. The \$35k drop and \$14k in public safety charges.

## **2. Electric Fund**

Ms. Gemelli- The revenues are up and the residential charges 72% and bet goes down when kids go back to school. The % otherwise is significant.

Mr. Angelichio- That is astronomical and any to weather?

Ms. Gemelli- February was bitter and a lot of snow.

## **4. Sewer Fund**

Ms. Gemelli- Sewer is up \$330k which is \$260k in residential and \$90k in commercial. There is a loss in penalties of about \$6,000.

Mr. Angelichio- We are seeing a massive increase in water and sewer. Capital revenue up \$300k. EDU fees that was over \$200k.

Ms. Gemelli- The General Fund expenses went down in compensation for over time for Police and Public Works. For WWTP, the expenses also went down due to a decrease in less costs due to overtime.

Mr. Ernst- When can we expect to see OT in snow removal.

Ms. Gemelli- I think the way of that works and timing of payroll hit March. I started on the 21<sup>st</sup> and got 6 or 7.

Mr. Ernst- Ok, I know that we got 2 storms.

Ms. Gemelli- Overall revenues are up 36%, expenses down 29% starting next month. I will be showing 2021 and 2017, 18 and 19 and get a feel for pre-Covid and coming out. Don't expect to see and impact in March because of the beginning but in April.

Mr. Angelichio- Thank you for being thorough from non-financial people. I am curious to see during tax season if there is delinquency, but it has been consistent. It is interesting to see financial impact and where do we go and have to guide through. Not to hand anything to anyone, but to guide them. When does the bulk come in, Aug?

Mr. Ernst- I think earlier because everything was extended last year,

## **5. Committee Business Items**

### **A. CAFR AWARD**

Mr. Angelichio- Please tell us Melissa about the award.

Ms. Gemelli- Every year the Borough completes the audit and applies for the CAFR award. We submitted financials and last year John Ramey submitted to a committee. I was looking for things through my office, but think it goes back much longer.

Mr. Ernst- I think 2012 going back and even to 2010 at least and this shows the level of accounting and reporting to elected officials, transparency and completeness to CAFR.

Mr. Angelichio- We can call the award for excellence and transparency.

Ms. Gemelli- I know there is another award which is the PCAFR and only about a 10-page report and not much work and can try for.

Mr. Ernst- We have not gone out to the public but we will on this.

Mr. Angelichio- Any comments?

Mr. Burnell- I am glad that we continue to meet this excellence and from John and John.

Ms. Hawkins-Charlton- When I was in audit and cities and counties had done this. For Lansdale to do this is a lot of work and once setup.

### **B. Pennsylvania Public Utility Commission**

Mr. Angelichio- Lifted turnoffs on April 1, we control utility and have freedoms. Do we continue? Interest and penalties are significant revenue. We have have heart and do we have the discussion and say give them 30 more days. Do we send something in the electric bill and come back into normal and how do we do that?

Mr. Ernst-The Electric Committee will discuss this tonight.

Mr. Burnell- Carrie will hear this tonight then. We need to still have a very clear discussion about what to do.

Mr. Anglelichio- I never liked shutting people off. We are coming back during the summer. We are in a time where shutting off electric is not as impactful as winter. What is the ramification for not collecting. We are still pay check to pay check.

Mr. Ernst- We talked about in house and financials. When John R stepped aside, we were forfeiting \$12 to \$151 in charges per month. Our membership in PMEA and other communities have already

reinstated due to impacts on budgets. We do not feel prudent on our part to begin collecting. We want to make sure that we have the appropriate time in all ways like social media, but we need to bring people back. Our recommendation to staff is looking at the beginning of June to was a reasonable time to get ducks in a row to move forward.

Ms. Hawkins-Charlton- We are not accruing, say late fees since last April? Is it accrued or do we start fresh on June 1.

Mr. Ernst- That is up to Council.

Mr. Burnell- No penalties and been accrued.

Mr. Ernst- They would start fresh.

Mr. Burnell- The total the past 4 months owed is only \$34k and 3 it is \$13k.

Mr. Angelichio- We had an organization given significant help. How much was left on the table.

Mr. Ernst- Once the program got funding for the year, they let the customers know it had restarted. One caveat was they had to reapply because it was a newer program. We told staff to reach out and put us onto social media.

Mr. Burnell- Yeah, we want to restart in a few months, but also let people know where to get help.

