

**BOROUGH OF WEST READING
BOROUGH COUNCIL MEETING**

October 25, 2022 – 7:00 p.m.

West Reading Borough Council held a Budget Workshop at Borough Hall on Tuesday, October 25, 2022 with the following persons present: Council President Ryan Lineaweaver; Council Vice President Philip Wert; Council Pro-Tem Christopher Lincoln; Council Members Jennifer Bressler, Patrick Kaag, Denise Drobnick, and Zachary Shaver (via Zoom); Mayor Samantha Kaag (via Zoom); Zoning Officer Cathy Hoffman; Building Code Official Chad Moyer; Borough Manager Dean Murray; Treasurer Jeanette Rentschler; Assistant Treasurer Helen Moyer; and Borough Secretary Cynthia Madeira.

VISITORS:

There were no visitors.

1. **CALL TO ORDER:** Council President Ryan Lineaweaver called the meeting to order at 7:22 p.m., which was followed by the Pledge of Allegiance and Roll Call.

2. **EXECUTIVE SESSION:**

Mr. Lineaweaver noted an executive session that was held today at 6:30 p.m. to discuss personnel matters and contracts.

4. **AGENDA AMENDMENTS:**

There were no amendments to the agenda.

5. **PUBLIC COMMENT:**

There were no public comments.

6. **ORDINANCES / RESOLUTIONS:**

- a. **Ordinance – Handicapped Parking Space Designations** – Mr. Lineaweaver requested consideration to authorize the advertisement of amendments to Chapter 430-26 Special purpose parking zones. Mr. Lincoln stated the recommended amendments were reviewed by the Traffic and Infrastructure Committee; two changes were reviewed further this past week. It was noted that an application to support a verbal request to allow the existing handicapped parking space to remain near 400 Franklin Street had not been submitted.

Motion to authorize the advertisement of amendments to Chapter 430-26 Special purpose parking zones. **Moved** by Mr. Kaag and seconded by Mr. Lincoln. **Motion carried 7-0.**

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

- a. **Police Department Collective Bargaining Agreement Amendment** – Mr. Murray requested consideration to approve a one-time benefit to allow the West Reading Police Officers Association to carry an additional forty-hours of accrued vacation benefits, a total of eighty-hours, until May 31, 2023. Mr. Lineaweaver clarified that due to COVID and short staffing this past year members of the department were having difficulty utilizing their vacation hours.

Motion to approve a Memorandum of Understanding regarding the Police Department Collective Bargaining Agreement, specifically number 11 (e) Accrued Vacation Benefits to allow a total of eighty-hours of accrued vacation benefits to be carried through until May 31, 2023. **Moved** by Mrs. Bressler and seconded by Ms. Drobnick. **Motion carried 7-0.**

8. **CODE DEPARTMENT BUDGET:**

Mr. Moyer provided an overview of the Code Department budget noting that revenues are being projected on the conservative side based on the current and projected market conditions.

