

**BOROUGH OF GREENCASTLE
COUNCIL MEETING MINUTES**

December 15, 2022

7:00 P.M.

MEMBERS PRESENT: Mayor Ben Thomas, President Albert W. Miller, Vice President Jan Shafer, Councilmen H. Duane Kinzer, Jeremy Layman, and Scott Reagan. Also present was Borough Manager Emilee Little. Councilmen Joel Amsley and Wade Burkholder participated via phone.

President Albert W. Miller called the meeting to order at 7 p.m.

An invocation was provided by the Council Kinzer.

President Albert W. Miller led the Pledge of Allegiance.

President Albert W. Miller noted the meeting was being recorded for accuracy of the minutes.

On a Kinzer/Reagan motion, Council unanimously approved the proposed agenda for the December 15, 2022, special Council meeting.

Opportunity to be Heard

Steve Miller of 232 Moss Spring Avenue thanked Council for their time and dedication to get an additional meeting accomplished. Miller noted the Mayor's official comments regarding the tax ordinance and asked Council to give the suggestions consideration as people in the community are hurting right now.

REGULAR AGENDA

Little reviewed the procedure required based on the Mayor's veto of Ordinance 2022-07.

Little presented the timeline of events including Council's approval of Ordinance 2022-07 on December 5, the Mayor's written objections as submitted on December 13 and this subsequent meeting (December 15) required within 10 days of the Mayor's objections.

Little explained that an affirmative vote would be to override the Mayor's veto and enact the tax ordinance and a negative vote would accept the Mayor's veto, negate the 1 mill tax increase and would require the 2023 adopted budget to be reopened for review and modification.

Mayor Thomas reviewed his submitted official objections to Ordinance 2022-07 as attached to these minutes.

Thomas provided suggestions for the reallocation of expenses to the Highway Aid and ARPA Funds from the General Fund which would negate the need for a tax increase. Thomas noted that with the current General Fund balance, the Borough could cover 73% of the projected 2023 expenses.

President Miller responded to the Mayor's official objection noting that this is a relatively small matter which involves the movement of money between funds but that the Mayor decided to make this a major issue with his decision to veto the tax ordinance.

Miller provided a timeline of when changes were made to the preliminary budget noting that Council was provided with hard copies of the updated 2023 budgets at four public meetings prior to adoption. Miller noted previous last minute changes had been made to prior budgets to benefit the police department.

Miller expressed that no Mayor had vetoed an ordinance in the Borough of Greencastle in the last 30 years and emphasized the additional requirements this objection had on staff and how the finalization of current projects had been hindered. Miller noted he felt that the Mayor's official objection was a personal attack to divide Council.

Budget & Finance

On Kinzer/Reagan motion, Council conducted a roll call vote to confirm the adoption of Ordinance 2022-07 establishing a 1 mill tax increase for 2023, pursuant to Section 3301.3(c)(2) of the Borough Code, 8 Pa.C.S. §3301.3(c)(2).

Affirmative Votes	Negative Votes
Kinzer	Layman
Vice President Shafer	
Reagan	
Burkholder	
Amsley	
President Miller	

Based on the results of the roll call vote, Council did not have to reconsider the adopted 2023 Municipal Budgets.

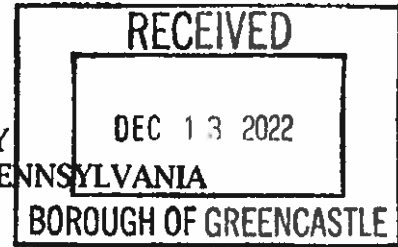
Adjourn

On a Kinzer/Layman motion, the meeting adjourned at 7:24 p.m.

Respectfully submitted,

Emilee Little
Borough Secretary

NOTICE TO EMILEE LITTLE, SECRETARY
BOROUGH OF GREENCASTLE, FRANKLIN COUNTY, PENNSYLVANIA
December 12, 2022



VETO OF TAX ORDINANCE #2022-07

Introduction: In accordance with Pa. Borough Code, § 3301.3.C, I am returning the tax ordinance #2022-07 that was approved by a vote of five in favor and two opposed by the Council of the Borough of Greencastle on December 5, 2022 that fixes the real estate tax rate for the year of 2023 at 16.0 mills (currently 15 mills). One mill generates an estimated \$40,000 of annual property tax revenue.

STATEMENT SETTING FORTH THE MAYOR'S OBJECTIONS, § C.

