

BOROUGH OF WEST READING
BOROUGH COUNCIL BUDGET WORKSHOP/COUNCIL MEETING
AUGUST 28, 2018

West Reading Borough Council held a Budget Workshop and Council Meeting at Borough Hall on Tuesday, August 28, 2018 with the following persons present: Council President Nicholas Imbesi; Council Vice President Philip Wert; Council Members Christopher Lincoln, Suzanne Thompson, David Amato; Mayor Andrew Kearney; Borough Manager Cathy Hoffman; Treasurer Jeanette Rentschler; and Assistant to the Manager Cynthia Madeira. Council Members Nicholas Gardecki and Kirk Mullen were unable to attend.

Visitors Present: Alan Clouser, Resident

CALL TO ORDER:

Council President Nicholas Imbesi called the meeting to order at 6:00 p.m., which was followed by the Pledge of Allegiance and Roll Call.

PUBLIC COMMENT:

Alan Clouser inquired as to Council's decision to remove the Parkview Road Bridge. Mr. Imbesi provided an overview of the history of the bridge; excessive cost to repair and the intent to install a pedestrian bridge to connect trail systems.

Mr. Clouser also noted a backhoe that has been parked in the yard area of a home on Reading Avenue for a number of years and the condition of this home devaluing neighboring properties. Mr. Imbesi assured Mr. Clouser that the Borough is aware of the situation and even though it may appear that enforcement action is stagnant the Borough is working toward compliance. Mr. Clouser also reported a diesel truck idling for lengths of time at this same Reading Avenue home allowing noxious exhaust fumes to enter neighboring homes. It was recommended that Mr. Clouser contact the non-emergency police line to report the idling of a diesel vehicle.

ORDINANCE:

Motion to adopt Ordinance 1094 Planning Commission Membership Amendment increasing membership from seven to nine members. **Moved** by Ms. Thompson and seconded by Mr. Lincoln. **Motion carried 4-0.**

Mr. Imbesi reported two letters of interest were received from Joseph Scoboria and Daniel Horman. Motion to appoint Mr. Scoboria and Mr. Horman to the Planning Commission Committee. **Moved** by Mr. Lincoln and seconded by Ms. Thompson. **Motion carried 4-0.**

2018 & 2019 MMO:

Mrs. Rentschler noted during last week's Council meeting the minimum obligation amount was not chosen for the 2018 and 2019 Police Pension Plan. Either the minimum municipal obligation or obligation based upon market value of assets must be chosen. Mr. Wert recommended selecting the lesser amounts until the 2019 budget is established. At that time additional funds could be contributed if available.

Motion to authorize the 2018 Minimum Municipal Obligation of \$342,010. **Moved** by Mr. Lincoln and seconded by Mr. Wert. **Motion carried 4-0.**

Motion to authorize the 2019 Minimum Municipal Obligation of \$349,588. **Moved** by Mr. Lincoln and seconded by Ms. Thompson. **Motion carried 4-0.**

ZONING ORDINANCE AMENDMENT HEARING:

Due to an oversight regarding the 30-day Berks County Planning Commission review period, the September 19, 2018 Zoning Ordinance Amendment Hearing must be postponed. The hearing will be rescheduled following receipt of County comments regarding the proposed amendments.

SPECIAL RESERVE FUND INVESTMENT:

Mrs. Rentschler noted an error to the quoted interest rate of 2.23% for an authorized investment of \$450,000 from the Special Reserve Fund into a three-month CD with PLGIT. The actual rate would be 2.19%. An alternate investment into a four-month term account would yield 2.25%.

Motion to authorize the Treasurer to enter into a PLGIT four-month term account at a rate of 2.25% with \$450,000 of Special Reserve Funds. **Moved** by Ms. Thompson and seconded by Mr. Lincoln. **Motion carried 4-0.**

2018 MID-YEAR FINANCIAL REPORT:

Mr. Imbesi reviewed key points to the financial condition of the Borough as prepared by the Financial Consultant, Donal Renninger. The Business Privilege Tax Revenue expectation of revenue is on target to be well below budget by approximately \$155,000 in part due to a drop in business privilege tax. It was noted that the PILOT agreement with the hospital will need to be negotiated for 2020 and it was suggested that discussions begin this fall.

David Amato joined the meeting at 6:52 p.m.

The rated financial condition of the individual funds were:

- General – Fair
- Water – Good
- Sewer – Good
- Sanitation – Poor
- Capital Reserve – Fair
- Special Reserve - Good

The poor rating of the Sanitation Fund is due to a recycling grant of \$72,000 received in December 2017 and a decision to make a 2017 budget transfer to the General Fund, which had been omitted from the budget worksheet inflating the carry forward from 2017 to 2018 by \$72,000. It is recommended to remove the scheduled 2018 transfer to the General Fund.

Motion to remove the 2018 budgeted transfer of \$72,000 from the Sanitation Fund to the General Fund. **Moved** by Ms. Thompson and seconded by Mr. Lincoln. **Motion carried 5-0.**

2019 BUDGET

Review of the draft 2019 budget worksheet indicated a projected 1.4 million dollar deficit. Mr. Imbesi suggested requesting individual departments to trim their budgets by 20% to allow only a 1-mill tax increase, which nets approximately \$167,000. Also, it was suggested to request Union concessions. A \$30,000 expenditure related to MS4 stormwater management requirements were discussed. Mr. Imbesi suggested assessing a fee to residents through their utility bills, which would cost each household \$4.17 per quarter. Mrs. Hoffman will inquire with PSAB to ensure this would be allowed.

Council agreed to request departments to trim their budgets by 10% and provide their revised budget in time for the next budget meeting scheduled on September 25, 2018, noting additional cuts may be necessary.

Mr. Imbesi requested ideas to increase revenue and reduce expenditures. Several suggestions were considered:

- Mr. Wert noted with the increase of residents in the Borough there are potential avenues of new revenue generated from earned income tax, water use as well as anticipated paid parking fees along

Penn Avenue. Also, Mr. Wert noted a number of business owners along Penn Avenue requesting metered parking.

- Ms. Thompson requested to ensure the event holder compensates expenditures related to special events, such as overtime.
- Mrs. Rentschler suggested increasing the parking ticket fine from \$25 to \$30.
- Mrs. Hoffman suggested increasing the employee contribution of 6% towards health insurance costs.
- Mr. Imbesi suggested pay freezes for non-uniform employees or only a 1.5% pay increase across the board.

Mr. Imbesi stated the Financial Consultants suggestion to resolve budgeting issues the revenue versus expenditure must be nearer each other and the General Fund should be used as a rainy day fund.

EXECUTIVE SESSION:

There were no items for executive session.

PUBLIC COMMENT:

There were no comments.

ADJOURNMENT:

Motion to adjourn the meeting at 8:04 p.m. **Moved** by Mr. Lincoln and seconded by Mr. Amato. **Motion carried 5-0.**

Respectfully submitted,

Cynthia Madeira
Assistant to the Manager

Cathy Hoffman
Borough Manager