

Financial Advisory Committee
Meeting Minutes (by Sam Bryant)

July 26, 2016

7:30pm

- I. Call to order
 - The meeting began at 7:30PM.
- II. Pledge of Allegiance
- III. Roll call
 - All members were present (Frank Lombardo, Art Conover, Joseph Borek, John Wolff, Jr., Danielle Young). Sam Bryant (Borough Manager) was also present. Council Liaison Jeff Gilmore was absent.
- IV. Approval of Minutes
 - Mr. Conover motioned to approve the June minutes. The motion was seconded by Mr. Wolff and approved by all members present.
- V. Unfinished Business
 - Knoell Development Impact on Borough Budget
 - Mr. Lombardo explained what the Knoell development was and its history. Mr. Bryant thanked the committee for their previous suggestions to create a model to show annual revenues and expenses for the project. The committee did not think of any additional revenues or expenditures.
 - Mr. Lombardo felt the employment figures for LST were slightly on the high end. Mr. Wolff felt the average income was slightly low based on Census information. Mr. Borek felt the same based on the fact that average rental cost will likely be higher than the model. The committee did agree that some portion of the renters could be students or retirees who would have limited earned income. While discussing how franchise fees work, Mr. Bryant revised that number downward. Finally, Mr. Wolff felt the road maintenance cost was likely too high.

- Mr. Bryant will update the model based off these suggestions, any new information from the developer, and will seek feedback from the Borough Economic Consultant, Mr. Steve Barth.
- Committee Outreach Plan / Strategic Plan
 - Mr. Lombardo requested an outreach status update. Mr. Bryant reminded Mr. Wolff that the Public Safety Committee meets the next day. Mr. Lombardo will meet with the camp director once camp was done.
 - Mr. Bryant unveiled the “vanilla” model of the five year plan. It assumes no Borough decisions made as of July 2016 and uses an inflationary factor for expenses and revenues.
 - Mr. Lombardo asked Mr. Bryant to review the most important points. Mr. Bryant began Borough fund balances, which shows growth in the Groner and Recreation Funds, annual usage of all Liquid Fuels and Public Safety funds, but negative growth in the General Fund, which would result in a negative balance in 2018. In addition, Mr. Bryant added a capital fund, but has yet to find revenue to support it. Mr. Bryant then reviewed the Borough reliance on property taxes, which make up more than 50% of general fund revenue. Due to lower assessment values, the Borough has the third highest property tax rate in Bucks County. Mr. Bryant then explained the police cost formula, and reviewed the 2015 police budget. The group agreed that the calculation of this formula was undesirable, as it did not reflect actual police costs. The group also felt that the lack of police support from Delaware Valley University, who is one of the biggest users of police services was very problematic. Ms. Young noted that places such as Temple and the University of Delaware have their own police forces, which save the municipality police costs.
 - Mr. Lombardo then asked Mr. Bryant how the Committee could assist the Borough. After a review of other revenues and expenses, Mr. Wolff suggested that the annual fire inspection paperwork include an employee count for LST and that he would find out info on auditing cable companies for franchise fee revenue. Mr. Lombardo suggested a future Borough intern work on a business survey to improve EIT/LST information. Mr. Bryant agreed to discuss ambulance revenues with the local providers. Mr. Bryant

asked the other members of the committee to review the numbers in the five year model in more detail prior to the next meeting and provide budget improvement suggestions. Mr. Bryant will update the model to include the 2016 projected figures and any August Council decisions.

VI. New Business

- The Committee had no additional new business to discuss.

VII. Adjournment

- Mr. Wolff motioned to adjourn. Mr. Conover seconded the motion and approved by all members present. The meeting adjourned at 9:03PM.