

**BOROUGH OF WEST READING**  
**BOROUGH COUNCIL BUDGET WORKSHOP/COUNCIL MEETING**  
**OCTOBER 12, 2019**

West Reading Borough Council held a Budget Workshop and Council Meeting at Borough Hall on Saturday, October 12, 2019 with the following persons present: Council President Philip Wert; Council Vice President Christopher Lincoln; Council Members Jennifer Bressler, Patrick Kaag, Suzanne Thompson and Jack Gombach (arrived at 9:59 a.m.); Mayor Andrew Kearney; Borough Manager Nicholas Imbesi; Treasurer Jeanette Rentschler; and Borough Secretary Cynthia Madeira.

**VISITOR:** Oswald Herbert Resident

**CALL TO ORDER:**

Council President Philip Wert called the meeting to order at 9:08 a.m., which was followed by the Pledge of Allegiance and Roll Call.

**PUBLIC COMMENT:**

There was no public comment.

**LINDEN LANE SEWER REPLACEMENT PROJECT:**

Nicholas Imbesi requested authorization to seek grant funding through the Department of Community and Economic Development (DCED) by enacting a Resolution to approve an application to Commonwealth Financing Authority for a PA Small Water and Sewer Program grant of \$336,070. Authorization would also be needed for the Council President to sign letters of support with regards to a 30% grant match of \$144,030, and acknowledgement of ownership of the sanitary sewer system. A letter of support addressed to Borough Council was included from the Chairman of the Planning Commission.

Motion to adopt Resolution 2019-13 – Approving application to Commonwealth Financing Authority for grant funding for the Linden Lane Sanitary Sewer Replacement project in the amount of \$336,070 and authorization for the Council President to sign letters of support for the 30% grant match of \$144,030 and ownership of the sanitary sewer system. **Moved** by Patrick Kaag and seconded by Jennifer Bressler. **Motion carried 5-0.**

**PAYMENT IN LIEU OF TAXES AGREEMENT (PILOT):**

Mr. Imbesi noted a meeting that was held with representatives of the Reading Hospital to discuss a second amendment to an agreement, originating on January 1, 2014, to contribute \$636,140 in lieu of taxes for a portion of property tax revenue that is lost due to tax exempt ownership of real property. Mr. Imbesi stated that the only change to this agreement is item number four where the hospital stipulates the allowance of Smith Seckman Reid, Inc. to perform permit reviews for the hospital at no cost to the hospital.

Christopher Lincoln expressed his concern in allowing an unknown company without a local office to perform commercial plan reviews and the possible added expense to the Borough for Systems Design Engineering to review plans prior to performing the required commercial inspections. Council members agreed to request the Borough Manager to inquire with the hospital as to an alternate third-party reviewer/inspector prior to executing the agreement.

**STREET CLOSURE:**

Mr. Imbesi noted receipt of a street closure application requesting permission to close the 300 block of Oak Terrace from 6-10 p.m. on Saturday, October 26, 2019, with a rain date of Sunday, November 3, 2019 to host a Halloween Block Party. The applicant obtained the required 75% approval from residents within this block.

Motion to approve closure of the 300 block of Oak Terrace for a Halloween Block Party on October 26, 2019 from 6-10 p.m. with a rain date of November 3, 2019. **Moved** by Mr. Lincoln and seconded by Mrs. Bressler. **Motion carried 5-0.**

**PEDESTRIAN BRIDGE FUNDING:**

Following a meeting with Systems Design Engineering and UGI to discuss plans to construct a pedestrian bridge in place of the demolished Parkview Road Bridge allowing UGI to install a gas main line along the new bridge, Mr. Imbesi noted UGI's request for a proposal to contribute funding either prior to construction or on an annual/monthly basis. UGI is also willing to expedite this portion of their project from the fall of 2020 to the spring of 2020 to accommodate the Borough's timeframe.

It was noted that the engineer recommended requesting \$100,000 up front to adapt plans to handle the additional load, construct and maintain a new bridge. Also, the solicitor should create a formal liability agreement. Council agreed to request funding up front in the amount of \$100,000.

**LANDFILL CONTRACT:**

Mr. Imbesi noted that the landfill contract with Pioneer Crossing expires on January 31, 2020 and a question that arose from a potential bidder on the trash/recycling contract with an unknown landfill destination. Therefore, a quote was received from Pioneer Crossing for future annual disposal rates, which indicated an increase of 3.5% for the next two consecutive years and 4% for the third year. Council requested an additional quote from a local landfill prior to making a decision.

**ANIMAL RESCUE LEAUGE:**

The annual animal control contract for 2020 was received from the Animal Rescue League where the new director is proposing a reduced per capita cost of \$1. Jeanette Rentschler provided a list of expenses incurred to date for animal control services totaling \$2780 that are added to the initial contribution of \$1500 and noted the difficulty experienced in attempting to recover these expenses since the Animal Rescue League collects funds from the animal owners at the time of pickup. Council requested the new director to attend a Council meeting to discuss the program fees.

