

**BOROUGH OF WEST READING
BOROUGH COUNCIL BUDGET WORKSHOP
NOVEMBER 28, 2017**

West Reading Borough Council held a Budget Workshop at Borough Hall on Tuesday, November 28, 2017 with the following persons present: Council President Carl G. Garman; Council Vice President Nathalie Kulesa; Council Members Philip Wert, Christopher Lincoln, Nicholas Imbesi; Public Works Director Dean Murray; Borough Manager Cathy Hoffman; Treasurer Jeanette Rentschler; Finance Consultant Donal Renninger and Assistant to the Manager Cynthia Madeira. Council Members Suzanne Thompson, Grace Craze, and Mayor Valentin Rodriguez, Jr. were unable to attend.

Visitors Present: Andrew Kearney and Reading Eagle Reporter.

CALL TO ORDER:

Council President Carl G. Garman called the meeting to order at 7:09 p.m.

2018 BUDGET

ADMINISTRATION

Mrs. Rentschler presented the Administration budget.

CODE DEPARTMENT REVENUES

- Revenue for false alarm fees 01-331-350 in 2017 is lower than budgeted due to reporting issues. Therefore, 2017 revenue will be collected in 2018; the proposed 2018 revenue will remain at \$1500.
- Proposed interest earnings 01-341-100 were budgeted at \$1400. Council recommended the Finance Committee research alternate banking institutions to obtain a higher rate of interest.
- Payment for the \$246,512 DCED 6th Avenue Streetscape project 01-351-042 is anticipated in 2018.
- Commercial plan review fees 01-361-320 were higher than anticipated due to construction of the Lofts at Narrow and Vanity Fair projects. The 2018 proposed budget will remain at \$15,000.
- Hearing fees 01-361-340 associated with zoning, liquor license and conditional use were higher than budget. The 2018 budget was increased to \$3000.
- In anticipation of development of the remaining lots within the Villa's subdivision, \$6800 was budgeted for sewer tap-in fees 01-362-433.
- Sign permitting 01-362-460 was higher than anticipated for 2017; the 2018 proposed budget was increased slightly to \$2000.
- The rental occupancy fee 01-362-470 budget was increased to \$63,000 to accommodate the increased number of rental properties. Council requested review of the \$75 per unit fee to ensure the fee is covering expenses.
- The "No Show" inspection fee 01-362-476 assessed for failing to attend a rental inspection was higher than budgeted; the 2018 proposed budget was increased slightly to \$800.
- The graduated additional reinspection fee 01-362-477 assessed for failing to complete repairs within two rental inspections will be reviewed to determine where the fees have been allocated in 2017. Also, Council suggested due to the nature of the graduated fee, this line item should be viewed as a penalty as opposed to an item on the fee schedule.
- Digging permit fee 01-363-100 budget was increased slightly in anticipation of the adoption of a new ordinance and fee schedule.

ADMINISTRATION EXPENSE

- Training expenses 01-400-416 were budgeted higher for 2018 to accommodate training opportunities for new Council Members.
- Expenses pertaining to major equipment purchases 01-400-740 were high in 2017 to purchase the new phone system. The proposed budget for 2018 was reduced from \$20,000 to \$3000 to allow replacement of computers if necessary.

PLANNING & ZONING EXPENSE

- Review of the proposed \$50,080 Police Department Technology Fees 01-410-252 is needed to ensure the anticipated \$13,000 purchase of a parking kiosk is included.
- Clerical wages 01-413-140 for the Code Enforcement Department were increased to accommodate a 3% increase.
- Code Department office supplies and postage 01-413-210 proposed budget for 2018 was reduced to \$2000.
- The proposed 2018 budget of PA One Call general expenses 01-413-300 were reduced to \$650.
- Engineering services 01-413-313 pertaining to UCC and real estate transfers were reduced to \$60,000 for the 2018 proposed budget. Mrs. Hoffman will review expenses pertaining to this line item.
- Communication expenses 01-413-320 pertaining to the new phone, fax and internet system were increased slightly to \$1200.
- A major equipment purchase 01-413-740 of \$4000 was budgeted for 2018 to replace the Code Department copier.
- The proposed budget pertaining to Code Department Administration 01-413-401 was increased by 3% for Systems Design Engineering's coverage of this department. Mrs. Hoffman will confirm the amount of \$171,089 with Mr. Unger.
- The proposed \$6000 general expense budget pertaining to planning and zoning 01-414-300 was discussed to accommodate fees associated with zoning ordinance changes, which include rezoning of districts.
- Zoning ordinance updates 01-414-342 proposed budget of \$5834 pertain to a joint comprehensive plan update and lawyer review fees.

WRCRF EXPENSE

- The operating expense 01-465-300 pertaining to Main Street was discussed, it was recommended to relocate the Main Street office to a more favorable Penn Avenue location, which would allow additional office space for the new administrative aide, and recreation office as well as the ability to begin creating a better plan storage area. Mr. Garman suggested that Council consider providing additional funding to assist with office expenses.

WATER & SEWER

- Water revenues 06-378-012 were discussed at length, Ms. Renninger noted in the past the budget was based on billing, however the audit is on a cash basis. The 2017 revenues are inline with consumption even though the year-end estimate is approximately \$200,000 less than budget. The projected 2018 budget of \$1,635,984 has been based on a two-year history of receipts. Western Berks Water Authority rates for 2018 are increasing 2%, while Joint Municipal Authority of Wyomissing Valley sewer rates will increase 3%. Council decided to raise residential rates 3% and commercial rates 5% to accommodate the rate increase.
- Water engineering services 06-400-313 budget was revised to \$70,000 to include a 15% engineering cost for the Pine Street water project. Mr. Murray suggested water testing expenses be assessed to system maintenance and repair line item in the future. It was suggested to create individual capital water expense line items for each project.
- Water purchase 06-400-366 proposed 2018 budget of \$695,400 was calculated by the four-year average purchase of 244 million gallons at the increased price of \$2.85 per thousand gallons.
- Ms. Renninger noted the transfer to special reserve 06-492-310 line item was created in 2007 to allocate 8% annually to fund special projects approved by Council. However, due to the \$200,000 water revenue deficit in 2017 revenue was removed from this line item.
- Sewer engineering services 08-400-313 proposed budget for 2018 was increased to \$50,000 to accommodate the anticipated 15% engineering fee for the Linden Lane sewer project.

- The 2017 capital sewer project 08-481-800 year-end estimate was revised to \$135,000 to reflect the upcoming televising sewer main project. The 2018 proposed capital sewer project budget for televising mains was reduced to \$30,000 based on bids received this year.
- A transfer to capital sewer fund 08-492-300 of \$16,000 was made in 2017 for the Kent Way alley project. The 2018 proposed budget for this line item was reduced to \$0.
- The transfer to special reserve 08-492-310 proposed budget will be determined if 8% of revenue fund balance can be met.

Ms. Renninger noted with the changes to expenses and revenue discussed this evening, the 2018 estimated water fund balance is projecting a negative balance of \$265,372, prior to a rate increase. Also, the updated 2018 general fund balance needed is \$940,157.

ADJOURNMENT:

Meeting adjourned 9:27 p.m.

Respectfully submitted,
Cynthia Madeira
Assistant to the Manager