

**BOROUGH OF WEST READING
BOROUGH COUNCIL MEETING**

November 5, 2022 – 9:00 a.m.

West Reading Borough Council held a Budget Workshop and Council Meeting at Borough Hall on Saturday, November 5, 2022 with the following persons present: Council President Ryan Lineaweaver; Council Vice President Philip Wert; Council Members Jennifer Bressler, Patrick Kaag, Denise Drobnick, and Zachary Shaver; Mayor Samantha Kaag; Public Works Director Kerry Grassley; Code Department Manager Cathy Hoffman; Recreation Director Michael Esterly; Police Chief Wayne Holben; Treasurer Jeanette Rentschler; Assistant Treasurer Helen Moyer; Borough Manager Dean Murray; and Borough Secretary Cynthia Madeira. Council Pro-Tem Christopher Lincoln was unable to attend.

VISITORS: None

1. **CALL TO ORDER:** Council President Ryan Lineaweaver called the meeting to order at 9:10 a.m., which was followed by the Pledge of Allegiance and Roll Call.
2. **EXECUTIVE SESSION:** Mr. Lineaweaver noted an executive session that was held this morning at 8:00 a.m. to discuss personnel and acquisition of real property matters.
3. **PUBLIC COMMENT:** There were no public comments.

4. **BOROUGH MANAGER'S REPORT:**

- a. **Business Privilege Tax Collector** – Mr. Murray requested consideration to appoint Berkheimer Tax Administrator as the Business Privilege/Mercantile Tax Collector.

Motion to appoint Berkheimer Tax Administrator as the Business Privilege/Mercantile Tax Collector. Moved by Mr. Wert and seconded by Mr. Kaag. **Motion carried 6-0.**

5. **ORDINANCES / RESOLUTIONS:**

- a. **Resolution 2022-14 Tax Collector Appointment** – Mr. Lineaweaver requested consideration to approve a resolution to appoint Berkheimer Tax Administrator as the Business Privilege Tax Collector for a three-year term commencing on January 1, 2023.

Motion to adopt Resolution 2022-14 Tax Collector Appointment to designate Berkheimer Tax Administrator as the Business Privilege Tax Collector for a three-year term commencing on January 1, 2023. **Moved** by Mr. Wert and seconded by Mrs. Bressler. **Motion carried 6-0.**

- b. **Resolution 2022-15 Tax Collector Confidentiality** – Mr. Lineaweaver requested consideration to appoint a liaison between the Borough and Berkheimer for the express purpose of sharing confidential tax information.

Motion to adopt Resolution 2022-15 Tax Collector Confidentiality to appoint a liaison between the Borough and Berkheimer Tax Administrator to share confidential tax information. **Moved** by Mr. Shaver and seconded by Ms. Drobnick. **Motion carried 6-0.**

- c. **Resolution 2022-16 Tax Hearing Appointment** – Mr. Lineaweaver requested consideration to appoint Berkheimer as the tax hearing officer.

Motion to adopt Resolution 2022-16 Tax Hearing Appointment of Berkheimer Tax Administrator as the tax hearing officer. **Moved** by Mr. Kaag and seconded by Mr. Shaver. **Motion carried 6-0.**

6. OVERALL BUDGET:

Mr. Murray reviewed highlights of the Budget Memorandum noting the following:

- **General Fund** – The 2022 General Fund was budgeted to end the year with a deficit of \$252,059 and is projected to end the year with a surplus of \$67,888. This is thanks, in part, to the diligence of Council, staff and the American Rescue Plan funds. The current 2023 budget worksheet portrays a deficit of \$664,052, which includes a 1 mil increase to the General Revenue Tax. Expenses and revenues will need to be reviewed to reduce this deficit. The Treasurer is recommending investing \$1,000,000 for 365 days in a PLGIT Term program at a rate of 5.24% which would yield roughly \$50,000. Department Heads were requested to come to this meeting with a list of items that can be modified to reduce the deficit.
- **Water Fund** – A rate increase is not proposed in 2023 due to a healthy fund balance in spite of an 8% rate increase from Western Berks Water Authority.
- **Sewer Fund** – Rate increases are proposed for the next three years to maintain a healthy fund balance.
- **Sanitation Fund** – A rate change is not proposed for 2023. The savings from close monitoring of landfill disposal costs will be used to repair or replace various alleys in the year 2023 and 2025.
- **Recreation Fund** – A transfer is needed from the General Fund in the amount of \$145,000 to subsidize special programs such as the pool, playground and special events. The new Recreation Director is currently reviewing various avenues of additional revenue opportunities to reduce the need to subsidize in the future.
- **Liquid Fuels Fund** – In-house repairs to handicapped ramps requires this expense to be moved to the Capital Budget. The engineer recommended purchasing road treatment salt from this fund in the future.
- **Special Reserve Fund** – Water, sewer, and sanitation fund balances have been cleared from the Special Reserve Fund. In 2023 only the sweeper savings will go into this fund.
- **Capital Fund** – This is fully funded through 2025 and will receive additional funds from the different fund balances as capital projects are identified.