**ORDINANCE CODIFICATION:**

The annual ordinance codification estimate has been received from General Code providing a cost between \$4975 and \$5900 to codify Ordinances 1101 through 1115. It was noted that there are insufficient funds within this line item since the Zoning Ordinance Amendment was codified earlier in the year. The balance remaining within 01-414-342 Zoning Ordinance Updates totals \$2912, the remainder of the balance would be drawn from the General Expense Fund.

Motion to authorize the expenditure to codify Ordinances 1101 through 1115 and authorize the Borough Manager to sign the General Code estimate. **Moved** by Mr. Kaag and seconded by Mrs. Bressler. **Motion carried 5-0.**

**CRIME ALERT BERKS COUNTY:**

The Berks County District Attorney's office is requesting continued support of this nonprofit program, which lists a level of support based on municipal population. In the past the Borough donated between \$250 and \$500, the level of donation would be determined at a later date.

Jack Gombach joined the meeting at 9:59 a.m.

**PAID PARKING LOT ENFORCEMENT:**

It was noted that warnings are still being issued for overtime parking within the shopping center parking lot that has been in place for approximately one month. Chief Powell intends to begin issuing tickets on

Monday with Council's blessing. Council agreed to begin ticketing overtime parking within the paid parking lot.

Mr. Lincoln shared a recent discussion by the Traffic and Infrastructure Committee to review consultant options and costs to perform an overall Borough parking study. Paid parking within the shopping center lot seems to have pushed a number of vehicles to park on residential streets to avoid paying a fee to park. The lot appears to be emptier during the daytime hours and two businesses have recently requested 20-minute parking spaces. Currently a policy is not in place to provide 20-minute parking spaces and there is concern for multiple business requests in the future, the committee is currently reviewing the existing spaces and options on how to proceed. Also, an inquiry has been made to the kiosk company to potentially offer a 15-minute paid parking increment through the kiosk/App to satisfy the shorter parking timeframe requests.

#### **ADMINISTRATION BUDGET:**

Mr. Imbesi stated that there are no additions to the Administration Budget this year and that a number of line items were cut too severely last year causing certain line items to be over budget. The following items were discussed:

- 01-301-100 Real Estate Tax was budgeted at \$1,100,00, which is 97% of the estimated 2019-year end amount.
- 01-310-100 Real Estate Transfer Tax revenue is estimated below budget for 2019 due to the lack of significant dollar amount transfers, the proposed 2020 budget has been lowered to \$70,000.
- 01-310-200 Earned Income Tax exceeded the amount budgeted potentially due to an increased number of residents within the Borough earning higher wages, the proposed 2020 budget has been increased to \$630,000.
- 01-310-500 Local Services Tax exceeded the amount budgeted, again potentially due to an increased number of residents within the Borough. The proposed 2020 budget has been increased to \$415,000.
- 01-310-800 Business Privilege Tax proposed 2020 budget is \$180,000 should Ordinance 1101 not be repealed. Discussion ensued as to the new collection method that verifies income by requiring copies of tax returns and the desire to continue this collection method at the old rate should Ordinance 1101 be successfully repealed. A question arose regarding the future year that has already been collected. If we would be unable to continue collecting a year in advance, then the 2020 taxes already collected should be placed in the interest earning PLGIT Prime account.
- 01-310-830 Business Privilege Tax Delinquent proposed 2020 budget is \$20,000; this amount has been lowered now that copies of tax returns are required.
- 01-341-100 Interest Earnings proposed 2020 budget is at \$4000 due to falling interest rates.
- 01-341-105 Interest PLGIT Prime proposed 2020 budget is \$25,000 also due to falling interest rates.
- 01-362-456 Special Event Permits were discussed since the estimated year-end amount is under budget. A number of event fees were waived for events such as the Criterion, Garden Party and other non-profit events. The proposed 2020 budget was set at \$200.
- 01-363-210 Parking Meter Use – Following review of one month of revenue data a conservative \$25,000 was budgeted for 2020. It was undecided as to how the revenue would be allocated for items such as supplies, repayment of the kiosk and staffing.
- 01-365-501 Animal Control & Shelter Fee revenue would be discussed following a meeting with the Animal Rescue League Director.
- 01-383-100 Business Improvement District (BID) Assessments is budgeted at zero dollars for 2020 since the West Reading Community Revitalization Foundation (WRCRF) is currently undertaking a comprehensive plan, therefore the BID has been delayed.