Code Department Revenues

- **01-321-610 Transient Retailers** – It was noted that once transient retailers realize the lengthy process in obtaining a permit, they generally decide against applying. The amount of revenue budgeted for 2023 was \$100.
- **01-321-800 Cable TV Franchise Tax** – The 2022 budgeted amount of \$77,300 was projected to remain the same for 2023. Mr. Lincoln requested clarification of continued compensation of this tax in light of a delay in the receipt of a fully executed Comcast agreement that was approved by Council in April of this year. It was confirmed that the second annual payment had recently been received.
- **01-321-850 Public Right-of-Way License** – Mrs. Hoffman stated that the Cohen Law Group indicates that small cell antennas have been deregulated. Therefore, \$0 funds have been received or budgeted. Mr. Lincoln requested this documentation to be circulated to Council for review.
- **01-331-125 Violations of Ordinances/Statutes** – The year end estimate of \$2,500 is below the budgeted amount of \$8,500. Council inquired as to whether the reduced amount of revenue is District Court or Borough related. Mrs. Hoffman indicated that every effort is made to bring the violation into compliance prior to issuing a citation. Mr. Moyer noted that filing a citation can generate revenue however, does not necessarily gain compliance. The plan to hire an additional Borough employed inspector will provide five-days of coverage moving forward, Therefore, \$6,000 was budgeted for 2023.
- **01-331-225 Code Fines (Non-DJ)** – The year end estimate of \$3,500 exceeds the budgeted amount of \$500 for fines pertaining to snow or lawn violations and failure to attend a scheduled inspection. The amount budgeted for 2023 was \$2,000.
- **01-331-350 False Alarm Fines** – The end of year estimate of \$6,000 exceeds the budgeted amount of \$3,500, the proposed 2023 budget was \$8,000. Mr. Moyer noted an increase to the number of alarm systems installed within the Borough this past year.
- **01-332-100 Restitutions** – The year end estimate of \$2,600 is below the budgeted amount of \$5,400, the proposed 2023 budget was \$500. These payments recoup fees associated with Borough provided services such as lawn cutting or condemnations.
- **01-355-080 Alcohol Beverage License** – The end of year estimate of \$3,050 is below the budgeted amount of \$5,000, the proposed 2023 budget was \$3,050.
- **01-361-310 Residential Plan Review** – The end of year estimate of \$0 is below the budgeted amount of \$735 due to the lack of large residential projects this past year. The amount budgeted for 2023 was \$700.
- **01-361-320 Commercial Plan Review** – The year end estimate of \$3,300 is below the budgeted amount of \$15,000, the proposed 2023 budget was \$3,000. It was noted that the hospital did not have any construction projects completed this past year.
- **01-361-340 Hearing Fees** – The year end estimate of \$3,000 is below the budgeted \$6,000, the proposed 2023 budget was \$3,000.
- **01-362-100 Fire Code Inspection Fees** – The year end estimate of \$66,000 is an estimate of outstanding fees due to the Borough from the Township of Spring. The projected 2023

budget of \$10,000 is for the anticipated service from the Township of Spring until Mr. Moyer can implement an in-house inspection program next year. Mr. Murray indicated that Mr. Hatt intends to determine the amount due to the Borough following a review of his time associated with recent structure fires.

- **01-362-200 Burning Permit** – The year end estimate of \$400 exceeded the budgeted amount of \$100, the proposed 2023 budget was \$500. Mr. Moyer indicated that most properties do not support the distances required to operate wood burning devices. However, fuel fired burning devices require less separation distance and have been recommended as an alternative that most residents have been receptive to.
- **01-362-410 Building Permits** – The year end estimate of \$27,500 is below the budgeted amount of \$65,000. This includes residential and commercial permits; Mr. Moyer plans to review the issuance of permits in the coming year to budget separately in the year 2024.
- **01-362-412 Reading Hospital Building Permit** – Mr. Moyer indicated that the GL Codes will be revised next year to separate residential from commercial building permits. This GL Code is not in use.
- **01-362-450 Business Licenses** – The year end estimate of \$16,400 is slightly below the budgeted amount of \$17,000, the amount projected for 2023 was \$17,000.
- **01-362-460 Sign Permits** – The year end estimate of \$2,800 exceeds the \$2,500 budgeted amount. The amount projected for 2023 was \$3,000.
- **01-362-470 Rental Occupancy Fee** – The year end estimate of \$93,000 is below the budgeted amount of \$98,000. Mr. Moyer indicated that this is due to the outstanding fees associated with the Lofts at Narrow property. The amount budgeted for 2023 was \$97,000. It was noted that there are currently 1,014 rental units within the Borough and that the primary function of the Code Department has shifted from building permits to rental property management.
- **01-362-475 Housing Certification Fee** – The year end estimate of \$10,450 is below the budgeted amount of \$13,000, the projected 2023 budget was \$8,000. Mr. Moyer noted that the sale of properties has slowed.
- **01-362-476 Rental Inspection No Show Fine** – The year end estimate of \$1,200 is below the budgeted amount of \$2,100, the projected 2023 budget was \$1,200. Mr. Moyer indicated that the Code Department Secretary does a phenomenal job communicating with property owners to avoid missed inspections.
- **01-362-479 Commercial Certificate of Occupancy** – The year end estimate of \$3,600 exceeds the budgeted amount of \$2,500, the amount projected for 2023 was \$4,000. Mr. Moyer noted an influx of new businesses.
- **01-363-100 Street/Sidewalk Opening Permit** – The year end estimate of \$11,700 exceeds the budgeted amount of \$6,300, the projected 2023 budgeted was \$8,000. It was noted that UGI has hired a firm to apply for permits which has resulted in a timelier submission of applications.

