

**Red Lion Municipal Authority
Budget Meeting Minutes
Wednesday, October 27th, 2021**

Members present

Mike Poff, Chairman
Skip Missimer, Vice Chairman
Chris Minnich, Asst. Sec/Treasurer

Others present

John Krantz, Superintendent
Jeff Beard, Asst. Superintendent
Jason Reichard, Engineer
Stacy Myers, Recording Sec'y

Visitors

Dianne Price
Stephanie Weaver

1. The meeting was called to order @ 6:04p.m. followed by the pledge to the flag.
2. **Discussion on the proposed 2022 budget.** Jason, John & Jeff had met for budget discussion & planning for 2022 and a draft was sent to the Board last Friday (10/22) for review.
 - **Water Budget--**Jason stated at the end of 2020, extra funds were rolled into the Construction Fund and a positive net income is still showing to date.
 - **Wages—**
 - Costs for health insurance, vision, life insurance & dental have been updated
 - Union employees are proposed to receive a 2.75% pay increase in 2022
 - Non-union employees are proposed to receive a 3% pay increase
 - 3 employees at the WTP are eligible for wage adjustments since recently obtaining their required certification while 1 additional employee will be eligible for a wage adjustment mid-2022. A part-time WTP employee is proposed for a pay increase to \$18/hr.
 - John proposed a pay increase for 3 of the office employees to be more competitive with jobs in this market & also to reflect the longevity with which they've worked with RLMA. A proposed increase of \$1.50/hr. was agreed upon.
 - Personnel/Human Resources Assessment--assigning job descriptions & putting employee policies in place had been put on hold due to the pandemic & with recent personnel changes, it will be put on hold for 2022 also.
 - **Revenue**
 - Building rental—since the Borough plans to move out mid-2022, only 9 months of rental revenue is built into the 2022 Budget. EMA Services currently rents the 3rd floor; however, their plans for remaining/leaving are unclear right now.
 - 2021 sales vs. projections are in line
 - A 2% increase for water rates is built into the 2022 Budget. Of note, residential use is down, while commercial & institutional is up (during the pandemic, these usage percentages were reversed with more people being home).
 - Insurance premiums & dividends—John was informed RLMA's claims are up 180% so, most likely there will not be returned dividends as in years past.
 - **Expenses**
 - Engineering costs have been decreased for 2022
 - Legal fees have also been decreased for 2022 as litigation matters seem to be resolved.

- Equipment purchases (this was added last year for vehicles, meter reading vehicle, etc.)--\$50,000 has been added to this fund for 2022 since the fleet of vehicles are aging.
- Treatment & Transmission line item shows approx. \$42,000 more than usual. This reflects new service for the WTP & the final payment for the SCADA upgrade.
- Chemical companies are projecting a 40% increase, industry-wide
- Electric rates are trending high this year but are locked in through the end of 2022. New pricing/rates will be researched mid-2022.
- Meter replacement program had been put on hold due to the pandemic. \$200,000 will be built into the budget over the next 3 years; \$100,000 the 4th year. John & Jeff believe it's feasible for current staff to make a lot of progress in replacing the old meters. Mr. Missimer suggested hiring temporary personnel to speed up the process, if necessary.
- Building repair--\$17,500 has been built into the budget for necessary roof repairs
- Construction Reserve--\$250,000 has been put in this line item each year & that's been working well to do so. A decision will need to be made regarding the Edgewood Tank as no line item nor debt service has been built into the 2022 budget for it.
- Operating expenses are projected to be up over last year by \$145,000.

A 2% rate increase was factored into the 2022 Budget resulting in a net profit of \$116,000. A 3% rate increase would result in a net profit of \$143,743.

Last year, there was no increase in water or sewer rates.

Mr. Missimer made a motion to approve a salary increase to \$18/hr. for the part-time Filter Plant employee & \$1.50/hr. to each of the 4 front office employees; Mr. Minnich seconded. All were in favor; motion carried. All salary increases to be effective January 1st, 2022.

Mr. Missimer made a motion to approve the 2022 Water Budget with a 3% increase to water rates; Mr. Minnich seconded. All were in favor; motion carried.

- **Sanitary Sewer Budget**

- **Revenue—**

- Jason stated the projections vs. what was budgeted last year are holding consistent throughout with not much difference in sales or other line items.
- PLGIT interest was decreased a bit for 2022.
- The 2022 Budget numbers reflect a 2% sewer rate increase.

- **Expenses**

- Expenses seem to be in line with what was budgeted last year.
- Equipment line item has \$5,000 in it; however, Jason, Jeff & Board members are unclear what it was for. It can be taken out & used elsewhere, if necessary.
- \$57,750 in Construction Fund is adequate for 2022. Pumpstation updates/rehab will be necessary in 2022 & money has been budgeted for that.

Mr. Missimer made a motion to approve a 2% increase to sewer rates. Mr. Minnich seconded. All were in favor; motion carried.

3. **Adjournment**—RLMA Budget Meeting adjourned @ 6:50p.m.

Respectfully submitted by:

Stacy Myers, Recording Secretary