

BUDGET WORKSHOP MINUTES
NOVEMBER 5th, 2025

CALL TO ORDER: President Bollendorf called the budget workshop to order at 6:00 PM.

ATTENDANCE: President Bollendorf, Vice President Reichner, Council Pro Tem Myers, Councilpersons Hendrickson, Jacobus & Hoover, Mayor Schultz, Manager Hegele, Assistant Borough Secretary DeRenzis, Fire Marshal Valesky and on zoom Police Chief Ruegg. Councilwoman Shay was absent.

In attendance from community organizations was Fire Company Vice President Ide and Treasurer Brown. From Little League was President Kory Koller and Board Member Chris Mapes. There was another individual from Little League who did not identify himself. From the Library was Treasurer Jeff Kochanowicz.

Mayor Schultz led the meeting with the Pledge of Allegiance.

President Bollendorf stated the workshop tonight was to go over the budget by Department. He stated after all requests from Department Heads were entered the Borough was starting the process this evening with an \$849K deficit which obviously needed to be trimmed. The purpose of the workshop was to do that and see where the council could work to trim. He advised everyone that one of the biggest increases this year was healthcare, which went up significantly than in past years. He said many of the increases are contractual and cannot be changed this year.

He stated most of the revenue is from real estate taxes which are budgeted using a 97% collection rate. He announced that staff notified the council that the new building at Victorian Village has been added to the tax rolls. He stated Milliner Lofts should partially be on the tax rolls in December. These two projects will result in more tax revenue, Milliner Lofts is only partial and per Manager Hegele it will be done in steps as the apartments are occupied, the current assessment is only for 10 apartments and the retail space. Manager Hegele indicated she is not sure at what point Station at Hatboro will be on the tax rolls as it will take time for the county assessor once the project is done and occupied.

President Bollendorf reviewed each area of the budget and asked if there were areas that items could be trimmed to save money.

Under local taxes collected other than real estate Borough Manager Hegele suggested the following:

- Raise Real Estate Transfer taxes by \$15K as we have been trending higher each year.
- EIT/LST figures were from Berkheimer and are based on prior year collections. Borough always uses their estimates when preparing the budget.

- Mechanical Devices/Peddler's Licensing should be considered to increase in fees collected as we are lower than other municipalities.

Manager Hegele advised Council that Park Mobile will be at the November Council meeting to make a presentation on changing to online payments for parking. She explained that many of our meters need upgrades as well as continued issues with the kiosks, who have outlived their life expectancy and before spending money to repair or replace, the council should explore the option of using online payments for parking. This will be discussed further after the presentation and this line item maybe changed before final adoption.

All State Shared Revenue has been adjusted to include the actual funds being paid by the State. With the state budget in limbo, we are still waiting on some final figures, and these will be adjusted accordingly if the state budget is passed before we pass our final budget in December. Manager Hegele stated she has sent a number of emails to local legislatures reminding them of the importance of a state budget and how it effects municipal budgeting.

Some changes were made to other revenue line items with permit fees.

Sanitation fees were discussed and President Bollendorf stated refuse fees will need to increase in 2026 due to the increases in staff costs, fuel costs, disposal fees and tolls. At present the increase is a 12 to 13% percent increase.

Council reviewed expenditures requested for 2026 and trimmed in all departments. Council reduced line items for training and dues and subscriptions in council line items. A part time hire in administration was tabled as well. Telephone costs for administration, pool, tax collector and PW were all reduced due to a new contract with lower fees. There was a discussion about the need for a Main Street Manager. The business community has asked for assistance and Borough Hall staff cannot do this with the limited staff. The Borough applied for a grant and included in this line item is funding for assistance as well as a match for the grant should we get funding. Small businesses in Hatboro need assistance and the council told them earlier in 2025 they would look to do this and provide funding. Manager Hegele stated if we receive the grant obviously all these funds included would not be used saving some money. If we do not get the grant, we do not know at this time what exactly will be needed and after meeting with the Downtown Development committee feel 20 hours a week is reasonable to get started. Council also feels that funding this will save staff some time in Borough Hall and will help with the part-time position that was eliminated.

Police requested a drone which was removed from the budget for this year to save money. Fuel and maintenance costs were reduced as the council is considering purchasing two new police cars in 2026. After discussion, staff is getting quotes for the costs as well as looking to sell a car from the police fleet and move one of the Durango's

going out of service to the Fire Marshal as her vehicle has almost 200K miles and is in need of major repairs.

