

***MINUTES OF THE
BOROUGH OF TOPTON
BOROUGH COUNCIL MEETING
Monday, October 23, 2023***

The regular semi-monthly meeting of the Tipton Borough Council was called to order by Council President Polinsky at Borough Hall, 205 South Callowhill Street, Tipton, PA 19562 at 7:00 PM. Present were Mayor Miller, Council Members C. Cook, A. Falcone, K. Hassler, M. Kunkel, E. Polinsky, E. Stoudt, M. Stoudt, Borough Manager Stacy C. Milo, and Borough Administrative Assistant Terry Hook.

The meeting was opened with the Pledge of Allegiance.

BOROUGH MANAGER

Borough Manager, Stacy C. Milo, presented the Council with the proposed 2024 budget for the Borough of Tipton. Ms. Milo introduced the budget process by explaining PA fund accounting and having a balanced budget by fund. Discussion centered primarily on the General Fund, Water Fund, and Sewer Fund. Highlights and discussion points are as follows:

General Fund

- The proposed budget reflects \$1,976,856 in both revenues and expenditures (pp. 1-8).
- Ms. Milo noted the Borough is experiencing increased costs related to contractor wages, materials, and equipment maintenance, in addition to expected increases in fuel and chemical costs.
- A real estate tax increase of 1.0 mill, from 6.4 mills to 7.4 mills is proposed.
- Ms. Milo discussed some of the newly added expenditure lines in the proposed 2024 budget:
 - Vector Control for Non-Borough Owned Property (p. 6)
 - Planning Commission Supplies (p. 6)

Water Fund

- The proposed budget reflects \$560,664 in both revenues and expenditures (pp. 9-10).
- Ms. Milo discussed the following line items:
 - Media – Filters (p. 10); the Borough expects to receive the necessary permit to replace the media filters in 2024.
 - Plant Maintenance Systems, Hydrants and Springs (p. 10); valves and pumps were replaced this year at the plant.
- Ms. Milo stated she hopes the DCED PA Small Water and Sewer grant application will be reviewed and approved by the state in 2024. Ms. Milo stated if the grant is approved, it would require approximately \$62,000 in matching funds from the Borough. Ms. Milo stated neither the matching funds nor the potential grant proceeds are included in the proposed budget.
- Ms. Milo stated the budget includes a proposed change to both the commercial and industrial water rents, which would be discussed in more depth later in the meeting.

Sewer Fund

- The proposed budget reflects \$1,051,376 in both revenues and expenditures (p. 11-12).
- Ms. Milo stated that similar to water, the sewer budget includes a proposed change to both the commercial and industrial rents.
- Ms. Milo discussed the following line items:
 - Capital Improvements (p. 12); the Washington Street Pump Station project which serves 50% of the Borough should begin in 2024, with completion targeted for the end of spring 2024. Ms. Milo stated permit approval is currently pending from PA DEP.
 - Chemicals (p. 12); chemicals were under budget for 2023, but due to compliance requirements will remain budgeted at \$100,000 for 2024.
 - Cleaning of Reed Beds Escrow Deposit (p. 12); though they were done last year, ideally funds would be allocated towards this annually. Ms. Milo stated due to budget limitations there are no funds proposed for this line item in 2024. Additional discussions occurred later in the meeting regarding this.

New Software for General Fund, Water Fund and Sewer Fund:

Ms. Milo stated an additional expense included across the General, Water and Sewer funds is new software for accounting, billing, and payroll. Ms. Milo stated the current software is difficult to work with, incorrect, and not up to auditing standards (Account 406.252, pp. 4, 9, 11). Ms. Milo stated the initial costs for 2024 are significant, but would decrease in 2025.

