

## MINUTES

### Budget Meeting-Round 1

### Hummelstown Borough Council

Wednesday, September 18, 2024

5:30 PM

1. Call to Order – 5:35
2. Pledge of Allegiance
3. Citizen’s Hearings
4. 2025 GF Budget  
Overview of Draft 2025 Budget

#### **General Fund Revenue Highlights**

2024 Budgeted Revenue - \$3,333,878, amount includes \$53,441 of General Fund cash carryover

2025 Budgeted Revenue - \$3,396,130, currently no cash carryover included

- 1) No real estate tax increase
- 2) Increased EIT budgeted collections based on historical information and expected 2024 collections, increased \$34,910.
- 3) Increased rental property permit fees to include short term rental fees
- 4) Pension State Aid – Increased budgeted revenue based on State Aid unit rates continually increasing. Portion of State Aid gets applied to the Sewer Fund as they contribute to the Non-Uniform MMO annually.
- 5) Refuse Charges stayed the same as there is no increase in trash rates in the current year.
- 6) Reduction of \$11,200 from Brown Plus Auditors for work being completed by our consultant.

#### **General Fund Expense Highlights / Assumptions Included**

Expenses are up \$120,000 from last year, which is contributed to PMRS and Health Insurance costs.

2024 Budgeted Expenses - \$3,333,878

2025 Budgeted Expenses - \$3,454,290

- 1) Employee salary increase of 3% included in budgeted amounts, including Manager and Police Chief; Police Officer salary changes in accordance with CBA
- 2) Health Insurance increase – Discussions with Benecon indicate that this increase should probably be adjusted to a 15% increase for 2025. Need to adjust Health Insurance costs for an additional \$40,000.
- 3) Property Insurance increase of 10% included in the budget (many of these insurances are split 75/25 with the Sewer Fund)

- 4) Minimal Municipal Obligation (MMO) – Due to actuarial assumption changes the MMO for the Borough will change from \$83,455 to \$184,526. This figure represents the full MMO for the Police Pension Plan and 50% of the Non-Uniform Pension Plan contributions. This increase accounts for almost the full increase in budgeted expenses in the current year.
- 5) Budget includes a \$60,000 contribution to the Fire Department and a new line was added to the budget this year to account for the Borough’s payment of the Fire Department vehicle insurance (\$8,000)
- 6) Ambulance Contribution has increased from \$25,000 to the Penn State Hershey Medical Center proposed rate of \$32,000
- 7) Collection Fee account has been added to the 2025 budget – this accounts for fees incurred by the Borough for the collections of outstanding refuse, sewer, and stormwater billings.
- 8) Debt Service – Costs represent actual amount due on the 2019 General Obligation Bond

5. 2025 SF Budget  
Overview of Draft 2025 Budget

**Sewer Fund Revenue Highlights**

2024 Budgeted Revenue - \$1,591,981

2025 Budgeted Revenue - \$1,595,794

- 1) Sewer Rates – Current form of the budget does not include a rate increase, however the Sewer Fund is currently budgeted at a deficit.
  - a. Borough finance has prepared different options on rate increases to cover the deficit
- 2) Minimal increases in Gaming and Pension State Aid have been incorporated into the Sewer budget

**Sewer Fund Expense Highlights / Assumptions Included**

2024 Budgeted Expenses - \$1,502,692

2025 Budgeted Expenses - \$1,919,247

- 1) Employee salary increase of 3% included in budgeted amounts
- 2) Health Insurance increase – Discussions with Benecon indicate that this increase should probably be adjusted to a 15% increase for 2025. Need to adjust Health Insurance costs for an additional \$17,000.
- 3) Property Insurance increase of 10% included in the budget (many of these insurances are split 75/25 with the Sewer Fund)
- 4) Minimal Municipal Obligation (MMO) – Due to actuarial assumption changes the MMO for the Borough will change from \$18,851 to \$78,225. This figure represents 50% of the Non-Uniform Pension Plan contribution.

