

**BOROUGH OF WEST READING  
BOROUGH COUNCIL BUDGET WORKSHOP  
DECEMBER 9, 2017**

West Reading Borough Council held a Budget Workshop at Borough Hall on Saturday, December 9, 2017 with the following persons present: Council President Carl G. Garman; Council Vice President Nathalie Kulesa; Council Members Philip Wert, Christopher Lincoln, Nicholas Imbesi, Suzanne Thompson; Mayor Valentin Rodriguez, Jr; Public Works Director Dean Murray; Recreation Director Helen Moyer; Fire Chief Mark Burkholder; Police Chief Stephen Powell; Borough Manager Cathy Hoffman; Treasurer Jeanette Rentschler; Finance Consultant Donal Renninger and Assistant to the Manager Cynthia Madeira. Council Member Grace Craze was unable to attend.

Visitors Present: Andrew Kearney and Matt Spezialetti.

**CALL TO ORDER:**

Council President Carl G. Garman called the meeting to order at 9:10 a.m.

**2018 BUDGET**

Ms. Renninger gave an overview of the individual reserve funds:

- **Special Reserve Fund 31-279-099** – This fund was created in 2007 for emergency purposes. As of October 31, 2017 there is \$339,000 in a separate bank account for this fund. This money was allocated for roads, fire truck, water and sewer. Funding to this account was interrupted in 2011. Funds are budgeted within the 2018 budget to deposit \$41,300 from the road and fire taxes, and there is currently nothing budgeted to be going out of this fund. Mr. Wert noted that in 2012 a fire truck was purchased with a 10-year plan for additional truck purchases. Ms. Renninger stated funds within this account are currently allocated as \$68,000 for fire, \$68,000 for road, \$130,000 for water and \$46,000 for sewer.
- **Capital Reserve Fund 30-279-099** – This fund is where debt service is currently being paid for the three obligation bonds obtained in 2016, 2008 and 2005. Debt payments during 2014 and 2015 were approximately \$820,000. In 2016 the Borough refinanced which reduced payment to \$640,000 and in 2017 to \$674,000. Debt service payment funds are obtained through the general fund revenues from water and sewer revenues. The allocations of funds are 29% from sewer, 45% from water and 26% from the general fund. The 2018 debt service payments will be \$768,000, which required increasing the allocations for 2018. During 2014 and 2015 there were not enough funds transferred to cover debt service payments. The allocations for 2018 have been increased to compensate debt service payments. A transfer of \$248,000 from the general fund has been budgeted in 2018 to compensate the capital projects that are budgeted.
- **Sanitation Fund 09-279-099** – This current fund balance is positive and the budget for 2018 is balanced.
- **Sewer Fund 08-279-099** – In a previous budget meeting Council agreed to raise commercial and residential sewer rates by 3-½%. Currently the standard budgeted transfers of \$317,000 to the general fund for sewer operations and \$223,000 to compensate debt service have been included in the budget. The fund balance currently has a positive balance, however the fund is not meeting the predetermined 8% of revenues. A solution would be to remove the Linden Lane sewer project from the 2018 budget to meet the desired 8% and transfer \$200,000 back into the general fund.
- **Water Fund 06-279-099** – Council also previously agreed to raise water rates by 5% for commercial customers and 2% for residential customers. A transfer of \$400,000 would be needed to the general fund for water operations and \$345,000 to compensate debt service payments. Currently there is a fund deficit balance of \$148,000. A solution would be to remove the Pine Street water project from the 2018 budget to allow the 8% of revenues to be met and transfer \$200,000 to the general fund, which would provide funding of \$600,000 from the water fund.

- **General Fund** – This fund currently has a negative balance of \$957,000 to begin 2018. \$1,300,000 is needed to meet the 8% of revenues. Part of this deficit stems back to 2016 and 2017 where a deficit had been budgeted. This fund transfers \$199,000 for debt service, \$248,000 for capital projects, \$196,000 to Recreation and \$82,000 to the special reserve fund for fire and roads. Thirty-seven percent of the budget pertains to the Police Department, 14% for Public Works and 10% for Administration. Also, the Fire Department millage rate does not generate enough revenue to support expenses of the Fire Department.

#### **WATER**

- Mr. Murray stated the Pine Street water project needed to balance flows could be delayed one year. Mrs. Hoffman suggested budgeting the engineering portion of this project in 2018. Council agreed to remove the Pine Street Capital Water Project 06-481-800 totaling \$450,000 from the 2018 budget while budgeting the Engineering Services 06-400-313 totaling \$67,500.