Code Department Expenses

- **01-413-130 Wage of Code Department Manager** – The projected 2023 budget was \$23,000 for Mrs. Hoffman whom plans to retire in April after seventeen years of service.

- **01-413-132 Code and Zoning Officer Salary** – This new GL Code budget projection for 2023 was \$74,160 for Mr. Moyer to manage the department, perform zoning officer duties and implement an in-house fire inspection program.
- **01-413-133 Wage of Assistant Code Enforcement Officer** – The projected 2023 budget was \$55,000 for a full-time Code Officer. This would replace the cost to outsource to a third-party agency.
- **01-413-140 Wage for Clerical** – The projected 2023 budget for the Code Department Secretary was \$52,000.
- **01-413-181 Uniforms** – The projected 2023 budget was \$500 to provide uniforms for two code inspectors.
- **01-413-210 Supplies/Equipment** – The year end estimate of \$2,500 exceeds the budgeted amount of \$1,500, the amount projected for 2023 was \$2,000.
- **01-413-313 Engineering Services** – The year end estimate of \$32,685 is below the budgeted amount of \$68,250, the proposed 2023 budget was \$40,000.
- **01-413-316 Fire Code Inspections** – The amount budgeted for 2022 was \$20,000 however with the breakdown of the partnership with the Township of Spring no fees have been expended for this line item. The projected 2023 budget was \$10,000, which Mr. Moyer noted would offset the revenue of 01-362-100 Fire Code Inspection Fees.
- **01-413-320 Communication Expense** – The year end estimate of \$2,098 exceeds the budgeted \$1,764, the proposed 2023 budget was \$2,500 for landline and cell phone expenses.
- **01-413-337 Vehicle Maintenance** – The amount projected for 2023 was \$2,500 for the used reallocated police vehicle.
- **01-413-338 Gasoline** – The amount projected for 2023 was \$1,000.
- **01-413-351 Vehicle Insurance** – The amount projected for 2023 was \$900.
- **01-413-375 Computer Maintenance** – The year end estimate of \$13,500 exceeds the budgeted amount of \$8,300, the amount budgeted for 2023 was \$14,000. The reason for the overage was better allocation of Solve IT expenses by department.
- **01-413-401 Code Department Administration** – As a result of the reduction in hours provided by the third-party agency, the year-end estimate of \$134,000 is below the budgeted amount of \$142,000. The projected 2023 budget was \$2,000 should a third-party agent need to appear in court for citations filed while serving the Borough for the remainder of this year.
- **01-413-460 Education and Training** – The year end estimate of \$50 is below the budgeted amount of \$250. The projected 2023 budget was \$2,500 to train and certify new in-house staff members.
- **01-413-740 Major Equipment Purchases** – The year end estimate of \$1,501 exceeds the budgeted amount of \$1,000. The projected 2023 budget was \$2,500 to provide suitable furniture for new in-house staff members.
- **01-413-750 Minor Equipment Purchases** – The year end estimate of \$200 is below the amount budgeted of \$250. The projected 2023 budget was \$1,000 to purchase an additional iPad for the second code inspector.

Zoning Expenses

- **01-414-300 General Expense** – The year end estimate of \$2,000 is below the budgeted amount of \$5,000. The projected 2023 budget remained at \$5,000 for zoning advertisements and stenographer services.
- **01-414-314 Legal Services** – The year end estimate of \$30,000 is below the budgeted amount of \$31,500, the projected 2023 budget remained at \$31,500.
- **01-414-320 Planning/Zoning Hearing Expense** – The year end estimate of \$8,500 is below the budgeted amount of \$13,125, the projected 2023 budget was \$10,000.
- **01-414-342 Zoning Ordinance Updates** – The year end estimate of \$15,000 exceeds the budgeted amount of \$2,000, the proposed 2023 budget was \$10,000. This overage was due to a number of zoning amendments this past year.

Mr. Moyer noted this brings the total Code Department budget to a deficit of \$180,542 for 2023. It is thought that the deficit should stabilize once services are provided five days per week in-house.

Mr. Moyer and Mrs. Hoffman departed the meeting at 8:19 p.m.

9. **ADMINISTRATION BUDGET:**

Mrs. Rentschler referred to the 2023 Budget Tax Estimate Worksheet noting that the exempt portion of tax base owned by Reading Hospital of \$243,591,200 exceeds the amount of all other combined properties tax base of \$183,502,570. The formula used to project real estate tax collections, based on 2022 payments, was broken down to 92.2% paid during the discount period, 3.3% paid during the flat period, 1.7% paid during the penalty period, and 2.8% unpaid.