- 5) Major Equipment Purchases included:
  - a. O2 Monitor - \$3,000
  - b. 6 Two-way Radios (split 50/50 w/Capital) - \$1,250
  - c. Jet Truck (1/2 of anticipated cost, split 50/50 w/Stormwater) - \$150,000 – remaining \$150,000 would be budgeted in 2026
- 6) Swatara Twp Sewer Authority – Quarterly costs – Current 2024 quarterly billing is \$142,026.50 for an annual cost of \$568,106
  - a. 2025 budget includes a 15% increase to \$653,322, plus \$10,000 for capital costs
- 7) Debt Service – Costs represent actual amounts due on the 2019 General Obligation Bond and 2022 DCIB Loan

6. 2025 Capital Improvement Plan  
Overview of Draft Purchases in 2025

Presented to Borough Council from the Borough's Consultant was the following list of purchases being presented for 2025 from all departments, these requests would not be covered by grants and would be the responsibility of the Borough to pay. The items in Red were added or adjusted during budget conversation and will be readdressed at next budget meeting.

-Change Park Trash Can allocation of \$2,000 to benches/picnic tables since trash cans are not needed in 2025.

-Flip purchase of Single Axle Dump Truck with Plow of \$275,000 to future year and replace with F-350 Truck in 5 year Capital Plan for year 2026 for \$110,000.

-Skidloader payment is required until year 2028

-Asphalt Compactor payment is required until 2026

-Savvy Citizens, Vice President VanGavree mentioned that EMA may possibly purchase this or split cost of purchase with the Borough.

-Add Wood Carpet for all parks \$16,000

-Add PW's shop lighting \$5,000

-Add Plate Compactor for PW's \$1500.00

-Gas powered hedge trimmers for PW's \$400.00

-Battery Leaf Blower for PW's \$200.00

-Gator for PW's \$15,000

-Remove Billy Goat for \$6,383

-Remove Downtown Trimming of Trees for \$10,000 (will be included in grant project).

Capital Purchases	
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<u>Item</u>	<u>Borough Cost</u>
Borough Shop Addition	120,000.00
Electric Gate @ PW Shop	25,000.00
PD Flooring	10,000.00
Park Trash Cans (10 per year)	2,000.00
Annual Road Repairs	50,000.00
Curb Crack seal Program	7,200.00
Base Repair	25,000.00
Curb Repair	20,000.00
Sidewalk Repair	20,000.00
Billy Goat Outdoor Litter Vacuum	6,383.00
Downtown Tree Trimming or Partial Removal-Ped.Inp.Project	10,000.00
33,000 GVW Single Axle Dump w/Plow & Spreader -Flip Truck from 2026 F-350	275,000.00
Skid loader (CAT Annual Lease Payment)-Until 2028	18,900.00
Asphalt Compactor (CAT Annual Lease Payment)-Until 2026	10,000.00
Assault Riffle Replacement (8 @ \$2.5k, 4 each year)-A like not a need	10,000.00
Axon - Taser (6) and Dock	4,437.00
Ballistic Shields (2)	4,000.00
Motorola - Body Cameras (8) & Dock, 1 time payment	12,000.00
Arches	40,000.00
Sign Replacement	3,000.00
GIS Projects	10,000.00
Admin/Codes Used Vehicle	30,000.00
Savvy Citizen-EMA would possibly split or even pay 100% per Dee	2,639.00
Computer Replacement (4 - Admin, Day, Saenz, Martin)	6,000.00
Phone Upgrade	5,000.00
Monitors	1,500.00
	728,059.00
Total Capital Fund Budgeted Expenditures	5,064,931.00
Less: Grant Funding	(3,843,482.00)
Less: Budgeted Interest Income	(55,000.00)
Total Cost to Borough	1,166,449.00

7. Other Business-None
8. Adjourn – 7:55

Borough Council held executive called by Manager Eberly session after budget meeting.

Submitted By:

Traci Eismann-Finance