

1 **Borough of Akron Budget Meeting-October 7, 2024**

2

3 **Council Members Present:** Nathan Imhoff-President, Kleon Zimmerman, Paul Swangren, Jr.,
4 Ryan Cochran, Bonnie Young, Tonya Haynes (Justin Gehman not present)

5

6 **Others Present:** Mayor John McBeth; Sean Molchany, Borough Manager; Susan Davidson, Asst
7 Borough Manager; Valerie Wagner, Director of Finance; Tom Murray, Jr., Public Works
8 Supervisor

9

10 **Visitors:**

11 John Taylor, 216 S 8th St Akron

12 Sue Glick 119 S 10th St Akron

13

14 **Roll Call**

15 Kleon Zimmerman-present

16 Paul Swangren, Jr-present

17 Ryan Cochran-present

18 Bonnie Young-present

19 Tonya Haynes-present

20 Justin Gehman Vice President-absent

21 Nathan Imhoff President-present

22 Mayor John McBeth-present

23 Max Herman, Junior Council Member-absent

24 Alyssa Vasyanovich, Junior Council Member-absent

25 Martin Sweigart, Junior Council Member-absent

26

27 Meeting opened at 6:00pm with the Pledge of Allegiance.

28

29 **Visitors/Comments from Public**

30 Zoom-none

31

32 **2025 Proposed Budget**

33 Assistant Borough Manager Susan Davidson opened the meeting by stating the purpose of the
34 meeting was to discuss the proposed 2025 Budget. She stated that drafts of the General,
35 Water, Sewer, Liquid Fuels and Capital budgets were sent to Council and the Mayor for review
36 over the weekend.

37

38 Davidson began by presenting the proposed Highway Aid/Liquid Fuels budget for 2025. There
39 were no expenditures in 2024. Proposed projects for 2025 include thermoplastic rail trail
40 crosswalks (carryover from 2024) and the engineering for the reconstruction of Diamond
41 Street. Total proposed revenues and expenditures are \$308,710.00 for a balanced budget.

42

1 Nathan Imhoff asked about 2024 balance forward and if any of those funds could be used to
2 pave some of the alleyways within the Borough. Borough Manager Sean Molchany answered
3 that not all alleyways are eligible for Liquid Fuels funding.
4

5 Davidson reviewed the proposed Water Fund budget. Staff recommends an increase in water
6 rates from \$8.00 to \$8.25 per 1,000 gallons.
7

8 She shared that Borough Manager Sean Molchany and she worked to reallocate staff salaries
9 between funds to better reflect the employees' hours for that fund. Health insurance, liability
10 insurance and electric costs have all increased.
11

12 Davidson explained new line items within the Water Fund to better track expenses related to
13 the wells, standpipe and water plant. Previously there was one line item for any maintenance
14 or repair; now there will be a separate one for each location. A new line item for emergency
15 water main repairs has been added to better reflect the tracking of expenses. This was
16 previously taken out of system maintenance and street repairs.
17

18 Davidson stated that staff have not yet received costs for liability insurance; the budget was
19 drafted with an estimated 10% increase in costs.
20

21 The total proposed water revenues are \$572,913.00. Total proposed expenditures are
22 \$555,649.00 with a net fund balance of \$17,264.00. Staff suggested that the net fund balance
23 be budgeted to add to Water Reserves to put towards the engineering on the standpipe
24 project.
25

26 Discussion ensued regarding the amount proposed for lab testing be decreased from
27 \$15,000.00 to \$10,000.00 thus increasing the net fund balance to \$22,264.00.
28

29 Discussion was had regarding new equipment purchases – staff shared that resin may need to
30 be purchased for the water treatment plant based on results of resin testing.
31

32 Susan Davidson shared that PPL Electric Utilities may increase the Distribution System
33 Improvement Charge (DSIC) from 5% to 9% if approved by the PA Public Utilities Commission.
34 This charge is only on the distribution charges and not on the supply charges.
35

