

**ELIZABETHTOWN BOROUGH COUNCIL**  
**BUDGET MEETING**  
**October 22, 2020**  
**Minutes**

Elizabethtown Borough Council held a budget meeting on Thursday, October 22, 2020. Present were Council members Bill Troutman, Tom Shaud, J. Neil Ketchum Jr., J. Marc Hershey, Phil Clark and Jeff McCloud. Also present were Borough Manager Rebecca S. Denlinger, Police Chief Ed Cunningham, Planning and Zoning Director Pam Roberts, Public Works Director Jeff Kinsey, Finance Assistant Kim Leverentz and Mayor Chuck Mummert.

President Hershey called the meeting to order at 6:00 p.m.

There was no public comment.

Council President Hershey led Borough Council through a review of the Fiscal Year 2021 DRAFT Budget, Version 3. Borough Manager Denlinger noted that in General Fund Revenues we are budgeting for 94% collection rate of the Real Estate taxes. This is one percent under what the Borough would typically budget for that category of tax revenue. Denlinger also relayed the latest information from the Lancaster County Tax Collection Bureau, noting that we are now anticipating a modest increase in both Earned Income Tax and Local Service Tax revenues for 2021 over the Fiscal Year 2020 projections. Denlinger noted that staff reduced the transfer from the Health Insurance Fund from \$300,000 (in Version 2) to \$150,000. Overall, the Borough is budgeting for FY2021 a minimal decrease in revenues over the Fiscal Year 2020 Budgeted (-2.11% or \$130,000) and Projected (0.65% or \$39,000) amounts.

Borough Council reviewed General Fund Expenses in detail. As discussed at the previous Budget Meeting, staff provided clarification and follow-up explanations of refined expense figures. There are a number of typical expense line items that Borough Council asked staff to make sure we are reducing expenses as much as possible. Denlinger explained that due to an audit of our SWIF Workers Comp policy we learned that the state has been using an incorrect population to determine our premium. They were using our Borough population until 2017 when a new figure was submitted more accurately reflecting the population of the Elizabethtown Fire Department service area. She indicated that the regional partners are currently updating the Regional Fire study to correct the cost sharing. Borough Council discussed the proposed purchase of a police cruiser and determined that the purchase will be made in Fiscal Year 2021 (and not delayed until FY2022). Council Vice President Ketchum asked and Chief Cunningham agreed to research going to a six-year rotation of police vehicles to determine if the cost savings of keeping the vehicles one additional year provide significant benefit.

Staff provided information on removing the amount budgeted to undertake the Regional Comprehensive Plan and noted that with the current restrictions due to COVID-19, we are somewhat limited in the steps we can take to start the process with our municipal neighbors. We are not budgeting the full amount needed to undertake the entire planning initiative. Council Vice President Ketchum expressed the hope that the municipal partners would at a minimum be able to start the planning process in the coming year.

Council President Hershey further noted that the Borough is budgeting a minimal increase in Fiscal Year 2021 Expenses in the General Fund. Staff was asked to review the General Fund in detail as they prepare the Proposed Budget in an effort to keep expenses flat, if possible. Hershey acknowledged that the Borough is doing its best to work through the current economic challenges of the COVID-19 pandemic; however, a budgeting approach through which we are collecting less and expending more is not sustainable over time.

Borough Council discussion continued throughout the review of all remaining Borough Funds. Staff noted that there were limited changes from the previous version reviewed by Council and that we are tracking fairly close to projected revenues and expenses. One notable addition was the budgeted expense of the planning and engineering work for the Radio Road Interceptor project in the Sewer Capital Reserve Fund. Kim Leverentz explained that the variation of the insurance refund amounts in the Health Insurance Fund is because we are self-funded and the refunds are based on the claims paid during the year. Borough Council asked staff to follow through on the budgeted transfer of funds into the Parks Fund in the amount of \$300,000.

Borough Council briefly discussed the proposed project at 56 North Market Street. Consensus was to not abandon the project, but also that the Borough would not include any project expenses in the Fiscal Year 2021 Budget. Council did agree to bring the project back up for discussion in the early part of the new year.

Borough Council concluded the meeting with a discussion of the approach of allowing expenses to increase, even modestly, without raising taxes to cover those expenses. Hershey noted that while we are facing unprecedented challenges, Borough Council should work to not lose the ground gained over years of sound fiscal practices. Following the review of all funds, Denlinger noted that staff will continue their work to review and adjust the draft budget and that revisions would be provided to Borough Council in advance of the next budget discussion. The remaining schedule for the budget would be for a discussion on the Proposed budget on November 5 with the potential to vote to advertise on that evening. Following a period of public comment, Borough Council could be ready to consider budget adoption at their December 3, 2020 public meeting.

After a motion by McCloud, seconded by Clark, the meeting was adjourned at 8:18 PM for Borough Council to go into an Executive Session to discuss a personnel matter.

Respectfully Submitted,

Rebecca S. Denlinger  
Borough Manager