

BOROUGH OF WEST READING
BOROUGH COUNCIL BUDGET WORKSHOP/COUNCIL MEETING
NOVEMBER 26, 2019

West Reading Borough Council held a Budget Workshop and Council Meeting at Borough Hall on Tuesday, November 26, 2019 with the following persons present: Council President Philip Wert; Council Vice President Christopher Lincoln; Council Members Jennifer Bressler, Patrick Kaag, and Jack Gombach; Mayor Andrew Kearney; Police Chief Stephen Powell; Fire Chief Mark Burkholder; Recreation Director Helen Moyer; Public Works Director Dean Murray; Code Department Manager Cathy Hoffman (arrived 7:32 p.m.); Borough Manager Nicholas Imbesi; Treasurer Jeanette Rentschler; and Borough Secretary Cynthia Madeira.

VISITOR:	Karen Livingood	Resident
	Jason Ulrich	Resident
	Chad Moyer	Resident
	Nathalie Kulesa	Resident

CALL TO ORDER:

Council President Philip Wert called the meeting to order at 7:00 p.m., which was followed by the Pledge of Allegiance and Roll Call.

PUBLIC COMMENT:

There was no public comment.

AT&T CONDITIONAL USE DECISION:

Mr. Imbesi requested Council's decision regarding the AT&T Wireless Communication Facilities Conditional Use Hearing Findings of Fact, Conclusions of Law and Decision.

Motion to approve the AT&T Conditional Use Hearing Decision. **Moved** by Mr. Kaag and seconded by Mr. Gombach. **Motion carried 5-0.**

ANIMAL CONTROL SERVICES:

Mr. Imbesi noted that the current Animal Rescue League contract and a sample Safety Net Sanctuary animal control service agreement had been provided to Council for review and that further discussion on this aspect could be delayed since the cost for either service would be a nominal amount between \$1,000 and \$4,200. Mr. Imbesi is hopeful that the Director of the Animal Rescue League will be contacting the Borough in the near future following a meeting with a representative from the Center for Excellence in Local Government. It was noted that the current Animal Rescue League contract is more comprehensive than the Safety Net Sanctuary's agreement, which would only provide the bare minimum requirements under Borough Code. Council members agreed to table this discussion until feedback is received from the Animal Rescue League.

SPYGLASS:

Mrs. Madeira provided an overview of information received from the SpyGlass Group to perform an audit of telephone and internet services to potentially find a cost reduction for unused services. There would be no cost to the Borough associated with performing the audit and no obligation to implement the recommendations. Should Council decide to pursue any of the recommendations within the audit there would be a 50% share of the potential refund pertaining to past services/charges. Also, the first twelve monthly usage cost reduction savings would be paid to the SpyGlass Group. The Borough would then retain the remaining cost reduction savings. Council requested answers to a few questions prior to granting authorization to access Borough records such as: what type of data/information is being requested to perform the audit (i.e. confidential phone logs, data, etc.); a list of local municipal references that have had

an audit performed by SpyGlass; and is online account access necessary. Answers to these questions will be shared with Council during the regular December meeting.

RECREATION COMMISSION ENABLING ORDINANCE:

Following review of the proposed revisions to the existing ordinance there was confusion as to the qualifications of a quorum and the ability to vote. The Recreation Director and the Borough Manager are considered to be members, but without the ability to vote and the inclusion of these two members to meet the quorum requirement could potentially allow three present members to vote or take action. Legal review of sections 92-2 A, 92-4 A (2) and G (1) are needed regarding Borough Code stipulations to enable a commission. Resident Jason Ulrich offered to volunteer his legal review of the proposed ordinance amendment at no cost to the Borough. Council thanked Mr. Ulrich for his generosity and agreed to table review of this ordinance amendment until Mr. Ulrich's comments are received.

BUDGET:

Mr. Imbesi requested Council to review the list of options to balance the budget and noted that the 2020 budget currently proposes a General Fund balance at the end of 2020 of \$493,284. He understands that Council has noted their desire to retain \$1 million dollars in the fund balance at the end of 2020 and suggested the following:

- Utilization of the 2019 Liquid Fuels fund balance of \$75,213.80 for the requested \$30,000 to pave Fifth Avenue from Oak Terrace to Spruce Street and \$40,000 to install eight handicapped ramps along Sycamore Road to the ball field.
- The Special Reserve fund balance of \$82,000, generated through the road tax, could offset the \$144,000 expenditure to pave Sycamore Road from Linden Lane to South Fifth Avenue. Immediate use of these funds would increase the General Fund balance at the end of 2020 to \$650,497.
- 08-481-800 Capital Sewer Project – The estimated total cost to improve the Linden Lane sanitary sewer line is \$425,000, a grant match of \$127,500 has been budgeted for this project. Should grant funding not be available for this project, removing the \$127,500 expenditure would increase the General Fund balance to \$777,997.80.

