

**FINANCE COMMITTEE MEETING
MINUTES
September 30, 2009**

The meeting of the Finance Committee was called to order at 7:20 p.m. by Chairwoman Lori Carnes. Present in addition to Mrs. Carnes were committee members Terry Mest, Patrick Maloney, and ex-officio member Frank Deery.

Also present were Marianne Deery, Mayor; Patricia Spaide, Borough Manager, William Moeller, Employees' Pension Board, Dianne Lutz, Morgan Stanley Smith Barney, and a concerned citizen.

A motion to approve the minutes of the September 2, 2009 meeting of the committee was made by Mr. Mest, seconded by Mr. Maloney, and approved.

Financial Statement

A review of the Financial Statement for the month of September 2009 was undertaken.

Revenues and Expenditures

The Revenues and Expenditures for the month of September 2009 were reviewed.

List of Bills

The list of bills paid during the month of September 2009 was reviewed.

Unfinished Business

There was no unfinished business to conduct.

New Business

Discussion CDBG Grant \$30,000 Railroad Yard – The committee discussed a request by the BBB concerning the \$30,000 CDBG Grant which is earmarked to off-set the cost of the purchase of the railroad yard property. The BBB asked Council to consider amending the grant to allow \$15,000 of the grant to be used for soft costs related to the Crossroads Project. In addition, the BBB offered to give the Borough \$15,000 for land acquisition from the DCNR Heritage Grant for the crane restoration. Council previously informed the BBB that the Borough would require a payment from the DCNR Grant for land acquisition. Following discussion, the consensus of the committee is to table discussion of this request pending review by the committee of the 2010 Budget.

Discussion Budget 2010 – Mrs. Spaide advised the committee that she is working on the 2010 Proposed Budget and informed the committee that the Proposed Budget would not include pay increases for non-uniform employees. Mrs. Spaide inquired if the committee was in agreement with that decision. The committee agreed. Mrs. Spaide also noted that preliminary budget figures reflect significant shortfalls in the water and sewer funds. Council will advertise the 2010 Proposed Budget for public inspection at the

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November 2nd meeting of Council. At the October 5th Council Meeting, Council will select meeting dates to review the Proposed Budget.

Investment Policy Statement Pension Funds – Mr. Moeller and Mrs. Lutz reviewed with the committee a recommendation from the Municipal Employees' Pension Board to amend the Investment Policy Statement to authorize investment of pension funds in emerging markets. The IPS currently permits investment in the International Market; however, does not break that investment down into developed and emerging markets. The Pension Board recommends a Target Allocation of 10% Developed; and 5% Emerging Markets.

Mr. Moeller and Mrs. Lutz also advised the members that the Board is recommending investment of approximately \$53,000 from the Police Pension Fund, and \$21,000 from the Retirement Income Fund in Emerging Markets.

Following a somewhat lengthy discussion, the committee agreed to recommend that Borough Council authorize the amendment to the IPS proposed by the Pension Board and the investment of the funds noted above with Lazard. This matter will be placed on the agenda of the October 2nd meeting of Council.

Minimum Municipal Obligation 2010 – Mrs. Spaide advised the members that she has certified the 2010 MMO as provided by ConRed Consulting. The MMO for the Police Pension Fund is \$64,643; and \$19,221 for the Retirement Income Fund. Mrs. Spaide noted that based on the 2009 funding from the Auditor General, the Borough should expect to contribute approximately \$15,000 from the General Fund into the Police Pension Plan in 2010.

Other Comments

There being no further business to discuss a motion to adjourn the meeting at 8:57 p.m. was made by Mr. Mest and seconded by Mr. Maloney. The next meeting of the Finance Committee is scheduled for Wednesday, October 28, 2009.

Respectfully submitted,

Patricia A. Spaide
Borough Secretary