

Borough of Bryn Athyn
Finance Committee
Meeting Minutes

February 16, 2016
6:00pm

In attendance: Duane Hyatt, Chair
Jeff Elsing
Chris Carter
Vikki Trost
Glenn Coffin

Follow Up Previous Meeting

The January minutes were amended by adding the text “On Duane Hyatt’s recommendation, the Committee agreed that a bond issue by the Borough would be the best approach to handling financing the sewer improvement costs.” The January minutes were approved with the noted amendment.

GENERAL FUND

Police Department

Duane Hyatt reported that the message to Borough Council of this Committee’s recommendation for the police department was not clear.

Mr. Hyatt’s calculation for the cost of \$39,040 for a part-time officer was reviewed. The Committee agreed that there would be a savings of \$50,000 to \$60,000 with the part-time officer plan.

Mr. Hyatt reminded the members present that the Finance Committee’s responsibility is to review the budget and reduce costs. The Committee must find where the Borough can be more efficient.

Mr. Elsing asked Chief Coffin to relate his research on the proposed change to the police department staffing. Chief Coffin contacted 5 Montgomery County police departments for opinions on part-time staffing - Lansdale Borough, West Conshohocken, Jenkintown, Bridgeport and Rockledge (who did not respond). Jeff Elsing raised several relevant concerns about part-time officers. Chief Coffin asked the committee if his opinion wasn’t enough for Council to make the decision. Chief Coffin stated that five full-time officers works and four full-time officers doesn’t work as well.

Mr. Hyatt stated that the Finance Committee has done its job evaluating the plan. It did not make its recommendation to Borough Council. The Public Safety Committee needs to counter the proposal and perhaps the Borough residents should make their choice for higher taxes or a change in the police department. All agreed that resident input is valuable. A special meeting of residents was suggested.

A study by an outside source was suggested to determine how the plan will impact the Borough.

Chris Carter stated that the Borough needs more money for roads and needs to find a way to make that happen. It was agreed that a serious conversation with the Academy, Bryn Athyn Church and School and the General Church is needed to solicit contribution for Borough services in lieu of taxes for these tax exempt entities.

Police Pension Actuarial Valuation

Joe Duda, our actuary, is preparing the 2105 Actuarial Valuation which is due in Harrisburg by March 31, 2016. Since the plan did very well in 2013 (30% return) and 2014 (11% return), Joe recommends reducing the interest rate used in the calculation of the valuation from 8% to 7.75% or even 7.5%, because 8% is not realistic today. Since the plan did so well, the MMO for 2017 calculated with the 8% interest would be \$7,052 (after the state aid of \$39,208 is deducted). Reducing the interest rate would benefit the Borough, but would slightly increase the MMO figures by about \$7,000 for each .25%. The Borough's contribution to the 2017 MMO would be \$14,000 at 7.75% and \$21,000 at 7.5%. Mr. Hyatt asked Vikki Trost to confirm with Joe Duda that the 2017 MMO for a rate of 7% would be \$35,000. Using that number, the Borough will still save considerably, but will be able to invest additional funds in the plan. If Joe confirms the \$35,000 cost, the Committee agreed to lower the rate to 7.0%.

The meeting was adjourned at 7:55pm.

For the next meeting:

1. Vikki will contact Joe Duda for 2017 MMO costs at 7.0% and report answer to the committee.
2. Vikki will send a meeting reminder email on Friday, March 11 for the next meeting.

Next meeting date: **Tuesday, March 15, 2016** at 6:00pm in Borough Hall.