

**BOROUGH OF WEST READING  
BOROUGH COUNCIL BUDGET WORKSHOP/COUNCIL MEETING**

**August 30, 2022 – 7:00 p.m.**

West Reading Borough Council held a Budget Workshop and Council Meeting at Borough Hall on Tuesday, August 30, 2022 with the following persons present: Council President Ryan Lineaweaver; Council Vice President Philip Wert; Council Pro-Tem Christopher Lincoln; Council Members Patrick Kaag, Denise Drobnick, Zachary Shaver (via Zoom); Mayor Samantha Kaag; Police Chief Wayne Holben; Fire Chief Chad Moyer; Public Works Director Kerry Grassley; Borough Manager Dean Murray; Treasurer Jeanette Rentschler; Assistant Treasurer Helen Moyer; and Zoning Officer Cathy Hoffman.

**VISITORS:**

James T. Rogers, Resident  
Paul Janssen, Director of the CELG (via Zoom)

Maureen Hasty, Resident (via Zoom)

**1. CALL TO ORDER:**

Council President Ryan Lineaweaver called the meeting to order at 7:05 p.m., which was followed by the Pledge of Allegiance and Roll Call.

**2. EXECUTIVE SESSION:**

Mr. Lineaweaver noted that Borough Council met in Executive Session on Tuesday, August 23 at 6:00 p.m. and on Tuesday, August 30 at 6:30 p.m. to discuss personnel, potential litigation and acquisition of real property.

**3. AGENDA AMENDMENTS:**

There were two agenda amendments as a result of Executive Session discussion. Motion to add to the agenda to authorize the Borough Manager and Solicitor to ensure we have defense counsel to represent the Borough in potential litigation. **Moved** by Mr. Kaag and seconded by Ms. Drobnick. **Motion carried 5-0.**

Motion to add a discussion about noise issues from the Buttonwood Street Bridge and railroad area in the City of Reading. **Moved** by Mr. Kaag and seconded by Mr. Lincoln. **Motion carried 5-0.**

**4. PUBLIC COMMENT:**

Jim Rogers spoke about his continuing research regarding the collection of Business Privilege Tax and noted that he had submitted a 230-item list of properties to the Codes Department. They in turn will forward it to Berks EIT to ensure that they have an EIT business license and are paying BPT. He also noted that seven properties on the south side of the 300 block of Penn Avenue have recently been sold and none had been paying BPT.

**5. BUDGET DISCUSSIONS:**

**a. Overview of 2023 Budget** – Paul Janssen from the CELG was on hand to give an overview of the 2023 Budget. He noted that the final review of the 2022 Budget to date was completed today, providing a projection of where we will be at the end of the year. Looking back to 2020 which was when he became involved in the budget process (largely thanks to County Commissioner Kevin Barnhardt because of his work with the County to make the program available), there was an audited surplus of \$64,949. In 2021 it was \$258,026 which provided a fund balance moving into 2022 of \$2,327,128. He noted:

- ARP funds received in 2021 really impacted the fund balance for 2022 however the ARP funds for 2022 have not yet been received.

- Revenue projections for the end of 2022 are conservatively projected at \$6,697,406 even though it was budgeted at \$6,723,981. The \$24,000 difference in revenues is good in a \$6,000,000 budget however it is expected that the \$6.69M budgeted revenues is attainable.
- Expense amounts for each department are shown as 'actual' for the month of July along with the projected year end amount. With the budgeted revenues for year end at \$6,723,981, and expenses at \$6,921,040 there is a projected deficit of \$197,059. A year end deficit of \$230,848 is budgeted however he expects the deficit to be closer to \$170,000 - \$180,000.
- This sets the stage for what happens in 2023. Part of this is projecting the numbers out for five years. Revenues are expected to be \$6,483,666 based on the fact that ARP funds will not be received but growth is expected in earned income taxes and transfer taxes. The expected shortfall is projected at \$600,854.
- Even with the beginning 2023 fund balance of \$2.1M, the five-year outlook projects a \$600,000 loss in 2023, and an additional \$600,000 in 2024, a \$789,755 loss in 2025, so by 2026, there are no reserve funds. As a result, this is a call to action for Council.
- The plan to bring the Codes department back in-house should have a significant impact on expenses and the changes to the fee structure should provide additional revenue.
- He will be working with staff to bring expenses in line.
- The Hospital has protested the payment of their property tax for their office building (DOB) which generally results in the filing of a tax assessment appeal. This could potentially result in the loss of \$250,000 in revenue.
- By October, the proposed budget will look more reasonably in line and the \$600,000 deficit may be \$150,000 to \$200,000. There should also be some revenue enhancements that will make the budget process a little bit easier.

