

ALDAN BOROUGH, DELAWARE COUNTY, PENNSYLVANIA

December 22, 2010

The Borough Council met Special Meeting to Vote on the 2010 Budget at 7:00 p.m. at the William Reind Recreation Center on the above date with President Short presiding.

The Pledge of Allegiance was recited and led by President Short.

ROLL CALL

Council members present: H. Short; T. Owen; R. Baker; J. Cosgrove
M. Xavier; P. Brookes; S. Coppola

Council members absent: None

Officers present: J. Hopely, Mayor; G. Kaut, Secretary;
G. Sefflin, Solicitor; T. Quinn, Treasurer

Officers absent: None

This evening's meeting as advertised is to discuss, review and vote on the 2011 Operating Budget for the Borough of Aldan and also to vote on the 2011 Tax Levy Ordinance.

President Short turned the meeting over to Mr. Xavier, Chairman of Finance Committee.

Mr. Xavier reported the good news for Aldan residents this year is the residents will realize a net decrease in taxes and fees of \$6.34 based on an \$80,000.00 assessment. The millage rate for 2011 will increase from 5.4199 to 5.6584 mills. This represents an increase in the real estate tax rate of .2385 mills, with the tax break down as follows: Tax rate for general purpose is 3.395 mills. This accounts for approx 60% of the budget. The tax rate for police purposes is 2.2634 mills. This accounts for approx. 40% of the budget. The slight increase in millage will be offset by a decrease in municipal trash and sewer fees. Borough Council and Aldan residents were able to achieve a decrease in the trash fee by reducing the volume of trash and the holding of the line on the tipping fee charged. A lot of this was the hard work of Councilwomen Terry Owen. Additionally; Borough Council was able to obtain a great contract with the Borough's trash hauler with no increase from 2010 to 2011. This is six straight years without an increase and taking into account fuel cost and operating expenses we have had no increase from the company. This results in a trash fee decrease of \$2.33 per unit. Recycling fees are estimated as \$3,000.00 less this coming year based on 2010 actual tonnage.

Although the Darby Creek Joint authority has increased its fees to the Borough for this coming year, Borough Council is still able to realize a sewer fee decrease of \$23.09 per unit.

Borough Council is able to achieve this decrease in sewer fees because of savings realized through the use of grant funds to construct the necessary improvements to the Lobbs Run Interceptor sanitary line. Over the past two years, Borough Council has successfully obtained over \$500,000.00 in competitive grant funding to complete this project.

The savings are accomplished even with a new police contract taking effect in 2011; the Borough Council, especially the Mayor, Councilwomen Brookes and President Short working with our Medical company were able to negotiate a new medical plan that will result in savings and mitigate increased payroll and police operating expenses.

The purchase of the Aldan Swim club property has not resulted in any adverse effect on the Borough's budget and, with consistent lease payments from the swim club, has likely resulted in a slight increase in revenue to the Borough as compared to expected investment income based on the current low return rates.

This overall decrease in required residents' payments is achieved despite a decrease in total assessment of \$1,032,743.00. These assessment decreases, as a result of tax assessment appeals, are being felt by virtually every municipality.

In summary, the total real estate tax increase for a house with the average assessment would be from \$433.59 to \$452.67, an increase of \$19.08. When factored in with the decrease in sewer rental & sanitation fees our residents this coming year will see a net decrease of \$6.34 in their overall Borough bill.

The estimated Budgeted Income for 2011 is \$2,325,190.00. Expense wise this balances out with the income.

Mike Xavier made a motion to adopt the 2011 budget as presented, seconded by Councilmen Baker.

Mike Ceci asked if we could explain how the sewer rentals worked. Councilmen Xavier explained last year when we found the double metering and other areas where there were some issues after it was straightened out we had a decrease at the end of the year and we also had a reduction in sewer fees. We gave a portion back to the residents last year and we held a portion for infrastructure improvements, which we can do as a Municipality. When we looked at the grant funding we had and how we could move things around to not take money from the sewer reserve to pay for that project we were able to once again pass that savings onto the residents this year. That being said, no money was taken from the actual sewer reserve and given back to the residents. The money is still in the sewer reserve we have not touched that money.

