

Borough of Milford

Commonwealth of Pennsylvania



2/20/2024

Dear Milford Borough Taxpayers:

Subject: **2024 Budget Message-DRAFT**

We hope everyone is having a lovely winter season here in Northeast PA this year. This message is to summarize for you our 2024 budget which was available for review between 1/02/2024 and 1/21/24 and was then approved on 1/22/24 by your Borough Council.

The council set our 2024 mill rate at 40.85 mills. This means there was a reduction in our mil rate of 2.25 mills from last year. We reduced the millage rate by an amount equivalent to the increase in water rates imposed by the Milford Water Authority (MWA). The primary reason for the increase in water rates was due to the issues faced by the MWA surrounding the proposed development near the aquifer which provides drinking water to all Milford Borough property owners.

Below is information about your property taxes, how they are determined and how Milford Borough spends what is paid in property and other taxes.

What is the millage rate?

A millage rate, also known as a mill rate, is used to determine how much a property owner owes in property taxes. One mill is equal to 0.1% of your property's assessment. To determine the portion of your property tax that is for the Borough, you multiply your taxable assessed value x.001 x mill rate = **Borough property tax**.

How do I find out what my property's assessment is?

The assessed value is noted on your property tax bill and can also be [found online](#) at Pike County's GIS system which includes every property in the county.

The total assessment of all 563 taxable parcels in Milford Borough is approximately \$20,764,350 with an average Taxable Assessed Value (TAV) of \$36,882. The average includes commercial properties, so the assessment on most single-family homes in the Borough is below the average. For the average assessment (\$36,882) the 2.25 mil reduction in property taxes in 2024 was \$82.98 in reduced Boro property taxes. The average water rate increase to each residential property owner for 2024 is approximately \$75.00.

There are approximately 50 parcels in the Borough that are tax-exempt. These "exempt" parcels include churches, government buildings and others. Since we are the Pike County seat, we have a disproportionate share of exempt

properties, approximately 14% of our overall assessed value. Milford Borough has the second lowest TAV of all thirteen municipalities in Pike County, only rural Porter Township is lower. Because the Borough is relatively small, has many exempt properties, and provides a higher level of services than most other municipalities in the county, our millage rate is higher than many of our neighbors.

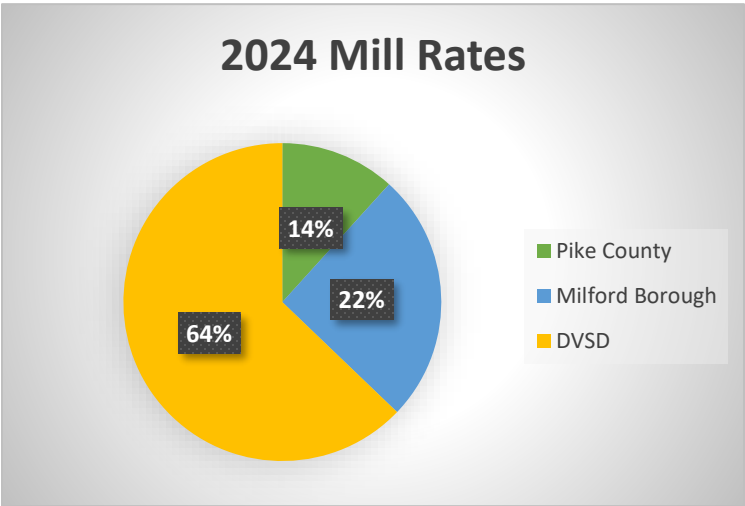
How is the assessment determined?

Properties in Pike County are assessed at 25% of the estimated 1994 fair market value of the property. Pike County has not had a reassessment since 1994, except for properties that are improved, subdivided, or combined. Reassessment is typically undertaken by the county, as it is a costly process.

Other Property Taxes

Property taxes are paid twice a year, the County and Borough taxes in the spring and the School District taxes in the fall. Please see the summary of mill rates charged in 2024 and a pie chart below that breaks out the percentages of each. As you can see, Milford Borough taxes represent less than one-quarter of your total real estate property tax bill.

<u>Taxing Authority</u>	<u>2024 Mill Rates</u>
Pike County	24.99
Milford Borough	40.85
Delaware Valley School District-23/24	117.83
Total	183.67



How is the Borough property tax spent?