General Fund Revenues

- **01-301-100 Real Estate Taxes Current** – The year end estimate of \$1,270,872 is below the budgeted amount of \$1,279,147. A place holder of \$1,270,872 was projected for 2023. Mrs. Rentschler recommended taking into consideration the probability of the doctor's office building being removed from the tax base that was estimated to generate \$225,869 in revenue.
- **01-301-125 Real Estate Taxes Road Current** – The year end estimate of \$175,293 is below the budgeted amount of \$176,434, the projected 2023 budget was \$175,293.
- **01-301-150 Real Estate Taxes Fire Current** – The year end estimate of \$499,584 was below the budgeted amount of \$502,837, the projected 2023 budget was \$499,584. Mrs. Rentschler noted that this fund is doing well and recommended against raising the current rate of 2.85 mils.
- **01-301-300 Real Estate Taxes Delinquent** – The year end estimate of \$46,813 exceeds the budgeted amount of \$27,803. An average of the past three years was projected for 2023 totaling \$34,870.
- **01-310-100 Real Estate Transfer Tax** – The year end estimate of \$101,922 is below the budgeted amount of \$105,000. It was thought that there may be fewer home sales now that interest rates are high. The projected 2023 budget was \$90,000.
- **01-310-200 Earned Income Tax** – The Berks EIT year-end estimate of \$879,000 exceeds the budgeted amount of \$810,000, the projected 2023 budget was \$910,000.
- **01-310-500 Local Services Tax** – The Berks EIT year-end estimate of \$379,000 was below the budgeted amount of \$403,000, the projected 2023 budget was \$377,000. It was noted this drop more than likely pertains to hospital staffing.

- **01-310-800 Business Privilege Tax Current Year** – The Berks EIT year-end estimate of \$238,506 is below the budgeted amount of \$250,000, the projected 2023 budget was \$238,875.
- **01-310-830 Business Privilege Tax Prior Years** – The Berks EIT year-end estimate of \$60,003 exceeds the budgeted amount of \$20,000, the projected 2023 budget was \$48,750.
- **01-341-100 Interest Earnings** – The year end estimate of \$1,409 exceeds the budgeted amount of \$625, the projected 2023 budget was \$1,000.
- **01-341-105 Interest PLGIT Prime** – The year end estimate of \$21,937 exceeds the budgeted amount of \$880, the projected 2023 budget was \$25,500. Mrs. Rentschler recommended allocating additional funds when possible.
- **01-351-010 American Recovery Plan Act Award (ARPA)** – The year end estimate of \$225,540 exceeds the budgeted amount of \$224,829. There will be no additional funds received for this line item moving forward.
- **01-359-100 Reading Hospital** – The year end estimate of \$674,031 exceeds the budgeted amount of \$650,212. Per the new three-year Payment in Lieu of Taxes agreement the amount of \$674,031 was carried through to 2023.
- **01-363-510 Contracted Snow Removal PennDOT** – The year end estimate of \$3,700 has not yet been received from PennDOT. It was unknown as to when a new contract may be received, Mr. Murray will review the current contract.
- **01-380-100 Miscellaneous Revenue Receipts** – The year end estimate of \$7,500 exceeds the budgeted amount of \$2,700 for no parking signs and copies associated with right-to-know requests. The projected 2023 budget was \$7,500.

Mrs. Rentschler noted that the total budgeted revenue of \$5,711,280 is roughly \$200,000 less than 2022, which could be attributed to the ARPA funds.

Administration Expenses

- **01-400-121 Manager's Salary** – A 3% increase brings the 2023 salary to \$82,750.
- **01-400-130 Treasurer's Salary** – A 3% increase brings the 2023 salary to \$63,632.
- **01-400-135 Assistant Treasurer's Wages** – The year end estimate exceeds what had been budgeted due to Mrs. Moyer's ability to assist other departments as needed. The projected 2023 budget was \$51,392.
- **01-400-140 Office Staff Wages** – The year end estimate exceeds what had been budgeted. Percentage increases, including overtime projected for two office staff in 2023 was \$114,827.
- **01-400-210 Supplies** – The year end estimate of \$6,127 exceeds the budgeted amount of \$5,000, the projected 2023 budget was \$3,100.
- **01-400-232 Memberships, Fees and Donations** – This new GL Code will facilitate better tracking of these types of expenditures by department, the projected 2023 budget was \$1,700.
- **01-400-243 COVID19** – Upgrades to the audio and video equipment within Council Chambers to improve the virtual meeting experience was budgeted at \$39,000. There are plans to implement these upgrades before the end of the year. The amount budgeted for 2023 was \$5,000.
- **01-400-312 Accounting Services** – The Center for Excellence in Local Government waived their fees associated with budget preparation assistance this year. Therefore, \$0 funds have been expended from the budgeted amount of \$5,000. There were \$0 funds projected for the 2023 through 2026 budgets.