Dan Procopio asked as he understands that Aldan Borough because of flow increases, and Dan has seen the chart, actually got a 12% increase from DELCORA and without touching the sewer reserve fund you were able to reduce the rate to the Borough residents. How can you do that without raising sewer rates? Councilmen Xavier explained that is correct we are not touching the sewer reserve fund and because we still had enough money left over from the reduction last year even with the 12% increase to still give the residents back \$23.09 per unit. Dan asked where that money was housed during the year. Councilmen Xavier responded the money was going into the sewer reserve for this coming year we are giving the reduction. The money for the last year went right into the sewer reserve; we can keep an amount of money for infrastructure improvements. Dan asked what the current sewer reserve after this budget is passed. President Short commented when we got the rebate back, they were taking all of our information and using that, so when the money came back and there was the surpluce we were not sure if those figures would hold, so we did hold back some of the money.

We passed some of the reduction on and held back till everything was solidified. We took the rest of the money we held back from last year and passing that back onto the residents. Dan asked if we have the total of the sewer reserve. Councilmen Xavier responded, \$819,483.51 is the total reserve for the General Fund and the Sewer Reserve. We have the auditors going back some year and calculating what the true sewer reserve was. Councilmen Xavier explained we are lowering their sewer bill this coming year. We are not taking money from the sewer reserve and giving it back to the residents. This money was earmarked to go back to the residents as soon as we clarified all the figures.

Dan asked you have on the budget income sheet receivable from prior year grant of \$9,926.00 as income. That also was also on the receivable 2010 budget information was this money that never came to us or is that additional money. Mrs. Quinn responded that is money that has not come to us yet and that is for the Gazebo Grant Phase II. Dan asked where the \$10,000.00 Computer Grant is coming from. Terry said it is coming from the State. Dan asked about the Playground Grant receivable is that from the Insurance Company. President Short explained that is a State Grant that we just got the final approval on and we are waiting for the check to come in.

Dan asked about the Tax Collector Salary and Expenses has increased. Councilmen Xavier explained it is his salary.

Dan asked about the Public Liability Insurance increase and a reduction in the Buildings Utilities and Maintenance of \$2,000 is that a realistic expectation of what we spent last year. Mike Xavier said it is a realistic expectation of what expenses will be this coming year.

Dan asked about the Police Budget there was \$15,000 different in the Police Car Operations than last year budget but on the last page is there a grant coming for a police car and is this coming from Senator Erickson and is that a new grant. President Short said yes that is true and he did give us one in 2008 and this is a new grant.

Dan asked is there any reason why there is a decrease in Pension Contributions from the Preliminary Budget. Councilmen Xavier responded we did not know if the State Aid was truly yet and we went mid way portion of the smoothing, we did not take the total smoothing because we have to pay for that down the line and we did not opt for the highest number because we did not want to put an economic burden on our residents so we went to the middle of the road which is what most Municipalities are doing.

Dan asked about Health & Sanitation and the new category under storm sewers \$15,000 is that a break out. Mike explained yes it is a break out. Dan asked about the Sanitary Sewer is that our local expenditure from DELCORA and that is a \$9,000 increase. Mike explained we looked at engineering fees because these fees can't be part of the grant expenditures.

Dan commented on the Highway Budget taking a big hit. They lost 25% of Repairs and Maintenance on roads and highways considering we did not do any real paving this year because of the snow from early in the year. Mike explained they have a \$25,000 grant to put towards Highways. President Short commented thanks to Representative Micozzie there is something closer to \$100,000. Dan asked in addition to the \$75,000. President Short said yes the \$75,000 is to cover snow removal, salt and if there is any left over to go to Road Resurfacing.

By having that grant given to us we reduced that by \$25,000 in anticipation of the \$100,000 grant. Dan said you are anticipating a \$100,000 grant through Representative Micozzie is that final yet. President Short responded no. Mike commented \$25,000 of that goes to the Highway budget. Councilmen Cosgrove explained we are looking in addition to our normal road condition situation we are looking at these cutouts and strips and lines all over the town and where they are the worst and maybe this money will correct some of those situations.

Dan asked about Law & Ordinance a new line for Secretary is that just a re-adjustment in terms of allocating and was previously listed under General Administration. Councilmen Xavier commented yes that is correct. Dan said if you take line 3 and line 36 there is an increase from last year. Councilmen Xavier said yes there is an increase.

Dan asked the Recreation Board and all the item lines have taken a decrease from last year of about \$6,000.00, do we have any impending grants in the category we are unaware of. Councilmen Xavier explained no grants and we are going to hold the clubs responsible to do some of their own stuff this year. Dan commented he believes the 2010 Budget was a decline from the 2009 Budget for the Rec Department. Councilmen Coppola commented they were budgeted for a couple of good size jobs. There was a drainage situation by the Snack Bar and some Safety Lighting and some extra costs in the past couple of years.