#### **SEWER**

- The Linden Lane Capital Sewer project 08-400-760 totaling \$275,000 may also be delayed another year. Council agreed to delay this project while budgeting the Engineering Services 08-400-313 totaling \$41,000.

#### **CAPITAL RESERVE FUND EXPENSES**

- Priority of the four proposed Highways Capital Expense 30-430-000 projects were discussed at length. Council agreed to remove the 400 block of Grape Street totaling \$46,000 and the Spruce/Wayne Alley totaling \$70,000. The Walnut Street paving portion of \$35,000 will be increased to \$60,000 to accommodate Walnut/7<sup>th</sup> Avenue intersection improvements. Leaving the 5<sup>th</sup>/Museum Road paving project within the 2018 budget totaling \$160,000. These changes would reduce the Engineering Capital Expenditures 30-400-313 to \$33,000.
- The Police Capital Expense 30-410-000 for three additional cameras to be installed at the 4<sup>th</sup>, 6<sup>th</sup> and 7<sup>th</sup> and Penn Avenue intersections was discussed. Chief Powell stated the 6<sup>th</sup> Avenue intersection is the busiest of the three intersections and would provide north and south coverage of 6<sup>th</sup> Avenue. Council agreed to the installation of a camera at the 6<sup>th</sup> Avenue intersection along with conduit improvements for the 5<sup>th</sup> Avenue intersection totaling \$11,500.

#### **GENERAL FUND EXPENSES**

- Mr. Imbesi suggested cancellation of the printed and mailed newsletter since information can now be found easily on the new website or residents may contact Borough Hall. Mrs. Hoffman recommended mailing informational packets specific to either new residents or businesses and the creation of a newsletter that pertains to interesting projects be available on the website. Council agreed to remove the bulk mailing, which would remove \$350 from Postage 01-400-325 and \$3500 from Advertising and Printing 01-400-340.
- Council discussed the full-time Fire Chief position and the importance of commercial inspections. Chief Burkholder noted a federal grant that would require a five-year commitment where the grant would compensate 3-years and the Borough compensate 2-years. Council agreed to apply for the grant, contract with either Systems Design Engineering or Spring Township to perform commercial inspections in the interim while removing expenses from the 2018 budget for Salary of Chief 01-411-121 totaling \$79,828. A budget of \$40,000 would remain to compensate contracted inspections with a fee passed onto the business owner.
- The proposed new Public Works mechanic employee was discussed along with amount of funding needed to purchase equipment. Council requested tracking maintenance expenses relating to Public Works and Police vehicles for the first half of 2018 to potentially hire a mechanic mid-year. This would reduce wages and insurance to \$36,331 for 2018 along with possible reduction to expenses pertaining to Vehicle Maintenance and Repair 01-430-337.

- Vehicle Replacements 01-430-336 - Purchase of a used front-end loader was discussed, Mr. Murray stated the purchase of this vehicle, used primarily in the fall and winter months, would prolong the life of the backhoe and save \$2000 per day rental fees. Mrs. Moyer noted a potential DCNR grant that would compensate 50% of new equipment purchase. Council requested research of this grant and agreed to remove the \$50,000 expenditure for a used front-end loader from the 2018 budget.
- Use of remaining DCED 6<sup>th</sup> Avenue Streetscape funds within the 400 block of Chestnut Street were discussed. Council agreed not to expend any additional funds in conjunction with this grant.
- Main Street Operating Expense 01-465-300 - Council agreed to Mrs. Hoffman's suggested removal of a 3% increase, totaling \$1260.
- Engineering Services 01-400-313 proposed budget of \$100,000 was reduced to \$45,000 with the removal of proposed capital road projects.
- Mr. Imbesi suggested raising the Real Estate Transfer Tax 01-310-100 slightly due to the housing market. Council agreed to raise the proposed 2018 budget to \$70,000.
- Council discussed collection improvements Berks Earned Income Tax has made and the importance of cross-referencing business lists to remain current. Council agreed to increase the 2018 proposed budget for Business Privilege Tax 01-310-800 to \$435,000.
- Council agreed to raise the proposed 2018 budget for Earned Income Tax 01-310-200 to \$560,000 based on the amount collected in 2017.
- Council agreed to raise the proposed 2018 budget for Local Services Tax 01-310-500 to \$415,000 based on the amount collected in 2017.
- The Mayor noted a discussion with the Wyomissing School District Superintendent and the lack of a contract pertaining to School Crossing Guards 01-400-310. Due to the lack of an agreement Council agreed to forgo payment of the \$55,271 invoice received in 2017 and remove \$27,500 from the proposed 2018 budget.