Ms. Hawkins- Charlton- One thing that I wanted to ask about was shut-off, a rolling shut-off, penalties and then shutoff.

Mr. Burnell- This is how it works anyway.

Mr. Angelichio- I like that, we can do 30, 60, 90 days starting the clock as usual.

Ms. Hawkins-Charlton- So, the shutoffs start in Sept?

Mr. Ernst- Talk to staff.

Ms. Gemelli- I talked to Andy and to make every effort to keep people on a payment plan if not then we follow Borough Code. Not sure how long?

Mr. Burnell- I think at least a month of two.

Ms. Gemelli- Andy said 10 day written notice to turn off

Mr. Angelichio- There are people 2, 3 and 4 months behind. Some people will start behind a little and others say \$1,000. We need to consider before putting a blank statement.

Mr. Ernst- My logic is penalties will pick up and no penalties and anything prior to Covid start off from back then. There are repeat offenders. Sometimes it gets addressed and sometimes not with them. We are trying to get back into a routine with them.

Mr. Angelichio- Anything else?

Ms. Hawkins-Charlton- Do you recommend to Council?

Mr. Burnell- I say that we wait a month. We wait like John said until June and an information campaign. We should do communication now.

Mr. Ernst- We can let them know this will continue and the date is open. For the Your Way Home to let people know of the existing held also.

Mr. Angelichio- This is not a resolution but a discussion for internal policy. At the end of the day, John, Melissa, Andy can go ahead without us.

Mr. Ernst- I am going to talk to Stacie if there was a moratorium and we do same now.

Mr. Burnell- I will check and see if there was a motion.

Mr. Angelichio- There are 3 Resolutions that we will need to pass. 2 of them are for Melissa and the 3<sup>rd</sup> is for the CDBG.

The first is to allow Melissa to access the PennDOT grant money for liquid fuels.

The second is a resolution for any miscellaneous things because we still get mail for Carolyn McCreary. Banks have been receptive, but investments have been slower. A resolution would help access those things.

**Motion Mr. Burnell to approve Melissa to access the PennDOT Grant System and also a second for allowing Melissa to be contact person for the Borough. Second Ms. Hawkins-Charlton. Motion carries 3 to 0.**

Mr. Ernst- This will be a motion and applying for CDBG money. This will need approval and that will happen in the Public Works meeting. We will be applying for N. Richardson Ave between 2<sup>nd</sup> and 3<sup>rd</sup> St. and this will be for the block before that turn. This block fits into the CDBG. Last year, we did not get, but we are trying again for. We need approval due to timing and apply by April 19<sup>th</sup>.

It will be a total rebuild and CDBG guidelines and cost does not come back to property owners. These are brick and granite walks.

Mr. Angelichio- We should think about even presenting the bricks to Discover Lansdale or can use at another location. This is blue stone curbing.

Let's talk about money overruns on the Liberty Bell Trail.

Mr. Ernst- This is section of Stony Creek and soil is not suitable for the trail. It is very moist and need for the width also. We think the cost is about \$40k and the cost of lumber. Why is this coming through a change order and also suggest this cost overrun may qualify for recovery of American Recovery Act. Lansdale is getting \$1.6 million to offset costs to Borough. The project scale had adjusted and winter spring now and can see the soil is not good. Covid put us behind in a construction delay and put us into a season and see this could qualify.

Mr. Angelochio- I am not suprised and very fluid over there and found that out at Borough Hall.. We should spend and savings today are good than double repairs.

Mr. Burnell- Wouldn't we have taken then into account the situation into cost?

Mr. Ernst- Yes, correct. Material cost overruns now due to Covid. We will know by next month and by the May committee meeting. The nice weather the past couple days has made the situation better. We know the unsuitable soils to be trucked out and trucked in.

## **6. Public Comment**

Ms. Henning-Scheuring- There are 3 sections of the cemetery fence down. Does anyone know why?

Mr. Ernst- I will check with Stacie and Rich.

Mr. Angelichio- Are there any banners that can be picked up?

Ms. Henning-Scheuring- There are 20 left from 2016-2018 and we will never throw them out.

Mr. Angelichio- Are you still taking applications?

Ms. Henning-Scheuring- Yes, there is no time limit.

Mr. Ernst- Ann, the fence was taken down to remove a tree.

Mr. Angelichio- We are going to close the meeting then.

Meeting adjourned at 7:10