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**BUDGET MEETING  
October 1, 2008**

President Linn Auman called the first budget meeting of the Millheim Borough Council to order at 6:09 p.m. with the following persons in attendance: Linn Auman, Kay Brown, Marlene Corl, Alan Ilgen, Tom Strebel, Sharon Heckman and John Dubosky

Absent: John R. Miller, III.

John Dubosky of the Aaronsburg Library Board was present to discuss some of the information necessary to meet the Centre County Library procedures. Mr. Dubosky explained that the library is interested in the gymnasium and boiler area for the library's use. The room at the upper level would also be a nice addition. He explained that a sketch was reviewed with Monte Shreckengast that included steps up the center and two loft areas with a central atrium. However, the library must have an architect do this determination.

The heating system was discussed. Possible solutions were:

1. To use a ground water system, may want to be used for the entire building.
2. One system using radiant heat for the gymnasium and the upper classroom and a 2<sup>nd</sup> system for the upstairs.
3. Library talked about using two 4000 watt heat pumps with propane backups.

The Library would do the heating system for library unless a cooperative system beneficial to both the library and the Borough was decided on. Alan Ilgen and President Auman suggested perhaps Council may want to consider a total heat and air conditioning system for the whole building. No definite conclusion was reached.

Mr. Dubosky explained that the Library is grateful for the space and except for the asbestos removal they are willing to pay their share. Mr. Ilgen suggested a minimal lease for enough years for the library to recoup their costs because of their large monetary investment for building improvements. The side doors at the Borough Building could be open during library hours and if necessary a door could be put at the top of the steps to keep people from Borough offices after hours.

Parking was discussed and the Secretary explained that DCNR will not pay for parking spaces for the library but Mr. Smith put in enough spaces for DCNR requirements and the 13 parking spaces were added for library use. John thinks not necessary to put parking spaces in the lease agreement but signs reserving the spaces for the library could be added later if problems occur. He thinks there is plenty of parking.

If a loft system is used an elevator would be installed by the Library.

Mr. Dubosky would like to reuse any wood in the gymnasium for shelves because it is chestnut.

After discussion the items agreed upon for inclusion in a 50-year Lease Agreement with the Library were as follows:

Millheim Borough would be responsible for:

1. All outside maintenance (snow removal, grass mowing).
2. Asbestos and boiler removal.
3. Put a roof over the outside stairs for the upper level room.

Aaronsburg Library would be responsible for:

1. Installation of new windows and doors.
2. All inside maintenance to library areas.
3. Installation of an outside dusk-to-dawn light.
4. Cost of water and sewer permits to meter separately.
5. Anything intrinsic to the library use.
6. Library insurance must list the Borough as an additional insured.

The Secretary will forward this information to the Solicitor so he can prepare a "Draft" for the Library's meeting on October 7, 2008. The Centre County Library meeting is in November.

Lauralee Snyder entered the meeting at 6:30 p.m.

The State Aid (Liquid Fuel) Budget was discussed. The Secretary explained that the proposed Motor Vehicle Fuel Tax should be changed from \$21,000 to \$22,138 based on information just received from the Commonwealth of Pennsylvania. She also explained that one-half of the proposed Mill Street paving costs of \$25,130 were included and this project will be submitted as a County Liquid Fuel Grant Application. The Secretary explained that Todd Wasson talked about possibly trading in one of the snow plows but to date he hasn't gotten any prices. Mr. Wasson also plans to get new tires for the Steiner. These items will be charged one-half to State Aid and one-half to General Fund. After further discussion, the decision was made to accept the proposed Liquid Fuel Fund Budget, with the increase in revenue as explained above, in the amount of \$46,138.

The Downtown Beautification Budget was then reviewed. After discussion, the consensus of Council was to accept the budget as presented in the amount of \$655.00. Unless donations are made this year revenue to fund these expenditures will be taken from the Variable Certificate of Deposit for this account.

The decreased interest rates on the Certificates of Deposit were discussed. The Secretary explained that to get higher rates the money would need to be locked in for five or six years and even then the rates weren't too good. So to be able to take advantage of higher rates if they are offered and to avoid any penalty fees if the money is needed the money is currently getting lower rates.

The Water Fund Budget was then discussed. Last year the water usage rate was raised by 25¢, with the idea that another 25¢ could be added this year. The Secretary explained that she has decreased the projected revenue because it was over estimated last year based on proposed building at the Mensch subdivision that didn't materialize and some leaking service lines that were repaired. The possibility of escalating late fees was discussed. The Solicitor needs to respond to this suggestion. The Secretary explained that chemical and electrical costs are lower now that the leaks are under control. The consensus of the group was not to raise rates this year if they can avoid it. Chemical costs were higher at the beginning of the year because of the leaks. The information has been forwarded on the new sewer plant to the insurance company for our proposed price but to date nothing has been received. The water plant portion may not be much higher but the sewer plant portion will probably be a significant increase. The main water line that is to be replaced in Rt. 45 before PennDot repaves the road in two or three years was discussed. Roy Rupert is requesting equipment for approximately \$500 and because of the age of the pumps money was added in case one needs to be replaced. The fire hydrant across from the Fire House needs to be moved in the spring. The Lady Bug Spraying was discussed. The current contract is on-going unless the Council cancels it. The unanimous consensus of the group was to cancel the contract after the October spraying and if there are any further problems Ehrlich's will be called as needed. Timbering of the water lands was discussed. Nothing further can be completed with this budget until salaries are decided upon.

President Auman called an Executive Session at 7:39 p.m. to discuss salaries and matters of employment.

The meeting was recalled from Executive Session at 8:35 p.m. with the following persons in attendance: Linn Auman, Kay Brown, Marlene Corl, Alan Ilgen, Tom Strebel, Lauralee Snyder and Sharon Heckman.

President Auman announced that Council decided to conduct employee interviews on October 22, 2008 beginning at 6:00 p.m. with each interview lasting for fifteen minutes and the Budget meeting will begin at 7:00 p.m. They would like to know what the employee expectations are as far as salaries, benefits, etc.

The Sewer Fund Budget was discussed. The current sewer rates should cover the projected budget. The chemical costs have been significantly reduced because chlorine is not being used with the new plant. The electric costs may be much higher this year. Sludge removal is expected to be less with this new plant but we have no idea how much to reduce it. Kay Brown suggested that if we budget high this year but don't need to raise the rates we will have a better idea for next year. Roy Rupert needs a shop vacuum and a metric tool set that would be approximately \$320 to be included in the repair line item. Other than that the only thing he would need would be shelves. The new digester is working so the trash collection costs for 2009 needed to be increased. Money was included in the budget for the Engineer to complete the Chapter 94 report in 2009.

The unanimously agreed to adjourn the meeting at 9:00 p.m. Motion carried.

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Sharon A. Heckman, Secretary-Treasurer