36 Nathan Imhoff asked if solar would be a viable option to run the power to the pump houses.
37 Public Works Supervisor Tom Murray, Jr. and Sean Molchany stated that the surface area of the
38 roofs is not enough to generate the electricity needed.
39

40 Discussion ensued regarding increasing water rates. Paul Swangren, Jr. asked if the proposed
41 water rate increase was to balance the budget; Susan Davidson replied yes. Council President
42 Nathan Imhoff stated he is in favor of small rate increases over time to keep up with rising costs
43 vs. one large increase every few years.
44

1 Susan Davidson reviewed the proposed Sewer Fund. Total proposed revenues and expenditures
2 are \$1,004,215.00 for a balanced budget. In order to balance, Susan Davidson shared that she
3 budgeted for a transfer to Sewer Reserves.

4
5 Staff suggests that sewer rates remain at \$15.25 per 1,000 gallons.

6
7 Davidson stated that the proposed budget includes and increase in the amount budgeted for
8 sewer flow penalties. Due to a very wet spring, the 2024 amount budgeted for penalties was
9 exceeded.

10
11 Salaries have been reallocated based on the employees' hours in that fund. Health insurance,
12 liability insurance and electric costs have all increased.

13
14 Ms. Davidson pointed out a line item for sewer main repairs and maintenance was added to
15 accurately track costs related to emergency breaks. There was an unbudgeted expense in 2024
16 due to a break on Farmersville Road.

17
18 Discussion ensued regarding the breakdown of maintenance and equipment purchases for each
19 lift station.

20
21 Paul Swangren, Jr. asked about the costs for amortization and the work that Ephrata Borough
22 has completed on Plant #1. Susan Davidson replied that the cost of the work completed is
23 reflected in current figures. Staff have not received costs from Ephrata Borough for treatment
24 costs or amortization for 2025, and the budget amounts reflect the same as last year as a
25 placeholder.

26
27 Nathan Imhoff asked if any inflow and infiltration (I&I) work is needed on Diamond Street, and
28 if so, would those sewer lines be repaired before the paving work is done. Public Works
29 Supervisor Tom Murray, Jr. stated that any work needed will be done before paving.

30
31 Davidson reviewed the proposed General Fund budget. Staff proposes a tax increase of 0.3
32 mils, which would take property tax from the current 3.3 mils to 3.6 mils.

33
34 West Earl Police contracting services will increase almost \$49,000.00 in 2025. The annual self-
35 insured health insurance reimbursement from Benecon will be \$0.00 for 2025. The School
36 Resource Officer contribution has increased along with increased annual software maintenance
37 costs.

38
39 Staff recommends a \$1.00/hr increase for crossing guards in 2025. The last increase for crossing
40 guards was in January 2023.

41
42 A budget line was created for salaries related to Planning & Zoning that will be moved out of
43 Administration to better reflect the hours that Sean Molchany works for each fund. There is

1 also some money budgeted for any part-time consulting that will be needed for any audits,
2 including pension, etc.

3
4 Proposed General fund revenues are \$2,096,794.00 and proposed expenditures are
5 \$2,130,673.00 leaving a net fund balance of (\$33,879.00).
6

7 Paul Swangren, Jr. noted that the line item for emergency management had decreased from
8 \$1,000.00 to \$500.00; he asked that \$1,000.00 be kept as the budget. He also noted that MS4
9 (Municipal Separate Storm Sewer System) engineering had been cut from the budget. Staff
10 advised that this had been combined with the general engineering budget. Paul Swangren, Jr.
11 stated that it is best practice to have a separate line item to show MS4 spending. Staff will keep
12 the line item with a \$1,000.00 budget.
13

14 Kleon Zimmerman asked why Parks salaries increased so much. Susan Davidson and Director of
15 Finance Valerie Wagner responded that it was not necessarily an increase, but rather a
16 reallocation of budgeting to reflect how many hours are spent by Public Works employees in
17 the Borough's parks. Valerie Wagner is working on a report that shows the number of hours
18 Public Works spent in each department over the last six months.
19

