

**HOME RULE BOROUGH OF EDINBORO  
COUNCIL BUDGET WORKSHOP MINUTES  
October 11, 2017**

**Call to Order:** Wednesday, October 11, 2017, the Budget workshop meeting, duly advertised, began at 5:30 P.M. in the Council chambers.

**Roll Call:** The following Council members were present: Mary Ann Horne, Jim Kiley, Steven O'Neill, and Pat Davis. Absent were Council members Brenda Cannell, Nathan Latimer, and Aaron Gast. Also present were Manager Kevin Opplé and Finance Director Jason Spangenberg.

**Budget Workshop:**

Jason Spangenberg began by reviewing the slides that were being projected in front of Council. He stated that the Borough's 2017 budget is on track overall. He explained that the Water Fund expenses are currently showing as over budget due to large PENNVEST-related expenses, but these will be reimbursed by PENNVEST, so the expenses will fall back in line with the budget by year-end.

The 2018 budget process is well underway and it appears we will be able to balance the budget without a tax increase. This will be the tenth consecutive year without a tax increase. Real estate tax revenue is flat, but earned income tax and property transfer tax have both exceeded the budget in recent years.

Inflation increases expenses each year. Employees typically receive a 3% raise annually, although the 2018 increases are not yet set as we are negotiating the non-uniformed contract. Our health insurance rates will increase about 7% for 2018, which is much better than the increases seen in the past decade. Health insurances increases since 2008 were reviewed. Jim Kiley noted that the 7% health increase is far cheaper than he has seen elsewhere recently. Manager Opplé said that if the employees were to decide to move from UPMC back to Highmark, there would be a 57% increase. Other budgetary challenges were discussed, including the fact that engineering costs for CDBG projects must be paid from the General Fund. Manager Opplé noted that the potential grant for the sidewalk to Giant Eagle would also require the engineering costs to be paid from the General Fund.

Manager Opplé reviewed the infrastructure projects completed in 2017. Hilltop Road reclamation and storm sewer work was completed. Darrow, Shelhamer, North Perry, and Hillcrest were also paved. Tar and chip work was done on sixteen streets, including Harrison, Stonehaven, Madeline, and Valley View. CDBG funds were used to reimburse the General Fund for a portion of the 2016 Monroe Street project. The water department PENNVEST projects are underway, including the construction of the new water building. Later this year, the major sewer department project, upgrading the Adams Street Lift Station, will be completed. He stated that a

five year plan will be established for road work in the coming years, adding that tar and chipping provides the best value for streets in need. Jim Kiley agreed, saying that Walker Drive looks good after being tar and chipped two years ago.

A brief overview of the current Borough staff was provided. We have 29 full-time employees throughout all departments. Manager Opplé noted that Lindsay Bauman and Jackie Rhen were both recently promoted to full-time. Jackie will have a larger role in the zoning department, and Lindsay will begin training for the retirement of dedicated clerk Maggi Stablein. Jim Kiley asked about the plan for replacing Sewer Superintendent Rob Kennerknecht, who plans to retire in 2018. Manager Opplé discussed.

Things to watch regarding revenue for 2018 were discussed. The Wesbury development in town appears at this point to not be happening, which means we will not be seeing an increase in real estate tax revenue for 2018. In fact, with more owner-occupied houses now, real estate tax income has been declining, since the homeowners can claim the Homestead tax exemption. Owner-occupied of course is better overall, however, since the income tax increases. Jim Kiley asked if the Wesbury property is zoned to be used for something other than a retirement community. Manager Opplé said that it could be used for commercial development. Other revenue topics were discussed, including stagnant police income, rising interest rates, and a continued increase in state aid for roadwork and pensions.

Dock fees will be adjusted in 2018 as we purchase new docks. Some dock users will see an increase, while some will see a decrease, based on the length of their boat. This is because the old docks were ten feet long, while the new docks will be eight feet long. The new dock rates will allow for the fifteen year loan to be paid off, while also saving money for the next dock purchase in fifteen or twenty years. Manager Opplé added that the docks will be self-sufficient in the future. Pat Davis asked how old the docks are that were used in 2017. He replied that they may be up to 35 years old, although they have been modified over the years. Ms. Davis asked about selling the old docks. Manager Opplé discussed.

Manager Opplé discussed rental permit fee revenue. A three year, phased increase of \$5 per year had been discussed last year, but he thinks it would be best to not increase the permit fee in 2018, instead waiting until 2019 to do so. The rental permit year is being changed from renewing in August to renewing in January, so he felt it would be best to not also increase the fee during this transition. Jason Spangenberg said that the current fee is \$40 per unit, and cost calculations would support an increase up to \$50, but he agreed with Manager Opplé's opinion.

Things to watch regarding expenses for 2018 were discussed. The non-uniform contract is being negotiated for 2018, and as always we should anticipate an increase in costs. The aging infrastructure was again mentioned, and Manager Opplé again said that we plan to tar & chip more roads in 2018. Our workforce is also aging, leading to increased insurance costs and higher

potential for workplace injuries and worker's comp claims. Also, as per the contract with Tri-County Industries, our refuse and recycling expenses will increase 2.5% in 2018.

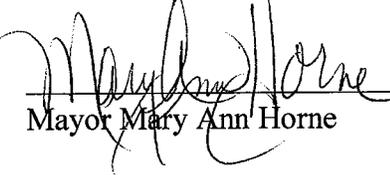
Jason Spangenberg stated that the next budget workshop would be October 18 at 5:30 p.m. and asked if Council had any questions.

**ADJOURNMENT:**

With no questions, the budget workshop was adjourned at 5:55 P.M.

ATTEST:

  
Borough Manager Kevin Oppe

  
Mayor Mary Ann Horne