Chief Burkholder departed the meeting at 12:52 p.m.

- Following a review of Computer Repair and Maintenance 01-400-374 expenses, the proposed 2018 budget was reduced to \$23,000.
- Mr. Murray stated the proposed stucco project for the Borough Hall building could be delayed one year reducing Maintenance and Repairs 01-409-373 to \$27,500.
- Chief Powell stated the Part-Time Police Wages 01-410-132 could be reduced to \$12,000.
- Chief Powell suggested Crime Prevention Supplies 01-410-222 proposed 2018 budget be reduced to \$1250 based on the history of expenses.
- Chief Powell stated Ammo and Weapon Supplies 01-410-242 proposed 2018 budget could be reduced to \$17,000 since prices have not increased as previously anticipated and a current sufficient stock of supplies.
- Chief Powell suggested General Expense 01-410-300 proposed 2018 budget be reduced to \$5000 based on history of expenses.
- Chief Powell stated the Canine Program 01-410-305 proposed 2018 budget could be reduced to \$2500.
- Chief Powell stated Gasoline 01-410-338 proposed 2018 budget could be reduced to \$16,750 based on history of expenses.
- Chief Powell suggested Education/Training 01-410-460 proposed 2018 budget be reduced to \$18,000 based on history of expenses.

Mayor Rodriguez departed the meeting at 1:00 p.m.

- Vehicle Replacements 01-410-337, Chief Powell suggested of the two proposed replacement vehicles budgeted for 2018, to only proceed with replacement of one unmarked vehicle in January due to roof

leak, repairs needed and mobility issues in winter weather and revisit the purchase of a second vehicle in June should the budget allow.

- Mr. Murray noted with the assistance of WRCRF with Penn Avenue Maintenance and Repairs 01-465-370 the proposed 2018 budget could be reduced to \$17,000.

Ms. Thompson departed the meeting at 1:12 p.m.

- Mr. Lincoln noted options pertaining to the purchase of a parking kiosk and the need to budget \$10,000. Council agreed to wait until mid-year to determine if funds would be available for this expense.
- Mr. Murray suggested MS4 Stormwater Management 01-446-300 proposed 2018 budget be reduced to \$30,000 with the savings found this year to televise sewer lines.
- Mrs. Hoffman noted the Rental Occupancy Fee 01-362-470 has not been raised since 2006. Mrs. Madeira has researched other municipality fee schedules and suggested raising the rate from \$75 per unit to \$100 per unit allowing an additional \$21,175 in revenues. Council agreed to raise the rate increasing the 2018 proposed budget to \$84,000.

#### RECREATION

- Council agreed to Mrs. Moyer's suggestion to remove the Swim Team Expenses 90-452-202; Swimsuits 90-452-205; Swim Team T-Shirts 90-452-208 along with \$4500 of Pool Wages 90-452-181 saving a total of \$6600.
- Council discussed options for Repairs and Maintenance 90-452-374 of the stone area at the bottom of the Pavilion and agreed to repoint the stones and ramp the tripping hazard reducing the 2018 proposed budget to \$21,000.

Council agreed no further cuts to the budget were possible. Ms. Renninger noted with all of the agreed upon changes to the proposed 2018 budget fund balances would be: General Fund transfer to Capital Reserve Fund 30-392-001 total \$129,601; Water Fund Balance total \$302,032; Sewer Fund Balance total \$293,195; Capital Reserve Fund Balance total \$5500.

Council discussed tax increases, Mr. Imbesi recommended a small tax increase on an annual basis in order to compensate cost of living increases and lessen the burden to residents at one time. Council discussed at length options for a tax increase and determined ¼ mill each for general fund, fire and infrastructure taxes were needed. The additional ¼ mill infrastructure tax will be allocated to the Special Reserve Fund, while the additional ¼ mill fire tax will be utilized for the Fire Department's general operating expenses.

Motion to increase general fund, fire, and infrastructure tax rates ¼ mill each for 2018. **Moved** by Mrs. Kulesa and seconded by Mr. Imbesi. **Motion carried 5-0.**

Chief Powell requested Stephen DeLucas be reappointed to the Police Civil Service Commission.

Motion to approve reappointment of Mr. DeLucas to the Police Civil Service Commission. **Moved** by Mr. Lincoln and seconded by Mr. Imbesi. **Motion carried 5-0.**

#### ADJOURNMENT:

Meeting adjourned 2:35 p.m.

Respectfully submitted,  
Cynthia Madeira  
Assistant to the Manager