Mr. Wert thanked Mr. Janssen for his work and said he is interested to hear what the revenue enhancements will be. He also noted that Mr. Rogers has been working hard to make responsible parties pay their EIT which will be very helpful. Mr. Janssen commended Mr. Murray and Ms. Rentschler for their work with this process. He also recommended that the Borough become involved with the tax assessment appeal for the DOB, which could be a significant loss of revenue. Mr. Wert also noted concerns as the Borough begins the negotiation process with Tower Health for the PILOT.

**b. Fire Department Budget** – Fire Chief Chad Moyer was on hand to provide the Fire Department's proposed budget for 2023 and noted the following:

- Staffing is budgeted at \$63,654 for 2023 which is a 3% increase over 2022. The plan is to have the program fully staffed Monday through Friday between 8 a.m. and 4 p.m. This hasn't been achieved which is why the year end estimate for 2022 is \$56,000. Officer salaries are also budgeted at an additional 3%.
- Fire Administrative Expenses was budgeted for \$4,500 in 2022 however due to changes in software for emergency reporting (old platforms won't be available), the cost for 2023 could be up to \$9,000. Other cheaper options will be explored but concrete pricing won't be available for a couple of months, hopefully by October.
- Turnout gear that was ordered in 2021 wasn't received until April this year due to COVID. Three sets of turnout gear still need to be purchased so that line item will be higher for the end of 2022, around \$14,274. For 2023 it is projected to be \$12,000. Mr. Wert asked about the grant that the former Chief obtained each year which he used for turnout gear. Chief Moyer said it

can be used for turnout gear or other equipment but he plans to purchase thermal imaging equipment this year with those funds. It was noted that the grant continues to be received each year.

- General Expenses is budgeted at \$10,000 which is the same as it was for 2022.
- Legal Services fees were related to the sale of fire vehicles and \$1,000 is budgeted for 2023.
- Communication fees were budgeted at \$19,500 for 2022 of which dispatching fees are a large part. A 7% increase is anticipated for 2023 (CPI increase) which will take it to \$10,144 in 2023 just for dispatching fees. The anticipated year end is overbudget as well, due to the necessity of upgrading the internet system and separating it from Western Berks Ambulance's internet. This change allows the Fire Company to have its own internet service and its own infrastructure for the internet. There have been issues in the past when the internet equipment would fail and they would have to get Western Berks Ambulance to take care of the repair. IT service and support was also not available before and now the Fire Company equipment is part of the Borough's service plan. Proposed budget for 2023 is \$23,200.
- Vehicle expense for 2022 is projected at \$24,240 but due to the downsizing of one of the main pieces, it is being decreased to \$20,000 for 2023.
- Gasoline was budgeted at \$5,000 for 2022 however with the increase in fuel prices, the projected year end is \$9,787. As a result, that amount is being maintained for 2023.
- Insurance has been increased by 7% for 2023, to \$10,338 however quotes for pricing will be requested.
- Vehicle claim repairs is projected to be zero for year end, but the same \$500 deductible amount in 2022 is proposed for 2023.
- Workman's Comp premiums will also need to go out for quotes however it is proposed at the same rate as in 2022 (\$12,000).
- Utilities were budgeted at \$18,634 for year-end however lighting throughout the building has been changed to LED which should realize a cost saving. Also, a HVAC unit failed so the newer more energy efficient unit should also result in utility savings. \$18,000 is proposed for 2023 depending on energy rates.
- Building maintenance and Repairs is projected for \$30,000 due to the \$9,000 cost to replace the HVAC unit. \$24,000 is projected for 2023. It was also noted that there are six or seven more original units (from 2003) that will need to be replaced however it was recommended to keep them in use until they fail.
- Minor Equipment is proposed at \$7,500 for year end due to the need to purchase mounting equipment to fit out the new apparatus. The old hydraulic equipment will also go to auction. 'eDRAULIC' equipment (electric hydraulic) has already been purchased for the new unit.
- Under Fire Capital expense for 2022, \$10,000 is available to finish concrete apron repairs. In 2023 and 2024, \$10,000 has been allocated for possible HVAC unit replacement. Chief Moyer recommended placing these funds in a special reserve fund so it will be available when necessary. Discussion ensued regarding the special reserve fund. Chief Moyer stated that the new truck was purchased with a ten-year bond and when that bond is done, the original bond for the fire station (and other things that got rolled together over the years) will be paid off. There is \$230,000 in revenue from the fire tax that is coming in that won't be going anywhere, so at that point when that bond is paid off, it will be time to purchase a new ladder truck. If the ladder truck cost is \$2M, using a ten-year bond (\$200,000/yr. over 10 years) will allow it to be paid off without raising taxes. Ms. Rentschler noted that when the bond was restructured last

