

**REGULAR MEETING
BADEN BOROUGH COUNCIL
AUGUST 15th, 2018**

Council President Judi Montell called the Regular Meeting of Council to order at 6:30 p.m. in Council Chambers of the Baden Municipal Building, 149 State Street, to conduct business of general purposes.

PLEDGE OF ALLEGIANCE

ROLL CALL

PRESENT: Mrs. Furr, Mr. Kotula, Mr. Shelkons, Mr. Trzcianka and Mrs. Montell (Not present: Mr. Besong, Mrs. Singleton)

ALSO PRESENT: Mayor Sam Gagliardi, Solicitor James Amato, Engineer Tony Sadaka and CEO Bob Weber

ACKNOWLEDGEMENT OF OTHER RECORDING DEVICES

AGENDA (Changes and/or Deletions)

VISITORS

Auditor Kim Turnley gave an overview of the 2017 audit and answered questions from the Mayor and Council. The audit has been completed for a while and the DCED Report was filed in March. Mr. Trzcianka asked a question about the percentage changes between funds in regard to the bond issue. The prior bond was refunded and more money was borrowed. The prior bond was for capital projects within water and general fund. When the borough refinanced we borrowed more money and that additional money was used for capital projects that fall under the general fund which changes the percentages of the repayments from the two funds.

Mayor Gagliardi asked to clarify some questions he had regarding the audit. The first was the comment about omitting the management letter of general accounting principles. Mrs. Turnley stated that Baden Borough along with 90% of the municipalities that they audit do not keep their books in compliance with GAAP (General Accepted Accounting Principles). This has nothing to do with doing something wrong. Records may be kept in various forms of accounting, which are cash (what Baden uses), modified accrual and full accrual. There are a hand full of municipalities that do full accrual accounting and that is because of their size. They are Robinson, Chippewa, Sewickley, and North Huntingdon to name some. They have the size and staff to follow GAAP. The Management Letter falls under full GAAP. It doesn't mean anything is done wrong, but Baden is a small municipality like most of Pennsylvania. This wording is in the report because the law requires that it is documented. Conway, Ambridge and Belle Acres are just like Baden and have the same wording in their audit. To follow GAAP is time consuming and costly for small municipalities, but is not necessary. Mrs. Turnley explained that the cash basis that Baden currently uses means that whatever is in the bank on December 31st is what the audit is based upon. It does not take into consideration revenues and expenses outstanding. GAAP requires the calculation and tracking of depreciation and more detailed pension documentation. She said following GAAP is beneficial, but can be very confusing to many. Mrs. Turnley stated that with our recent bond having an excellent bond rating Baden is doing everything right. If the bond rating was low she would then recommend possibly going to modified accrual, but that is not the case.

Mayor Gagliardi asked about the Water Fund and cash flow statement. Mrs. Turnley explained that this shows how money comes in and out of the account to get to the balance of \$33,000. So money in brackets are negative or money going out of the

account. She stated that this could be complicated to understand if you don't have an accounting background.

Mayor Gagliardi asked about the payment scheduling for debt. She explained that the first five years are broken out separately by year and the balance of the payment years are broken out by five year increments.

Baden Borough guaranteed debt for the municipal authority bond and that is also noted in the audit because it is also a part of the required documentation.

Mayor Gagliardi asked about the \$80,000 from the municipal authority. It was explained that this is payment for services by the borough. Mrs. Turnley stated that this is common amongst other municipalities.

Mr. Shelkons asked about boards under the borough like the Recreation Board. It is noted in the audit because the board uses the borough EIN number. As for what the actual board needs to maintain financially, she stated that they should keep all receipts, expenditures, reconcile each month and if cash is going out the door for activities make sure receipts are given to track that monies. Written notes are good too and have multiple people involved in the tracking process. Mrs. Turnley stated that these little funds for boards is where the majority of theft takes place because of the lack of tracking and documentation. She gave an example of Fire Departments doing boot collections. How can you prove that all the money was deposited into the bank? As for 50/50 raffles the tickets should be numbered and documented. So if 200 tickets were sold at \$1 each then there should be \$200 deposited into the bank. Mr. Trzcianka asked about extra candy left over after the fire department hands it out for Santa and should it be tracked. Mrs. Turnley stated that whatever the majority rules should be fine in the situation. So giving it to the borough office to hand out is fine. The key is to be transparent with your records.

MINUTES

MOTION by Mr. Trzcianka, second by Mr. Kotula, carried unanimously to approve the minutes of July 16th and 18th 2018.

BILLS TO BE PAID

MOTION by Mr. Trzcianka, second by Mr. Kotula, carried unanimously to pay all bills with two signatures.

RESOLUTIONS - None

ORDINANCES - None

BIDS - None

CORRESPONDENCE - None

COMMITTEE REPORTS

Finance (John Shelkons)

General Fund Ledger Balance \$206,680	Expenses \$155,366
Water Fund Ledger Balance \$122,978	Expenses \$131,302

MOTION by Mr. Shelkons, second by Mr. Kotula, carried unanimously to accept the 2017 Audit.

Public Safety (Dave Trzcianka)**Part Time Officers**

MOTION by Mr. Trzcianka, second by Mr. Kotula, carried unanimously to hire three part time officers (Adam Beaver, Seth Miznik and Amanda Brown).

School Resource Officer Agreement

MOTION by Mr. Trzcianka, second by Mr. Kotula, carried unanimously to approve the resource officer agreement and forward it to the schools.