- Fund transfers will be discussed during the November 9, 2019 budget meeting with the Financial Consultant, Donal Renninger.
- 01-394-100 Refund Prior Year Expenditures is budgeted at zero dollars for 2020 due to the unknown nature of this line item.
- 01-394-600 Estimated State Aid/Pensions was calculated for police and non-uniformed staff for 2020 at \$225,000.
- 01-400-121 Manager's Salary is budgeted to remain at \$65,000 for 2020, this would also include the new Code Department Manager position.
- 01-400-210 Supplies – Mr. Imbesi proposed to keep this line item budgeted at \$3500 in anticipation of saving money by exploring alternate suppliers.
- 01-400-300 General Expense was increased to \$14,000 due to standard costs coming out of this line item such as payroll fees.
- 01-400-312 Accounting Services has been lowered due to the more organized and efficient accounting practices.
- 01-400-314 Legal Services – As a result of dismissing the solicitor early from Council meetings, 2019 expenditures have remained below budget. However, with the anticipated cost to repeal the Business Privilege Tax Ordinance, the 2020-budgeted amount was suggested to remain at \$25,000, which may need adjusting following receipt of Attorney London's cost estimate.
- 01-400-325 Postage – The amount budgeted for 2020 has been increased to \$5000 in part due to cost increases and underestimating the cost to mail the newsletter.
- 01-400-374 Computer Repair & Maintenance – Mr. Imbesi noted that Caselle had not raised their fees for support in a number of years; however, there will be a 3% increase this year with the installation of Community Development software.
- 01-400-417 Environmental Advisory Council Expenses – Following review of the \$175 expenditures during 2019 it was decided to raise the 2020 proposed budget to \$250 to allow opportunities to attend training.
- 01-400-501 Merchant Account Fees have been budgeted higher due to an increased number of credit card payments. All transactions except utility bills are assessed a processing fee.
- 01-400-611 Miscellaneous Costs – The 2020 budget is proposed to remain at \$5000 even though the 2019 expenditure is estimated at \$2500 to allow additional funds for an overall study of Borough parking as discussed by the Traffic and Infrastructure Committee.
- 01-400-740 Major Equipment Purchases have been budgeted at zero dollars since all computer stations have been recently upgraded.
- 01-403-353 Surety & Fidelity Bonds – The 2020 budget has been increased from \$1500 to \$3000 to compensate the County for required bonding of the elected tax collector that is due every three years.
- 01-409-230 Heating Fuel has been lowered to \$9000 due to the anticipated savings from a lower rate and new more efficient window replacements.
- 01-415-320 Emergency Management Communications have been increased 10% since it is unknown at this time what the rate increase will be for 2020.
- 01-419-542 Animal Rescue League Contribution – Per the 2010 Census and the proposed \$1 per capita contract the amount budgeted for this line item is \$4202. The 2020 Census information will be unavailable until late 2020.
- 01-455-300 Parking Meter Kiosk – This new line item has been budgeted at \$30,220 to reimburse the WRCRF for purchasing the parking kiosk, the purchase of paper supplies and to provide administrative services. Mr. Imbesi noted that a Resolution would be created for repayment of the

kiosk once the actual cost information becomes available. It was unclear at this time how these funds would be allocated.

- 01-486-352 Casualty/Fire/Flood/Liability have been increased an estimated 8% since it is unknown at this time what the rate increase will be for 2020.
- 01-486-353 Public Officials Bond – It was recommended to bond the new Assistant Treasurer, Montana Ganster, increasing the proposed 2020 budget to \$2000.
- 01-492-090 Recreation Allocation has been increased to \$186,040 to balance the proposed Recreation budget.
- Codification – Mrs. Rentschler suggested creating a separate line item for codifying the ordinances annually. It was decided to allocate \$5000 for line item 01-400-380.

Mr. Imbesi stated that the Code Department budget has been delayed due to the Manager's recent unexpected surgery. The Police budget will be reviewed on October 22<sup>nd</sup> and the budget will need to be decided upon during the Saturday, November 9<sup>th</sup> meeting in order to meet advertising deadlines. The remaining budgets that need to be presented are the Code Department and water, sewer and trash.

Mr. Imbesi indicated that he plans to monitor expenditures for office supplies and that he would be implementing a policy to monitor and issue shut off notices for residents whose water, sewer and refuse billing exceeds \$1000. Also, a demonstration will be provided next week by Caselle to digitalize files; cost and details will be available following this demonstration. Mrs. Rentschler noted that none of the file cabinets are fireproof and the need to retain audit reports and police payroll documentation for a period of 30 years for pension purposes.

Mr. Wert inquired as to the cost of the I-Request App for complaint-based interaction with residents, as used by the City of Reading and Muhlenberg Township, which would provide a portal other than the Voices of West Reading Facebook page to notify the appropriate department to handle complaints/issues throughout the Borough. This App would also provide the ability to monitor the status of such complaints/issues. Mr. Imbesi stated that his inquiry with the company has not yet been returned.

Mr. Wert noted Jack Gombach's interest to fill the second Council seat vacancy on the Finance Committee and appointed Mr. Gombach to this seat.

**PUBLIC COMMENT:**

Oswald Herbert inquired as to the expediency of providing credit card payments through the parking kiosk. Mr. Imbesi indicated that it is very simple to use a credit card at the kiosk, which would take a matter of seconds to complete the transaction.

**ADJOURNMENT:**

Motion to adjourn the meeting at 12:25 p.m. **Moved** by Mr. Kaag and seconded by Mr. Lincoln. **Motion carried 6-0.**

Respectfully submitted,

Cynthia Madeira  
Borough Secretary