20 Nathan Imhoff suggested keeping track of the costs related to mowing in the parks – it will be
21 helpful to do a cost analysis in coming years when deciding to contract out mowing services vs.
22 keep it in house.
23

24 Susan Davidson explained that staff reallocated the percentages charged to each fund for
25 worker's compensation insurance. When Akron Borough had a police force, the allocation was
26 80% general, 10% water and 10% sewer. Without a police department, it is being updated to
27 reflect 40% general, 30% water and 30% sewer.
28

29 Borough Manager Sean Molchany reviewed the proposed 2025 Capital Projects budget. He
30 explained the purpose of having a contingency fund for unexpected expenditures.
31

32 Mr. Molchany reviewed all the proposed capital projects including two carryover projects from
33 2024. He is waiting on figures for standpipe engineering, costs to replace the standpipe,
34 Millway Pump Station roof and soft start pumps. The current proposed Capital Projects budget
35 is \$479,500.00.
36

37 Paul Swangren, Jr. asked if the PennDOT grant Green Light-Go would cover the pedestrian
38 crosswalk. Sean Molchany will look into it.
39

40 Sean Molchany shared that Truck #47 is the Borough's most used dump truck and the bed is
41 rusted out. Approximate costs of \$9,000.00 to replace the bed then powder coat it to prevent
42 new rust. The truck only has 25,000 miles on it and is worth fixing. Paul Swangren, Jr. asked if
43 the expense was something the Borough could take care of in 2024. Public Works Supervisor

1 Tom Murray, Jr. shared that it is possible, however he is waiting on other bills to come in and
2 will not know until then.

3
4 Discussion was had about the total costs of repairing and replacing sewer lines and how much
5 can be feasibly done each year. Nathan Imhoff asked if there are grants to help municipalities
6 like Akron Borough. Sean Molchany replied that there are not many, and most grant writers will
7 see the Borough's sewer lines as maintenance that would not qualify.

8 Ryan Cochran asked if other municipalities are facing the same funding situations; Sean
9 Molchany said yes many are.

10

11 Paul Swangren, Jr. stated that in previous Council discussions it was said that a pickleball court
12 at Broad Street Park and the ADA handicap accessibility for the gazebo at Roland Park would be
13 added to the Capital Projects budget for discussion. Sean Molchany stated that in order to add
14 a pickleball court to Broad Street Park, the entire hockey rink area would need to be redone. He
15 said he will add the ADA gazebo upgrade. Discussion ensued regarding grants.

16

17 Ryan Cochran stated that if the Borough will need to spend a large amount of money to bring
18 the gazebo up to current ADA standards, he suggests tearing it down and rebuilding one in a
19 new, better situated location.

20

21 Nathan Imhoff said perhaps the Borough could use some of the reserve funds that were
22 leftover from the Colonial Park pavilion project to add electric to that pavilion. Discussion
23 ensued. Mayor John McBeth stated he thinks that is a bad idea and that the funds should go
24 towards shade trees or picnic tables. Nathan Imhoff responded that the Mayor had previously
25 asked for electric at the pavilion which is why he suggested it, but that the funds could be used
26 towards replacement trash cans at Colonial Park.

27

28 Mayor McBeth said he would rather see basketball hoops at Broad Street Park and the sidewalk
29 in front of the Borough's water plant be repaired rather than the Borough office building get a
30 replaced driveway.

31

32 **Old Business/New Business**

33 Ryan Cochran moved to approve a check in the amount of \$159,284.05 to Aquatic Resource
34 Restoration for the initial payment of the Stream Bank Restoration Project at Roland Park, and
35 to approve a check in the amount of \$19,948.75 to Construction Masters Services for the recent
36 paving on Highland Street. Paul Swangren, Jr. seconded. Motion carried.

37

38 Paul Swangren, Jr. moved to adjourn at 8:15pm; seconded by Tonya Haynes. Motion carried.

39

40 Respectfully submitted,

41 Susan Davidson

42 Asst. Borough Manager/Secretary

43

44 SD/vw