Minimum fund balance percentages were discussed, with the above noted revisions the General Fund balance would be 17%, which is above the Financial Consultant's recommended 10%. Mrs. Rentschler noted that the water, sewer and refuse fund balances are currently at 4%.

Should grant funding become available for the Linden Lane sewer project and if grant match funds of \$127,500 are needed, this would bring the year end General Fund balance to \$650,497, which is a 14% fund balance of revenues.

Mr. Imbesi announced that the Financial Consultant, Donal Renninger would be unavailable to provide services to the Borough in the future due to new client demands. An alternative financial consultant option would be Mallie, LLC.

- 01-301-150 Real Estate Tax Fire Revenue – Mr. Imbesi requested Council's consideration to increase the Fire Tax to offset the unfunded expenses of the fire department. Currently \$139,810 would be needed from the General Fund, which includes the request for six-months of daytime paid volunteers.

It was noted that the last 0.25 mils increase to the Fire Tax took place in 2016 and an additional \$30,000 would be needed in the 2021 budget for a full year of daytime paid volunteers. A 0.25 mils increase would generate an additional \$44,000.

The Fire Tax revenue currently generates \$345,000; 2020 expenditures are projected to total \$196,000; a Fire Tax transfer to the Capital Fund to satisfy General Obligation Bonds totals \$213,000; transfers to the Special Reserve Fund to assist in the ten-year purchase of fire trucks is projected to total \$205,000 at the end of 2020.

Chief Burkholder indicated plans to purchase a new fire truck in the year 2022 and anticipates an approximate trade-in value of \$100,000.

- The recent announcement of Building 202's reassessment was discussed, which would provide approximately \$70,000 of additional tax revenues, as well as the pending reassessments of six new townhomes. Mrs. Hoffman noted an approximate \$10,000 tax overpayment for the parcel known as Building 202 during the 2019 tax year, which may be credited during the 2020 tax year. It was also noted that the owner has the ability of the owner of Building 202 to appeal the new assessment within 30 days. Council agreed to budget a conservative tax revenue increase of \$50,000. This revision would bring the 2020 end-of-year General Fund balance to \$700,497.
- 06-378-012 Water Revenue – The water authority will be raising their rates by approximately 3%, it was recommended to increase residential and commercial rates 5%.
- 08-364-012 Sewer Revenue – The sewer authority will be raising their rates by approximately 3%, it was recommended to increase the residential rate 5% and the commercial rate 10%.

It was noted that sewer revenue is needed to fund sewer improvement projects. Mr. Murray stated that five years ago he was tasked with creating a five-year plan and we are still at the beginning of this plan.

- 09-363-300 Resident Disposal Fees – The recent trash/recycling bid award provided a savings on trash removal fees; however, recycling collection fees have increased significantly. With the additional \$43,000 expenditure it was recommended to increase the quarterly disposal rate from \$54 to \$62 to begin fully compensating the cost of trash/recycling collection services.

A recommendation was made to consider a reduction to the number of collection days per week to reduce costs following the newly awarded three-year trash/recycling contract.

Mr. Imbesi obtained pricing from Conestoga Landfill, which indicated that the pricing would change every thirty-days. Council agreed to enter into a one-year agreement with Pioneer Crossing Landfill at the quoted 3% increase.

Nathalie Kulesa joined the meeting at 8:30 p.m.

Sample ordinance amendments were provided to Council to advertise rate changes. It was noted that a 0.25 mils Fire Tax increase would increase the overall tax burden to 9.85 mils.

Motion to advertise rate increases of 5% for commercial and residential water usage; 5% for residential and 10% for commercial sewer usage; and a quarterly trash/recycling collection rate of \$62. **Moved** by Mr. Kaag and seconded by Mrs. Bressler. **Motion carried 5-0.**

Motion to advertise a tax rate ordinance amendment setting the General Purpose rate of 7.00 mils, a rate of 0.50 mils for Infrastructure and an increased rate of 2.35 mils for Fire Protection purposes. **Moved** by Mrs. Bressler and seconded by Mr. Kaag. **Motion carried 5-0.**

Motion to advertise the proposed 2020 budget. **Moved** by Mr. Lincoln and seconded by Mr. Gombach. **Motion carried 5-0.**

EXECUTIVE SESSION: Council recessed to executive session at 8:35 p.m. to discuss personnel items. Council reconvened at 8:56 p.m. and Mr. Wert noted discussions on two personnel items and requested action on one of the items:

Motion to approve an overall rate increase of \$2 per hour for the Code Department Secretary. **Moved** by Mr. Lincoln and seconded by Mr. Kaag. **Motion carried 5-0.**

PUBLIC COMMENT:

There was no public comment.

ADJOURNMENT:

Motion to adjourn the meeting at 8:57 p.m. **Moved** by Mr. Lincoln and seconded by Mr. Kaag. **Motion carried 5-0.**

Respectfully submitted,

Cynthia Madeira
Borough Secretary