The Borough's 40.85 millage rate for 2024 is broken down, by the state municipal code, into individual components as follows:

<u>Budget Category</u>	<u>2024 Mills</u>
General Fund*	27.75
Debt Service	1.6
Fire Department	1.1
Street Improvements	3.0
Shade Tree Commission	0.1
Recreation and Parks	0.8
Streetlights	3.0
Pension	0.5
Utilities	1.0
Emergency Services	2
Total Mills	40.85

As you can see from the above, the General Fund is the largest component of our budget at 27.75 mills. The statutory maximum set by the legislature for a general fund is 30 mills. To exceed that statutory limit, the Borough was required to petition the Court of Common Pleas each year and can be allowed an additional 5 mills. The Borough had petitioned the Court annually for this for many, many years but due to the enactment of an EIT we were able to lower our General Fund millage rate and we will not need to seek court approval for higher property taxes.

The earmarked millage rates, for debt service, the fire department, street improvements, Shade Tree Commission, recreation and parks, streetlights, pensions, utilities, and now emergency services (ambulance) are self-explanatory. The Council is not allowed by law to take the tax revenue earmarked for any of these purposes and spend it elsewhere.

General Fund*

Where the Council's spending is more discretionary is within our General Fund. On the revenue side and based upon the 27.75 mills, we expect to raise a total of \$542,318 in property taxes in 2024 after subtracting a small percentage for uncollected taxes. In addition, we collect taxes called real estate transfer taxes on the sale of any real property here in the Borough for which we estimate to collect \$30,000 in 2024. We anticipate collecting \$483,268 in EIT and Local Services taxes in 2024. There are other fees, grants, collections of prior year taxes, a prior year surplus, charges to neighboring municipalities for fire service insurance, fines, permits, interest income, and other charges, such as our police department providing security to Grey Towers. The projected total of all revenue collected in our general fund in 2024, which includes a surplus of \$47,172 from 2023, is estimated to amount to \$1,307,259 an increase of \$162,887 from 2023.

So where does all this money go? Well, all the things you see each and every day you are in town needed to keep the Borough running, keep our citizens safe and provide essential services. Since we are not like the federal government, we are required to balance our budget each year and as a result our expenses cannot exceed our revenue. Let us break those expenses down by category in the table below.

Expense Category	Amount	Percentage	Further Description
General Government	\$322,750	25	Financial Administration, Insurance, Office Salaries, Tax Collector, Legal Fees, Engineering Fees
Police	\$512,023	39	Fulltime police coverage including a 3 rd fulltime officer and \$23k for new police equipment.
Planning, Zoning, Building	\$62,200	5	Fees, salaries, and expenses
Trash collection, Sewage Enforcement	\$114,426	9	Tipping fees, salaries, fuel, maintenance
Public Works, Roads	\$237,430	18	Salaries and benefits, fuel, supplies, yard waste pickup, snow removal
Other Insurance, Fees	\$58,430	4	Workmen's Comp, Unemployment Insurance, etc.
Total Expenses	\$1,307,259	100	

Your Borough Council continues to look for new sources of revenue, like what we did in 2023 by significantly increasing interest income, and ways to cut expenses. A grants committee was formed in 2022 and will continue to be very active in 2024 researching grants now that we have the funds available for matching grants and the donated assistance of a grant writing company. We received in 2023 a \$509,885 grant for the W Harford streetscape project, a \$287k grant for a new ambulance for our fire company, a DCNR grant of \$200k for planned renovations to Ann Street Park, an ARLE grant of \$19,080 for electronic speed signs, a \$12,500 grant from PMVB for exterior renovations to the Borough Office Building, a PA Historic Commission grant of \$7,500 to fund updates to our HARB Ordinance. In addition to grants, we received notice of the waiver we applied for of the required matching funds in the amount of \$863,243 for stormwater infrastructure improvements. We will continue to apply for new grants in 2024 to improve the infrastructure of Milford Borough and beautify our community.

We also want to bring to your attention and recognize a long-time municipal volunteer of our community, David Heim, who passed away in January 2024. David served our community for over twelve years as Chair of our Zoning Hearing Board and will be missed.

Although Milford Borough has the second lowest taxable assessed value in Pike County, it provides more services than any surrounding municipality. We believe the value of what the Borough provides is second to none. We welcome your input as we move forward in our goal to provide you, the Taxpayers of Milford Borough, with quality and efficient services.

Sincerely,

Joseph Dooley, CPA
President
Milford Borough Council