

**BOROUGH OF WEST READING**  
**BOROUGH COUNCIL SPECIAL MEETING**  
**June 7, 2021**

West Reading Borough Council held a special meeting at Borough Hall on Monday, June 7, 2021 with the following persons present: Council President Jack Gombach; Council Pro-Tem Christopher Lincoln; Council Members Jennifer Bressler, Patrick Kaag, Samantha Kaag, and Ryan Lineaweaver; Mayor Andrew Kearney; Solicitor Daniel Becker; Treasurer Jeanette Rentschler; Interim Borough Manager Dean Murray; and Borough Secretary Cynthia Madeira. Council Vice President Philip Wert was unable to attend.

**VISITORS**     James Rogers, Resident (arrived at 8:11 a.m.)  
                     Michael Vind, Financial Solutions, LLC

**CALL TO ORDER**

Council President Jack Gombach called the meeting to order at 8:03 a.m. via Zoom, which was followed by the Pledge of Allegiance and Roll Call.

**PUBLIC COMMENT**

There was no public comment.

**GENERAL OBLIGATION BOND**

Mrs. Rentschler requested a determination on structuring the bond with either an upfront savings or a level savings scenario. The following opinion from the Director of the Center for Excellence in Local Government was shared with Council:

- Upfront Savings – This was noted as a preferred method that would place the funds into a rainy-day Special Reserve fund to earn interest over the course of the eleven-year bond financing. The estimated 1% interest would earn approximately \$40,000.
- Level Savings – If we couldn't commit to upfront savings it was recommended to opt for the level savings to offset raising taxes for our constituents. The approximate \$34K to \$40K annual savings would equate to roughly ¼ mil worth of taxation.

Mr. Vind noted that rates would be locked in tomorrow following Council's decision today. The present value savings basis in either scenario is very similar.

Mr. Lincoln preferred the upfront savings but was concerned that over time future Council members would be tempted to tap into this rainy-day savings. For that reason, he is inclined to opt for the level savings scenario.

Mrs. Bressler agreed with Mr. Lincoln and noted the different perspectives towards uses of rainy-day funds. The availability of these funds would be very helpful in certain scenarios.

Mr. Gombach is leaning towards the upfront savings to replenish the rainy-day fund that has been tapped into during the past few years.

Mr. Kaag agreed that it is more appealing to opt for the upfront savings.

Mr. Rogers joined the meeting at 8:11 a.m.

Mr. Lincoln stated it would be beneficial to have the upfront savings in a catastrophic loss scenario to avoid other borrowing mechanisms.

Mr. Lineaweaver inquired as to the history of bond rates during the past decade. Mr. Vind stated that as of the end of 2020 interest rates were very low. This rate should increase and hopefully provide a substantial savings over the course of eleven-years. Mrs. Rentschler noted the current interest rates on the Borough's savings account is 0.8%.

Mr. Murray reminded Council that approximately \$424K should be received during the next two years from the American Rescue Plan Act. Mr. Becker noted that these funds will be required for use on certain types of projects in a certain period of time as opposed to allocating these funds toward savings.

Motion to choose the upfront savings for the bond issuance. **Moved** by Mr. Kaag and seconded by Mr. Lincoln. **Motion carried 6-0.**

#### **PUBLIC COMMENT**

There were no public comments.

#### **ADJOURNMENT**

Motion to adjourn the meeting at 8:21 a.m. **Moved** by Mr. Lincoln and seconded by Mrs. Bressler. **Motion carried 6-0.**

Respectfully submitted,

Cynthia Madeira  
Borough Secretary