1. Upon review of the October 31, 2022, DRAFT General Fund budget, I observed revenues and expenditures that changed in the November 30, 2022 DRAFT General Fund budget (+ \$42,000 due to a total calculation correction). I've experienced these calculation spreadsheet challenges in prior budgets at my workplace, and I appreciate Manager Little's due diligence in further reviewing the DRAFT documents. The incorrect calculation was corrected and changed for the December 5, 2022, final budget presentation, however, the correction was not vetted and reviewed for the full Council, and public's information. Ironically, the additional \$42,000 revenue correction exceeds revenues from a one mill increase (\$40,000) which would have removed the need for a tax increase. Upon discovery, President Albert Miller allegedly authorized two additional expenses to be added to the DRAFT budget without the knowledge of the Budget and Finance Chair of Council and without the knowledge of the full Council and the public. This was not imparted at the regular meeting of Council held on December 5, 2022. At that meeting the mayor's report indicated, in writing, this information, however, only one member of Council asked questions regarding the Mayor's report and recommendations. It appears that this finding was suppressed and not imparted to the full Council, nor to the public. President Miller should offer full disclosure.

Based on the revised DRAFT General Fund budget (+ \$42,000 revenues), there were two added expenditures posted to balance with the one mill tax increase that should be funded from other Greencastle budgets more suited for the proposed expenses. I brought both of these recommendations to President Miller on a telephone call Saturday, December 3, 2022 with a very positive conversation. Again, here were my recommendations to balance without a tax increase:

2. Expenditure #01.430.450 (street contracted services) was increased from \$1,300 to \$26,300 (+ \$25,000). This Edwin Bittner bridge maintenance estimate had been previously cut. This expenditure should be removed from the General Fund and transferred to the Highway Aid (Liquid Fuels) Fund as the bridge is part of Walter Avenue as shown on the official PennDot map. Bridge maintenance may be paid for by liquid fuels funds and I recommended this be affirmed by Mr. Rick Levan of PennDot. The November, 2022 Greencastle

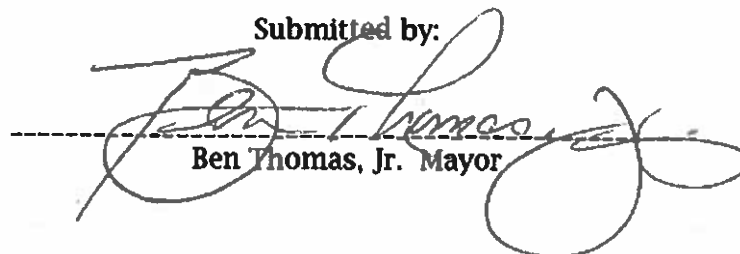
Highway Aid Fund balance is \$778,957 that would support a \$25,000 bridge maintenance project expenditure for 2023.

3. Expenditure #01.411.530 (donation to fire company) was increased from \$40,000 to \$57,000. The \$17,000 should be removed from the General Fund and placed in the COVID RELIEF (American Rescue Plan Act) fund that has a current balance of \$420,727. COVID Relief's original intent was to provide financial relief to municipal revenue losses (which Greencastle did not experience) and support public health and safety. The Rescue Hose Company has and continues to assist and transport COVID patients. The current EMS system is experiencing high call volumes of "sick persons" with combined RSV, flu, and COVID illnesses as they continue to be challenged with EMS staffing issues. Many of our EMS providers fell ill to COVID from patient transports over the past 2 ½ years.

4. So, what should be a general fund year end "fund balance?" We had some great discussions at a budget workshop about this very topic. The December, 2022 Pa. Borough News magazine addresses this question. I personally have a theory of 50% of your general fund expenses as your tax revenues come in strong by early Summer. On page 28 the article lists recommendations from the Government Finance Officer's Association (GFOA) of 17%. Moody's assigns a Aaa-rating if your revenue at 30%. "Generally, 30% is ideal" as this gets you into the tax revenue period in your second quarter of the calendar year. Greencastle will end 2022 with an estimated fund balance of \$1,600,000 + - (a 73% fund balance), even after encumbered amounts are removed for the N. Carlisle Street project.

SUMMARY: The result of these actions would negate the need for a one mill tax increase and balance the General Fund budget with minimal impact to the Highway Aid (Liquid Fuels) and COVID RELIEF funds. Also, there would be no need for a tax ordinance in accordance with the Pa. Borough Code. By researching and authoring this VETO, my intent is not to divide the Mayor with some members of Council, but to inform you holistically by thoroughly examining all of the budgets the Borough is fiduciarly responsible for imparting all information to members of Council and our citizens. Taxes should not be increased because other taxing entities in the community are not doing so for 2023. Greencastle is facing significant growth all around us with not a penny contributing to our tax base. The time will come when a tax increase is inevitable because of the greater calls for service by all Greencastle employees. We are a poster child for the recent Pa. Economy League report regarding the antiquated taxing system for municipalities in Pennsylvania. Let us work together to strengthen our economic outlook in the future and work with our Pa. legislators so our vital services may continue to benefit the citizens and visitors to Greencastle, Pennsylvania.

Submitted by:



Ben Thomas, Jr. Mayor