Additional Discussions and Questions:

- Real Estate Tax Increase: Ms. Falcone asked what 1 mill equates to. Ms. Milo stated that the increase will add approximately \$78,000 to \$78,500 to the Borough's revenue for 2024. Ms. Falcone asked for a translation into a property tax increase on property owners. Ms. Kunkel provided the following examples:

Assessed Value of Property	1 mill Increase (Annual) in Real Estate Taxes
\$75,000	\$75.00
\$150,000	\$150.00

- New Software: Ms. Cook asked for a breakdown of the costs. Ms. Milo offered to share the quote with Ms. Cook but stated the approximate costs for 2024 would be \$40-\$45K, then dropping to approximately \$20K in 2025 and forward for licenses and support.
- Reed Beds / Special Events: Mr. Polinsky asked how much should be allocated annually towards the reed beds. Ms. Milo suggested placing \$10,000 aside each year for about 6 years. Discussion ensued around the amount to be allocated, the option to transfer funds from the General Fund to the Sewer Fund to cover this expense, whether a portion of the Park Activities (p. 8) expense could be offset by event donations again for 2024, thus allowing some of the park activity funds to be re-directed to the reed bed allocation, the need to ensure

special event donations continue to remain dedicated to special events exclusively, the need to handle donations differently going forward and an anonymous donation received in 2023.

- Planning Commission – Joint Comprehensive Plan (p. 6): Mr. Leo Scott, Planning Commission President, provided an update on his recent meeting with BCPC representatives and municipality representatives, the cost scenarios for an updated plan, grant options, the likelihood of grant awards, the quarterly costs to the Borough, the duration of those quarterly costs, and possible solicitor and engineering costs. Mr. Scott added the State advised a funding contingency could be included in any letter of intent the Council chooses to write. Mr. Polinsky confirmed the overall total cost for the plan would be approximately \$11,500. Additional discussion ensued on the pros and cons around inclusion in this plan, and the accuracy of the data associated with the current plan. Ms. Julie Pummer, Planning Commissioner, stated the current plan ends in 2025 and examples of changes needed in the plan due to adopting a new zoning ordinance. Mr. Scott stated the next meeting to discuss the plan is scheduled for December. Council will discuss this in November agreed to retain the budget line item at \$5,790 for now.
- Water/Sewer Rates: Mrs. Stoudt raised the issue of water/sewer rates. Mr. Polinsky pointed out that since 2000 with the sewer plant expansion, the Borough has not operated without a sewer loan for any extended period of time, illustrating that the Sewer Fund has not been self-sustaining for some time. Mrs. Stoudt raised concerns over “sticker shock” from the commercial and industrial customers receiving a significant increase but acknowledged there is little discretionary spending in any accounts that could be cut. Discussion ensued on limited options available to balance the funds, the timing of any revenue generated by logging the watershed property, remaining sewer loan payments, the Borough’s water/sewer rates compared with those in surrounding communities, and the existing contract with the Lutheran Home at Topton, which ends in 10 years. Mr. Polinsky stated that this will continue to be discussed at the November meeting.
- Real Estate Tax Increase: Ms. Kunkel discussed the lack of a tax increase in 2023 and a possible increase of 1.5 mills.

Mrs. Stoudt made a motion to authorize the advertisement for public display of the proposed 2024 budget for a period of 10 days in the Borough Office. Mr. Stoudt seconded the motion. The motion passed unanimously.

Ms. Milo reminded Council that further discussion of the proposed budget will continue at the November 13th meeting, and if needed, the meeting on November 27th. The adoption of the 2024 proposed budget is scheduled for the December 11th meeting. Ms. Milo confirmed the 2024 budget must be approved no later than December 31st, 2023.

HEARING OF VISITORS

There was no visitor input.

COMMUNICATION

Ms. Milo stated Mr. Larry Werst from the Topton Mini-Museum requested a reminder be provided to the community at this meeting about the activities in November, especially those around Veterans Day, including the presentation to the Brandywine Heights Middle School.

ADJOURNMENT

Council adjourned at 7:55PM on a motion by Ms. Kunkel, seconded by Mr. Stoudt.

The next regular Borough Council meeting will be held on November 13th, 2023, at 7:00PM.

Respectfully Submitted,
Terry Hook / Administrative Assistant