The following updates to the overall budget were noted by Mrs. Rentschler:

- **01-301-100 Real Estate Taxes Current** – The 2023 proposed budget was updated to reflect the October Assessment report and to include a 1 mil increase totaling \$1,449,459.
- **01-321-800 Cable TV Franchise Tax** – The last payment of the year was received bringing the 2022-year end estimate to \$75,969. Based on trends, the future budgets were projected to generate \$1,000 less each year.
- **01-354-050 EAC Grants** – The 2022-year end estimate of grant funds totaling \$10,000 received from the Giant Company to rehabilitate an area of the Wyomissing Creek was added.
- **01-363-210 Parking Meter Revenue** – The estimated 2022-year end revenue of \$39,690 that had been missed was added.
- **01-363-510 Contracted Snow Removal** – The five-year PennDOT contract was reviewed and updates made to the 2022-year end estimate totaling \$3,927, and projected 2023 revenue totaling \$4,045, and 2024 revenue totaling \$4,166.

- **01-387-100 Private Contributions** – Chief Holben reported that R.M. Palmer has committed to funding the full amount of \$3,500 for the Police Department's 100th anniversary commemorative badges.
- **01-400-414 Codification of Codes** – The 2022-year end estimate was increased to \$7,300 to cover expenses associated with annual maintenance of eCode360 and codification of adopted ordinances. The projected 2023 budget was \$7,500.
- **01-410-196 Health and Accident Insurance** – The confirmed 8% premium increase brought the projected 2023 budget to \$450,000.
- **01-410-336 Vehicle Replacements** – Refinancing of the 2022 police vehicle purchases reduced the annual lease payment \$6,000 per year. The 2022-year end estimate remained at \$54,000. The projected 2023 budget amount was \$59,000.
- **01-413-196 Health and Accident Insurance** – The projected 2023 budget was revised to \$82,810 to reflect three full-time employees in the Code Department including Mrs. Hoffman for roughly half of the year.
- **01-430-351 Vehicle Insurance** – The insurance agent recommended budgeting an 8% increase in premiums in 2023 bringing the projected total expense to \$17,280.
- **01-445-300 Parking Meter Kiosk Expense** – The projected 2023 budget for credit card fees, WRCRF reimbursement and replacement batteries was \$18,720.
- **01-445-400 Parking Lot Revenue Split** – The year end estimate of shared revenue with the parking lot owner was updated to \$21,411. The projected 2023 budget was \$23,000.
- **01-481-860 Capital Fund Build-up** – The projected 2023 budget of \$373,467 is the amount needed to transfer from the General Fund to fund capital expenses.
- **06-400-366 Water Purchase** – Western Berks Water Authority will be raising their rates 8% in 2023. The projected 2023 budget, based on current year consumption, was \$764,316.
- **06-481-800 Capital Water Project** – An emergency repair was needed earlier this week to the Reading Area Water Authority emergency connection at Buttonwood Street Bridge. An engineering design flaw of the recent bridge reconstruction project will require repairs totaling \$150,000 to be divided between the Borough of Wyomissing, Western Berks Water Authority and West Reading Borough. The year-end estimate had been updated to \$50,000 to cover this unexpected expense. Liability aspects could be pursued in the future.
- **08-354-000 Sewer Grant** – The year end estimate of \$200,000 for the Linden Lane sewer project was updated now that the engineer has requested the awarded grant funds.
- **08-364-012 Sewer Use Fees** – A 3% per year rate increase was proposed for the next three years to maintain a healthy fund balance. It was unclear at this time as to how this increase would be divided between residential and commercial services.
- **08-400-313 Engineering Services** – A base amount was entered in addition to the percentage based on planned projects bringing the projected 2023 budget to \$21,750.
- **08-400-364 Sewer Use Charge** – Based on a proposed 8% rate increase from the Joint Municipal Authority the projected 2023 budget was \$853,200.
- **09-363-300 Resident Disposal Fees** – Due to a reporting error in Caselle the number of units was modified to project the 2023 budget of \$700,000.
- **30-392-001 Transfer from General Fund** – The projected 2023 budgeted amount of \$373,467 is primarily for road repairs. A portion of the total funds transferred comes from the road tax.