Expedition Repair

MOTION by Mr. Trzcianka, second by Mr. Kotula, carried unanimously to have the rust repaired on the Expedition not to exceed \$2,000.

Cross Walk Signs

MOTION by Mr. Trzcianka, second by Mr. Kotula, carried unanimously to amend last month's motion for the purchase of the cross walk signs for a new cost of \$636.

Mr. Shelkons asked if a decision was made regarding if the Expedition was staying with the police department. Discussion stated that it would remain with the police.

Building, Property & Grounds (Ted Kotula)**Walkway**

Mr. Kotula asked the engineer to explain what the sidewalk repair entails. Mr. Sadaka stated that the cost would be around \$10,500 and it would be removing the stone and applying a cement type epoxy. Once the stone is removed we really won't know the true condition of the foundation. So there is no guarantee at this time that there will not be additional costs. He again noted that once the stone is removed to expose the under layer no true outcome is guaranteed.

MOTION by Mr. Kotula, second by Mrs. Furr, carried unanimously to repair the walkway not to exceed \$10,900.

Library Steps

Mr. Sadaka asked what councils wishes were for the steps. They were hoping to repair them with the same thing that will be used on the walkway. Mr. Sadaka stated that he will have to look closer at the steps to get an idea as to what needs to be done.

Public Works (Dave Trzcianka)**Wooden Map File**

MOTION by Mr. Trzcianka, second by Mrs. Furr, carried unanimously to accept the Muncibid price for the map file of \$1,050.

Water Tank Inspection

The inspections will take place on Thursday.

Pickup Truck

A motion was made by Mr. Trzcianka, second by Mr. Shelkons to ratify the ordering the pickup truck under the COSTAR program for a cost of \$28,560. Mr. Kotula voted no.

Roll Call

Mrs. Furr	Yes
Mr. Kotula	No
Mr. Shelkons	Yes
Mr. Trzcianka	Yes
Mrs. Montell	Yes

Four (4) Yes, One (1) No – Motion Carried.

Municipal (Dave Trzcianka)

MOTION by Mr. Trzcianka, second by Mr. Kotula, carried unanimously to accept the resignation of Pat McFarland from the Municipal Authority.

MOTION by Mr. Trzcianka, second by Mr. Kotula, carried unanimously to appoint Frank McCartney to the Municipal Authority.

Library (Suzie Furr)

Funding

Mrs. Furr stated that Library funding from the school district is forthcoming, however they did receive the borough and county funding.

Knox Box

Mrs. Furr asked about a Knox Box for the library. Mr. Trzcianka commented that technically the building is the boroughs and he felt that the borough should pay for the knox box at the library as well as purchasing one for the borough building.

MOTION by Mr. Kotula, second by Mr. Trzcianka carried unanimously for the library and the borough building.

Community Relations & Recreation (Dawn Singleton)

Mrs. Singleton was not present.

Resignation of Cami Deneen

Motion by Mr. Shelkons, second by Mr. Trzcianka to accept the resignation of Cami Deneen from the Recreation Board.

Newsletter

Articles are due by August 31st

Old Borough Pictures

If anyone has old pictures of borough, please bring them to the borough officer so that they may be scanned for the borough calendar.

Appointment for Recreation Board

Motion by Mr. Kotula, second by Mr. Trzcianka carried unanimously to appoint Dawn Singleton to the Recreation Board.

Administration & Legislation (Bob Besong)

Mr. Besong was not present.

Penn Energy Agreement

MOTION by Mr. Trzcianka, second by Mrs. Furr, carried unanimously to sign the agreement with Penn Energy with a signing bonus of \$4,000.

SOLICITOR'S REPORT

Nothing to report

ENGINEER'S REPORT**CDBG Waterline Funding**

The funding for this project will not take place until November or December of this year.

Paving Project

Youngblood stated that they would be back in the middle of next week.

Forrest/Athalia Landslide

What are council wishes for the wall for the landslide on Forrest and Athalia. It is estimated to cost around \$50,000.

MOTION by Mr. Trzcianka, second by Mr. Kotula, carried unanimously to put the project out for bid.

Roof

Notice to proceed for the borough roof will be submitted and the project should commence before fall.

Milton Street Culvert

Mr. Sadaka stated that this would be a costly project. At this point the pipe needs to be televised because the pipe is over 160 feet long. Council asked that Mr. Sadaka get a price for the televising.

MOTION by Mr. Trzcianka, second by Mrs. Furr, carried unanimously to televise the Milton Street culvert not to exceed \$5,000.

Circle Street Slide

Mr. Sadaka received a quote of \$40,000. Mr. Sadaka stated that he could get two more quotes but in the end it will need to be put out for bid.

MOTION by Mr. Trzcianka, second by Mrs. Furr, carried unanimously to put the Circle Street slide repair out for bid.

MAYOR'S REPORT

Mayor Gagliardi reported that there were 361 calls last month and \$742.40 collected in fines.

Mr. Kotula asked the Mayor if he could get information from our surrounding municipalities regarding numbessr of calls and monthly fine collections.

**Old Business Not on the Agenda, New Business or Unfinished Business
West View Water**

Mrs. Rakovan stated that West View Water would like to have the inspection of Tevebaugh Road the week of September 10th. Once the date and time is set, she will notify council so that they may attend as well as the engineer.

**PRESIDENTS REPORT
ADJOURNMENT**

MOTION by Mr. Kotula, second by Mrs. Furr, carried unanimously to adjourn the meeting at 7:42 PM.

Respectfully submitted for approval,



Elaine K. Rakovan
Borough Secretary
September 17, 2018