

Borough of Bryn Athyn
Finance Committee
Meeting Minutes

April 20, 2021
6:00pm

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

The meeting held via Zoom teleconferencing was called to order by Chairman Duane Hyatt at 6:00pm.

MINUTES

The Committee approved the February 16, 2021 meeting minutes

SALE OF 2013 FORD POLICE INTERCEPTOR

Vikki Trost reported that a new battery was installed in the vehicle as per the request in the \$5,000 offer from the Bryn Athyn Fire Company to purchase the vehicle. The car would not start with either of two new batteries and was towed to Auto Tronics in Southampton for evaluation. (Note, there is no cost for towing through the auto insurance disabled vehicle coverage.) Auto Tronics provided a detailed evaluation of the battery problem and other issues, including inspection requirements. The cost to replace the battery and battery harness is \$711.53. It was not clear if the vehicle is drivable with only this work completed. The remaining work needed total exceeded \$5,500. The Fire Company knows that the vehicle needs new tires and that there are other issues. The Committee agreed to correct the battery issue and to provide a copy of the evaluation to the Fire Company. If the Fire Company is no longer interested in the vehicle, it will be posted immediately on MuniBid for auction.

SEWER FUND DUE TO GENERAL ACCOUNT

Kim Kleinguenther provided a detailed report on the \$138,500 owed to the General Fund by the Sewer Fund. The initial loan (\$44,715) occurred when the 2002 General Obligation Bonds financed the Alden/Loop sewer collection system. Since then, the additional debt was incurred due to the inability of the Sewer Fund to collect sufficient revenue to fund sewer operations. The General Fund fronted funds for payroll, insurance and other administrative and operational expenses.

Mr. Hyatt explained that government accounting requires that the sewer fund operation revenue and expenses must be kept separate from the General Fund. Kim Kleinguenther 's report noted that operating expenses must be paid back. There was discussion about non-users of the system benefitting from the operation of the sewer system and if the Borough could forgive the loan at the expense of all taxpayers.

The Committee agreed to offer three alternatives to Borough Council for consideration:

1. The Sewer Fund pays the entire amount back to the General Fund using a) current Sewer Fund reserves or b) over a period of years (5? 10?).
2. Forgive the entire amount, if permitted;
3. Compromise by forgiving the initial loan \$44,715 and the Sewer Fund budgets and repays the operation costs either from a) current Sewer Fund reserves or b) over a period of years (5? 10?).

ALDEN ROAD IMPROVEMENT PROJECT FINANCING

Mr. Hyatt referred to a proposed financing analysis prepared by Public Financial Management (PFM). The proposal provided three options for borrowing \$600,000 to fund the project:

Option 1: structured as 5-year debt service amortization. The Borough's annual debt service would be approximately \$135,000 with a final maturity FY2025. This is in addition to the final GO Bonds debt service. Total debt service first two years is approximately \$250,000.

Option 2: structured as a 10-year debt service amortization. The Borough's annual debt service would be approximately \$71,000 with a final maturity in FY2030. This is in addition to the final GO Bonds debt service. Total debt service first two years is approximately \$186,000.

Option 3: structured as a wrap around the Borough's existing 2010 Bonds debt service. With this structure, the annual total debt service would be approximately \$129,000 for 7 years and drop to \$40,000 in FY2028.

Mr. Hyatt pointed out by the time we were ready to commence the project, the first of two remaining current debt payments will have been made and the reviewed debt options will be that much less costly. In any case, it is clear at the current estimate of \$600,000, the Borough can easily finance the project. Mr. Hyatt also stated that Borough Council needs to make a formal decision to approve the current proposed project, or an alternative, so that we do not spend money and time on a project that does not get approved.

NEW ITEMS

Mr. Elsing reported that a new part-time police officer was sworn in today. Mr. Elsing noted that in order to attract qualified part-time candidates, the pay rates for part-time need to be adjusted to compete with neighboring municipalities. The Committee agreed that the pay adjustments were budget neutral and within the scope of the Public Safety Committee.

Vikki Trost reported that firefighter Clay McQueen notified the Borough that he will be pursuing firefighter cancer benefits. This may impact the workers compensation budget. Vikki will handle the claim with the insurance company.

The meeting was adjourned at 7:01pm.

For the next meeting:

- 1. Vikki will notify the Fire Company about the status of the 2013 Police Interceptor and will list on MuniBid if the Fire Company withdraws their offer.***
- 2. Duane will make recommendation to Borough Council on the Sewer Fund Debt options.***
- 3. Vikki will send a reminder to the committee regarding the next meeting prior to the meeting.***

Next meeting date: May 18, 2021 at 6:00pm in Borough Hall.