Dan asked what the unit number for houses for the Trash and the Unit Number of houses we will be using for the Sewer. Terry Quinn responded the unit number we will be using for trash is 1,759 and for sewer it is 2,059. Dan asked why there is almost 200 more units. Terry Quinn responded the number came from Bob Park, our Tax Collector. Dan commented that would also account for if we had a higher number for billing the fees would be less per unit.

John McBlain commented, he wanted to thank Council for their work because this was a difficult budget to prepare this year and if you have read the local newspapers over the last several weeks some Municipalities have passed their budgets and you can see how difficult a year this is. Mr. McBlain sees this from the County standpoint, when you look at the combination of the reductions in tax assessments, and Aldan Industrial Park had a major reduction this year, and we are seeing this across the County for many Commercial Properties. This is a significant decrease in terms of assess value but if you are able to do that and have a Net Decrease in the residents bill that is a truly amazing feat that you have accomplished this year and thank you for that. Aldan's Budget in terms of the millage rate in contexts with some Municipalities in the William Penn School District, Aldan millage is 5.6584 mills; these numbers are 2010 numbers and do not reflect the increases for 2011; Colwyn Borough is 19.9 mills, our bill is 28% of what the bill is in Colwyn there bill is 3 X as large as what our bill in Aldan Borough; in Darby Borough we are only at 41% of what the Darby millage rate is and Darby also has a 1% earned income tax; East Lansdowne Borough is at 11 mills which is almost twice what Aldan is; Lansdowne Borough is 10.585 mills in 2010 and they had an increase so we are only at about 50% of the tax bill the Borough of Lansdowne has; in Yeadon Borough they are at 8.89 mills, prior to the increase this year so we are at 63% a little less than 2/3 of what the Yeadon tax bill is. Yeadon Borough instituted a 1% earned income tax for the residents for the coming year. We are significantly under what those other Boroughs are but we never held ourselves out as a standard to reach matching what other Boroughs in the William Penn School District did. If you look at some of the surrounding towns Clifton Heights we are only at 47% of what their millage is and they passed a ½ mill increase last night; Collingdale is at 9.8 mills and that is 57% of what Collingdale is; Darby Township we are about 2/3 about 63 ½ % of what their tax bill is; and Upper Darby we are only 37% a little over 1/3 of what Upper Darby tax bill is to the residents.

In looking at the different tax rates available we are more like Folcroft and Glenolden, which are well run Boroughs and to get into the same type of millage rates you're looking at Nether Providence, Radnor, Springfield and Swarthmore is where Aldan is. It is really a great accomplishment first of all to deliver a budget where residents will have a decrease this year in what they have to pay but also to keep the budget very favorably to similarly situated Boroughs near us in Delaware County. Thank you for all your efforts and accomplishment and this is a testament that it is only a few residents here tonight, if we were like some of the other boroughs and imposing a 1% or raising the taxes high you would have a whole room. President Short responded thank you for your comments and gratitude.

Dan asked he has the assessed value at \$163,227,123.00 is that the number that is being used tonight. Terry Quinn responded yes.

President Short said there is a motion made by Councilmen Xavier to accept Aldan Borough 2011 Budget, and seconded by Councilmen Baker and unanimously approved.

Councilmen Xavier presented Ordinance #506 the Tax Levy Ordinance for 2011, the total millage is 5.6584 mills, the penalty percentages on the Real Estate Tax will remain at the present rate of ten percent (10%). Sewer Rental Rates shall be reduced to \$300.00 per unit. Commercial and Industrial rates are established by the formula originally set forth in the Agreement between the Borough and the Darby Creek Joint Authority (DCJA) and shall be increased proportionately; the Borough may, however, at its discretion perform an audit upon an Industrial or Commercial property to reassess the Sewer Rental Rate based upon a criteria or formula developed by the Pennsylvania Department of Environmental Protection, as contained within that agency's regulations at Title 25 of the Pennsylvania Code. Mike Xavier made a motion to accept and adopt the Tax Levy Ordinance # 506 for 2011, seconded by Councilwomen Brookes and unanimously approved.

ADJOURNMENT

On a motion made by Councilmen Coppola, seconded by Councilmen Baker and approved unanimously, the Special Meeting to Vote on the 2011 Budget of the Borough Council and the 2011 Tax Levy Ordinances was adjourned at 7:40 p.m.

ATTEST

MARIE V. KAUT
Borough Secretary