

Borough of Bryn Athyn
Finance Committee
Meeting Minutes

September 18, 2018
6:00pm

In attendance: Duane Hyatt, Chair
Chris Carter
Vikki Trost
Jeff Elsing
Reid Heinrichs, Guest

The meeting was called to order by Chairman Duane Hyatt at 6:00pm. Glenn Gurney was excused.

Previous Meeting Minutes

The August 21, 2018 meeting minutes were approved. Vikki Trost will post the Finance Committee minutes on the website.

SEWER BILLING

Chris Carter created a model spreadsheet to calculate costs for sewage treatment billing. He also met with Reid Heinrichs and created a cost flowchart. Duane Hyatt reviewed the sheet and had a few comments on the formulas.

Chris Carter's comments on the spreadsheet:

1. Categories of Cost Breakdown are just made up for the model spreadsheet
2. The first section are Operation and Maintenance numbers; in the second section we should be depreciating the plant and putting funds aside
3. The next section shows Categories at the top noting that only some costs apply to all categories.
4. Chris stated that all categories need to be reviewed by Reid Heinrichs.

Duane noted that the Capital Cost section needs to include our line items and budget. For depreciation values, Duane may have a book that has that information.

Chris noted that the Finance Committee may set up capital costs over five years.

The question of BOD was again raised concerning the cost to treat whole sewage versus effluent only. This needs to be included in the spreadsheet.

It was noted that Peter Bostock originally based the rate calculation on the BOD load which was about twice the cost for whole sewage.

Duane suggested identifying the costs of the reed beds and chemicals primarily used by whole sewage treatment. Reid Heinrichs explained that they cannot be separated that way. Labor and Benefits – Reid was asked to identify salary and benefit costs to specific categories – is it more for Categories 3 and 4?

Duane reiterated that we are trying to understand the billing and suggested using the new model to review the rates.

Duane stated that for the 4th quarter 2018, ANC is willing to make up the difference if we can prove that the Aqua meters are not accurate. Also, if we demonstrate how we did the rates, ANC will pay what is shown as the costs.

Chris Carter stated that the Aqua meters are not right. Duane replied that we need to do the modeling. There is no quick fix to get ANC to solve the shortage and pay. We need to deal with the deficit.

The Committee gave Reid Heinrichs the go ahead for the reed bed project as planned.

We will consult with Rex Herder and Kim Kleinguenther on the possible deficit this year and resolve with rates next year.

We will set the base cost shared by everyone equally.

SEWER PROJECT COSTS

Reid Heinrichs reported that the holding tanks have been ordered. Vikki will check on the invoices for reimbursement sent to ANC. The project will start in late October.

ALDEN ROAD

Duane Hyatt stated that the Borough's current borrowing capacity is \$3,300,000.

Chris Carter stated that the committee worked very hard last year to reduce police costs and suggested using the savings to develop a long-term plan.

Duane Hyatt stated that the committee needs to discuss how to finance the project. He is not in favor of jacking up taxes even with no school tax. He expressed concern with paying off the current debt.

Mr. Carter concurred that he does not like borrowing money and prefers to put money away, reiterating the need for a plan.

Jeff Elsing reported that Mark Pennink and Nick Rose are working on a plan.

Mr. Carter said that volunteers should be on the committee to work on planning. Mr. Hyatt recommends that a committee be formed and charged with planning the Alden Road project.

A Steering Committee to help the Public Works and Public Safety Committees can be formed to set a reasonable plan, listing the most important items to be addressed; the Alden Road residents will be asked what they believe is needed.

Grant monies should be investigated. It is important to keep the conversation going.

2019 BUDGET

Vikki Trost reported that the Pension Minimum Municipal Obligation has dropped from \$70,000 to \$10,000. A meeting should be scheduled with Joe Duda, the actuary to review the implications of the lower MMO.

Committee Budget presentations are scheduled for the next meeting on October 16, 2018.

NEW ITEMS

The November meeting date was changed from November 20 to November 15.

The Pennypack Ecological Restoration Trust has requested sponsorships for their November 2 event at Cairnwood. We will send the annual contribution of \$2,500. Mr. Hyatt expressed his opposition to sending taxpayer money as contributions to organizations.

Vikki will get details on the Principal Financial Group stock.

The meeting was adjourned at 6:57pm.

For the next meeting:

- 1. Reid Heinrichs will fill in the model cost spreadsheet.***
- 2. Vikki will check on the reimbursement billing to ANC.***
- 3. Vikki will schedule the budget presentations for October 16.***
- 4. Vikki will schedule a meeting with Joe Duda regarding the pension.***
- 5. Vikki will look into the Principal Financial Group stock.***
- 6. Vikki will send a reminder to the committee regarding the next meeting on the Friday prior to the meeting.***

Next meeting date: October 16, 2018 at 6:00pm in Borough Hall.