



Indian Lake Borough

e-News

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Budget and Taxes

Council worked long and hard to come up with a 'good' budget for 2012. 'Good' means one that addresses each of the issues before us but in an acceptable but imperfect way; but with the imperfections well balanced. We had the following issues to address:

- Rising employee and benefit costs
- Long-term financing (at last...) for the dam remediation conclusion
- Deteriorating roads since we've been undercutting road budgets and focusing almost only on the dam for too long
- Redirecting the upward-spiraling legal costs back down
- Replacing aging equipment and vehicles
- Keeping millage under control in the process

Here's what we had to do:

- We recognized that we had three categories of employee expense: Running the Borough Office, Maintaining the Borough infrastructure, and Policing the Borough. The Borough Office and Infrastructure were judged essential; our Police force was judged very important but a genuine need that could be varied; it provided us some options and degrees-of-freedom in managing the budget. **We concluded we could live with a part-time police force and schedule coverage when and where we needed it most.**
- We looked hard at financing the dam remediation, now that Phase III costs will be minimized and capped via the easements. Bonds were found to be messy, more costly and less flexible [not to mention hard to understand and explain] than a conventional bank loan under current market conditions. **Budgeting for a 30-year bond model, but actually getting a bank loan, will allow us to pay it off in under 30 years; perhaps as little as 20 or 25...** The long-term repayment will cost \$450K per year. This alone is more than half of our 'starting' budget from 2008.
- We have to pave more of our roads; the 'seal coating' is effective but can't work miracles. East Fairway/Indian Drive is heavily used and it must get paved or it will soon need to be reconstructed. **We capped our road maintenance at \$200K.** If that's not enough we will scrounge elsewhere...
- We have 2 plow trucks at the end of their useful life. **We must replace one in 2012, and as soon as we can in January. We are deferring everything else (again), at least another year.**
- Legal costs have increased ten-fold since 2004-2005. We have concluded that we have to drive them back down. **We cut the legal budget in half as compared to the past couple of years and**

will need to behave accordingly. The lawsuits that were driving those costs have for the most part been resolved.

So, where did we wind up? **We cut our 'initial' forecast (increase) by 50% and arrived at a \$1.46M budget and a little over 3 mil tax increase to balance.** The budget will be posted for review and comment, and a tax ordinance advertised next week, to be approved and enacted at our regular December 14 Council meeting.

Water Line Upgrade

To comply with new EPA and DEP regulations we needed to upgrade the chlorination contact-time on Well#2/Buckstown Tank. This serves about 15% of the Borough. The initial 'solution' was to restrict flow and increase chlorine. That turned out to create a much bigger problem than the potential one we were asked to fix; the water odor and color became objectionable, almost unusable. A new solution is a solidly engineered fix that will replace about 400 feet of small 2-inch pipe with a section of 12-inch main tying into our existing 6-inch mains along West Shore Trail. Bigger pipe means more volume and longer contact-time for a given flow; we can then lower chlorine back to 'typical' levels and back to normal. This solution will have an added benefit in that we can add a couple of hydrants in that area and along that stretch.

Design work is done, the Army Corp of Engineers has blessed their part, DEP approval of the details will be requested hopefully next week, and with luck they will approve quickly and we can start work before January. Until then a boil-drinking-water advisory remains in effect for those customers, only.

Easements

We have more than 80% of the easements signed and ready to file. The remaining 90 or so fall into two categories; those that refuse and those that just haven't gotten to it. Here is the plan:

Develop a document to 'waive' the easement requirement to get an encroachment permit in order to build lower than the 2295.5 easement elevation. This will resolve all known issues of substance. This waiver will apply to EVERYONE who has or will sign an easement. There will be no reward for holding out...

We will soon begin Eminent Domain proceedings, beginning with 'voluntary' takings and proceeding through potentially more costly or controversial properties. This will permit the Borough to 'take' the easement in 30 days, and shift the burden to the property owner to challenge the 'value' of the property taken, judged preliminarily as negligible, in court. In some cases this is welcomed by the owner(s) as it is easier than them getting multiple notarized easements signed and filed. Though more costly, messy and potentially adversarial, Eminent Domain proceedings will give us 'closure' on the issue and allow us to proceed with DEP on the permits, etc. DEP has made this a precursor to proceeding with raising the breast of the dam. As stated above, all of our financial planning now hinges on proceeding in that direction, based on your overwhelming endorsement.

If you have questions, please ask.

Please return your signed easement if you have not done so already!

Election 2011

There will be 2 new faces on Council in 2012, Lynn Shimer and Terry St.Clair [well actually one new face and one returnee...] Congratulations to both.

I'd like to thank Bob Vogel for his service, and wish Council well into the future. The Borough seems more settled now than at any time in the recent past, and I pray that it continues. Getting the Dam work and the lawsuits behind us in 2012 will be a great start.

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