year, the Borough took the savings up-front and of that, approximately \$150,000 is the fire department's portion that will be put in the special reserve fund. Chief Moyer also noted that the engine room floor is starting to show some cracks so by 2026, it will need to be resurfaced which includes patching it as necessary and resurfacing the entire surface with an epoxy coating.

**6. BOROUGH MANAGER'S REPORT:**

a. **Ratification of Bucket Truck Sale** – Motion by Mr. Wert and seconded by Mr. Kaag to ratify the sale of the bucket truck with the winning bid acceptance of \$6,700. **Motion carried 5-0.**

b. **Consideration of Appointments to Hospital Ad Hoc Committee** - Motion by Mr. Kaag and seconded by Mr. Lincoln to appoint Chad Moyer and Ryan Lineaweaver to the Ad Hoc Hospital Committee. **Motion carried 5-0.**

c. **Consideration to Waive Fees for Concert in the Park Events** – It was noted that Pollen Consolidated had paid the fees (\$300 per event) in the past and although they have joined with Berks Arts for their band shell concert series, they remain a for-profit organization. It was noted that these fees cover labor costs for public works, utilities, the cost for the Pavilion, etc. After some discussion, no motion was made therefore the request dies for lack of a motion and the fees will not be waived.

d. **Consideration to authorize the advertisement of a Recreation Director Position** – Motion by Mr. Wert and seconded by Mr. Lincoln to authorize the advertising of a Recreation Director position. **Motion carried 5-0.**

e. **Consideration to approve Fall Pickleball Tournament Dates** – Discussion noted that there will be no beer garden as alcohol isn't being allowed, regardless of the information that has been issued to the public. Motion by Ms. Drobnick and seconded by Mr. Kaag to approve the Fall Pickleball Tournament dates of September 23 through September 25, 2022. **Motion carried 5-0.** It was noted that they will be required to provide extra porta-potties at their cost.

f. **Consideration to grant authorization the Borough Manager and Solicitor** – Motion by Mr. Kaag and seconded by Mr. Lincoln to authorize the Borough Manager and Solicitor to ensure that we have defense counsel to represent the Borough in a potential litigation. **Motion carried 5-0.**

**7. NOISE ISSUES AT THE BUTTONWOOD STREET BRIDGE AREA IN THE CITY OF READING** – Mr. Wert told Council that since the 4<sup>th</sup> of July, there have been ten incidents where people have been blasting music from the area along the Schuylkill River near the Buttonwood Street Bridge, six of which have been in the last 13 days. He noted that each time, he has reached out to the Reading Police Department however their dispatchers have encouraged him to wait two hours and call back if it's still happening. He has contacted or attempted to contact Norfolk Southern, Met-Ed, and the Schuylkill River Trail organization as those who either own or have rights-of-way in that area, to no avail.

Discussion ensued regarding the work that the City of Reading has done to assist with this situation and it was noted that a law, referred to as a 'seizure' ordinance has been passed. Mr. Wert also mentioned that there have been many others with whom he has made contact, unfortunately the situation remains unresolved. It was suggested that the further discussion could occur at Council's next meeting on September 10<sup>th</sup>. A motion was made by Ms. Drobnick and seconded by Mr. Kaag to direct Borough parties to discuss noise issue complaints with appropriate officials. **Motion carried 5-0.**

8. **PUBLIC COMMENT:**

Jim Rogers asked about the discussion regarding the Doctors Office Building and Mr. Lineaweaver explained that while the building has been assessed and taxes paid in the past, this is now being protested. The Wyomissing Area School District and the Borough are actively seeking to have it remain a taxable property.

9. **ADJOURNMENT:** Motion to adjourn the meeting at 8:25 p.m. **Moved** by Mr. Kaag and seconded by Mr. Lincoln. **Motion carried 5-0.**

Respectfully submitted,

Cathy Hoffman  
Zoning Officer