- **30-392-009 Transfer from Refuse Fund** – The projected 2023 budgeted amount of \$150,000 will fund miscellaneous alley repairs.
- **30-392-060 Transfer from Special Reserve** – The projected 2023 budgeted amount of \$11,500 is primarily for road projects. The \$180,000 budgeted amount for the year 2024 would deplete the road tax amount from Special Reserve.
- **30-392-175 Fire Tax Transfer from General Fund** – The projected 2023 budget of \$276,406 is for the annual bond payment.
- **30-430-000 Highways Capital Expense** – Mr. Grassley requested to add \$15,000 to the 2023 budget to cover expenses associated with concrete curb and ramp improvements. The projected 2023 budget was \$350,000. The projected 2024 budgeted amount was revised to include improvements to Sycamore Road totaling \$200,000.
- **30-710-100 Land Purchase** – A new GL Code to purchase property was budgeted in the year 2023 at \$65,000.
- **35-355-050 Motor Vehicle Fuel Tax** – An update from PennDOT was projected to allocate \$115,500 of Liquid Fuels funds. Subsequent year revenues were trended down as recommended by the Center for Excellence in Local Government (CELG).
- **90-367-204 Receipts – Pool Special Events** – Additional revenue was projected in 2023 to include an additional karaoke competition totaling \$2,100.
- **90-367-805 Event Sponsors** – The new Recreation Director projected additional revenue in 2023 totaling \$10,300 for a new sign/banner partnership program.
- **90-452-354 Workers' Compensation Insurance** – Due to the volatility caused by COVID-19 the projected 2023 budgeted amount was increased to \$7,716.

In an effort to avoid running out of money in the year 2025 the following revisions to the budget were discussed:

- **01-410-327 Computer Maintenance** – Chief Holben offered to reduce the number of computer workstation upgrades from four to two saving \$3,400.
- **01-410-336 Vehicle Replacements** – The duplication of line items removed \$60,000 in expenses. The number of vehicle replacements was reduced from two to one. Replacement of vehicle 38-4 in 2023 brought the projected 2023 budget down from \$59,000 to \$45,000.
- **01-410-243 COVID-19** – The designation of \$1,000 for supplies to disinfect police vehicles was removed from the budget.
- **01-430-140 Crew Salaries** – The decision to forego an additional hire to assist with concrete repairs lowered this expense by \$55,000.
- **01-430-172 Public Works Overtime** – This was lowered to \$45,000 from \$50,079 based on the 2022-year end estimate of \$43,766.
- **01-430-173 Part-Time Crew Member** – Mr. Grassley requested, in lieu of an additional full-time Crew Member, the addition of one part-time summer Crew Member to assist with general maintenance tasks adding \$5,000 to this line item.
- **01-430-181 Uniform Allowance** – This amount was reduced from \$2,481 to \$2,000.
- **01-430-740 Major Equipment Purchase** – Based on plans to only purchase a cut break saw next year, this amount was reduced from \$6,000 to \$5,000.
- **01-446-300 MS4 Cooperation Agreement** – Based on the 2022-year end estimate of \$18,000 the projected 2023 budget was reduced from \$26,250 to \$21,250.