Emergency Management requested safety barricades for events. The Borough did submit a grant; however, we do not know at this time if it will be funded. They would like to begin to purchase them. Council approved the purchase of 10 in this budget and also asked if EMC could reach out and see if the chamber would be willing to purchase some to help offset. We use these for the bigger events like the car show and parade and would not purchase until the spring after the LSA grant awards are announced. Obviously if we are funded for these the Borough would not purchase the ones approved this evening.

Public Works, council discussed the request for additional staff at Public Works. After discussion one laborer position was removed. Manager Hegele explained that the Borough is short-staffed and in need of additional staff if we are going to continue to offer the services that the residents expect. Borough Department Heads are aware of the costs and members of Public Works and Administration have worked additional hours, did more as well as staff doing multiple jobs all in an effort to save taxpayers. The borough is very busy, and the help is needed, especially if we are going to keep doing events. Manager Hegele stated that despite what has been said recently, the Borough staff is not wasting taxpayer money, we are dedicated hard working people who do their very best everyday while keeping the best interests of Council and the taxpayer at the forefront.

President Bollendorf pointed out there is a clause in the Public Works contract that states if there is an increase over 15% in healthcare that employees in that department need to begin to contribute. Borough Manager Hegele stated she will review the numbers as well as wait until the council decides the number of credits they will be using to apply against the increase. Healthcare contribution.

Kory Kollar Horsham Road stated he works for a refuse company and they have only one person on their trucks and we have 3. He stated his wife works for UMT and they contribute towards their healthcare and so should Borough staff. President Bollendorf stated our staff are in a high deductible plan which was negotiated and cannot be changed currently due to contracts being in force.

Rich Seeds Horsham Road asked if overtime could be lowered with the hiring of additional staff.

There was a discussion about the costs to have events to the Borough for outside organizations. Right now, the Pennypack committee pays for all Borough staff time and resources for their events. This year the Borough began charging more for events as the budget cannot sustain providing Borough services for these events. The budget includes approximately \$42K for contributions to the community with a revenue line item to offset. Council will need to discuss procedure for 2026 now that we have had a year to see how this worked. This will be an agenda item at a future council meeting.

Snow and overtime were lowered as staff cannot predict when it will snow. Manager Hegele stated that the Borough cannot schedule overtime for snow, we just do not know when it will snow, last year many of the storms came outside business hours resulting in higher overtime.

Council discussed the pool budget for 2026; at this time there is a \$67K deficit that needs to be closed. He stated in the past few years the Borough had to raise the wages for guards in order to be competitive as well as recruit, we were too low, and it was hard to find staff. Manager Hegele stated there were some capital savings including, \$10K for a diving board, \$25K for a feasibility study grant match and \$15K for the savings towards a new slide. There was a discussion about the need for a diving board since the slide is being replaced and will not be installed in time for this season. There was a discussion as well about the slide and membership. Staff is going to work with the committee to see if they can close the gap.

There was a suggestion from the public to raise the pool fees by \$5.00 and add a picture of the slide on a banner at the pool letting members know the increase is helping to pay for a new slide.

Little League yearly contribution was discussed. Members of the Little League board were in attendance. They reviewed past and future improvements at the field. Council decided to put \$5k contribution in the budget for 2026 and another \$5K was committed coming from fee in lieu of funds.

President Bollendorf reviewed the sinking fund. There is some debt being paid off and the committee is looking to purchase two new police cars in 2026, the millage will be adjusted by staff once the proposals for the financing is received. We have one proposal already and are waiting for a second from M&T bank.

President Bollendorf reviewed the budget for SARS. Assistant Chief Davidson was in attendance to answer any questions. The tax money SARS receives from the Borough is used to offset their payroll and insurance costs.

Vice President Ide and Treasurer Brown from Enterprise Fire Company were in attendance. The Fire Company presented their budget and Manager Hegele stated they have underestimated the costs for their annual audit, fire hydrant rental fee, workers compensation and vehicle insurance. Borough staff did make changes to those line items as these are costs to maintain and operate the fire company and are paid from fire tax monies. President Bollendorf stated any excess funds not spent in 2025 would be transferred to the fire company capital fund to help save for a new fire truck.

Jeff Kochanowicz Treasurer from the Union Library of Hatboro was in attendance to answer any questions about their budget request for 2026. All requests are in accordance with past year request for funding, there were no changes for 2026 requested.

President Bollendorf announced after this workshop we are at a (\$180K deficit) with the changes. Council committees need to work with department heads to find additional cuts to try and balance the budget. He announced that council will research and report back to the finance committee by Wednesday, November 12th.

The budget workshop was adjourned at 8:47 PM.

Respectfully submitted,

Diane C. Hegele, CBO
Borough Manager/Secretary

DRAFT