- **01-455-376 Tree Trimming** – Based on the 2022-year end estimate of \$26,250 the projected 2023 budget was reduced from \$35,000 to \$30,000.
- **30-430-000 Highways Capital Expense** – An updated expense to repave South Seventh Avenue was lowered to \$185,000. Repaving of Grape Street was delayed until 2024 to allow property owners time to replace their concrete driveway aprons. The noted changes would reduce the General Fund deficit by \$70,000.
- **90-367-105 Bicentennial Rental** – Increases to resident and non-resident rates revised the projected 2023 budget from \$6,000 to \$10,000.
- **90-367-200 Pool Receipts** – It was decided not to raise pool rates in 2023, but to offer an extended discount period or payment plan to encourage pool membership purchases.
- **90-367-300 Playground Registrations** – An increase to program fees was thought to be justified for this eight-week program.
- **90-367-815 4th of July Contributions** – It was recommended to increase revenue to \$15,000 should a fully funded drone show be pursued in lieu of fireworks.
- **90-451-113 4th of July Celebration** – It was recommended to decrease this expense from \$12,000 to \$2,000.
- **90-367-400 Pool Concessions** – The menu will be condensed and prices rounded to avoid the use of coins.
- **01-362-450 Business License** – It was thought that this revenue could be increased from \$17,000 to \$20,000 based on the approved migration to Berkheimer Tax Administrator.
- **01-362-475 Housing Certification Fees** – It was thought that this revenue could be raised from \$8,000 to \$10,000 based on the 2022-year end estimate of \$10,450.
- **01-363-100 Street/Sidewalk Opening** – It was thought that this revenue could be increased from \$8,000 to \$10,000 based on the 2022-year end estimate of \$11,700.
- **01-413-313 Engineering Services** – It was noted that all housing certification fees were provided to Systems Design Engineering in the past. Now that this service is being performed in-house it was recommended to decrease this expense from \$40,000 to \$25,000.
- **30-409-000 Buildings Capital Expenditure** – Repairing the lower retaining wall at Borough Hall can be completed in-house. The proposed \$40,000 expense was lowered to \$15,000, which would include miscellaneous window replacements at Borough Hall.
- **01-301-300 Real Estate Taxes Delinquent** – It was thought that this revenue could be increased from \$34,870 to \$40,000 based on the year end 2022 estimate of \$46,813.

Ms. Drobnick and Mr. Esterly departed the meeting at 11:56 a.m.

- **01-301-325 Delinquent Real Estate Road Taxes** – It was thought that this revenue could be increased from \$2,775 to \$4,000 based on the year end 2022 estimate of \$4,140.
- **01-301-350 Delinquent Real Estate Fire Taxes** – It was thought that this revenue could be increased from \$11,670 to \$15,000 based on the year end 2022 estimate of \$16,523.
- **01-310-100 Real Estate Transfer Tax** – It was thought that this revenue could be increased from \$90,000 to \$95,000 based on the year end 2022 estimate of \$101,922.
- **01-310-800 Business Privilege Tax Current Year** – It was thought that this revenue could be increased from \$238,875 to \$245,000 based on a decrease in processing fees between Berks EIT and Berkheimer.

Mayor Kaag departed the meeting at 12:28 p.m.

- **01-310-830 Business Privilege Tax Prior Years** – It was thought that this revenue could be increased from \$48,750 to \$55,000 based on the year end 2022 estimate of \$60,003.
- **01-400-314 Legal Services** – It was indicated that legal expenses should be reduced in the coming year and that this expense could be decreased from \$60,000 to \$50,000.

Mr. Wert recommended against increasing taxes 1 mil again, yet he felt it was important to maintain the realm of full services that are currently offered to our residents. Mrs. Rentschler indicated that the only tax increase in 2022 was 0.25 mil to the road tax.

Mrs. Bressler departed the meeting at 12:47 p.m.

- **01-410-134 Parking Enforcement Wages** – Mrs. Rentschler requested clarification on the official designation of Mr. Witman whom is currently being compensated under this line item while serving in the capacity of Administrative Assistant.
- **01-331-320 Parking Meter Violations** – Consideration was requested to install kiosks along Penn Avenue to generate revenue through metered parking.
- **90-452-374 Repairs and Maintenance Equipment** – It was thought that this expense could be reduced from \$35,000 to \$20,000 based on the year end 2022 estimate of \$10,000.

The above noted revisions, including a reduction to the general-purpose tax increase from 1 mil to 0.5 mil, brought the 2023 deficit down to \$430,780. Mr. Janssen of the CELG will be requested to review the budget for further suggestions to reduce the deficit.

Mr. Wert recommended that the Traffic and Infrastructure Committee review the number of parking spaces along Penn Avenue to implement a paid parking program. Kiosks would need to be purchased and installed at a minimum of one within each block, on both sides of Penn Avenue.

7. **PUBLIC COMMENT:** There were no public comments.
8. **ADJOURNMENT:** Motion to adjourn the meeting at 1:02 p.m. **Moved** by Mr. Zachary and seconded by Mr. Kaag. **Motion carried 7-0.**

Respectfully submitted,

Cynthia Madeira
Borough Secretary