- **01-400-313 Engineering Services** – The year end estimate of \$19,250 exceeds the budgeted amount of \$10,000, the proposed 2023 budget was \$15,000.
- **01-400-314 Legal Services** – The year end estimate of \$75,000 exceeds the budgeted amount of \$45,000, the proposed 2023 budget was \$60,000.
- **01-400-340 Advertising and Printing** – The year end estimate of \$2,300 is below the budgeted amount of \$6,000. The savings was due in part to utilizing Indeed for hiring as opposed to the Reading Eagle. The proposed budget for 2023 was \$2,500.
- **01-400-373 Equipment Maintenance and Repairs** – A new GL Code has been established to track expenses associated with equipment maintenance, this would not include computer expenses. The proposed 2023 budget was \$3,500.
- **01-400-374 Computer Repair and Maintenance** – Due to unforeseen computer system upgrades the year end estimate of \$28,000 exceeds the budgeted amount of \$23,950. The proposed budget for 2023 was \$24,000.
- **01-400-740 Major Equipment Purchases** – The year end estimate of \$3,700 is below the budgeted amount of \$5,000. Plans to upgrade the server and purchase a replacement laptop next year brought the proposed 2023 budget to \$15,500. The projected 2024 budget was reduced to \$5,000.

Shared Building Expenses

- **01-409-361 Electricity** – The year end estimate of \$16,500 is below the budgeted amount of \$17,403. A 20% increase was proposed for 2023 totaling \$20,884 based on the increased electricity rate. It was recommended to base the annual usage times the new electric rate to more closely budget electricity charges.
- **01-409-373 Maintenance and Repairs** – The year end estimate of \$37,000 exceeds the budgeted amount of \$32,540. The proposed 2023 budget was \$35,000 to maintain the Hall, garage and Bicentennial House.

Professional Services

- **01-415-320 Emergency Management Communications** – The proposed 2023 budget is based on a 7.5% Consumer Price Index increase that totals \$9,950.
- **01-419-542 Animal Rescue League** – It was noted that the Animal Rescue League's 2023 rates are increasing from \$1.00 per capita to \$1.25 per capita. The proposed 2023 budget was \$5,700.

Elm Street

- **01-462-000 Tax Incremental Financing (TIF) to Berks County Redevelopment Authority** – The year end estimate of \$20,650 pertained to the year 2021 and 2022 because the authority failed to bill the Borough for the Candlewood Suites TIF payment in 2021. The proposed 2023 budget was \$10,325, which was noted to end in the year 2026.

Main Street

- **01-465-300 West Reading Main Street Operating Expense** – The proposed 2023 budget remained at \$42,000.

Loans

- **01-471-411 Principal Payments/Fire Station** – The principal payment of \$10,705 carried through for the year 2023. It was noted that the loan will mature in October of 2026.

Insurance

- **01-486-352 Casualty/Fire/Flood/Liability** – Mrs. Rentschler reported that the flood insurance expense dropped almost \$50,000 this past year due to a change in the flood plain mapping and rates. The year-end estimate of \$90,000 is below the budgeted amount of \$150,228. The proposed 2023 budget was \$95,000.

Pension Costs

- **01-487-151 Pension/State Aid** – The proposed 2023 budget was increased 3.7% totaling \$470,000.

Highway Aid Revenues

- **35-355-050 Motor Vehicle Fuel Tax** – The year end estimate of \$114,346 exceeds the budgeted amount of \$107,180. It was noted that this may decrease over the coming years with the rise in electric vehicles. The proposed 2023 budget was \$111,467.

Highway Aid Expenses

- **35-433-000 Traffic Control Devices** – The electricity usage for traffic lights has been trending down, however due to increased electricity rates the proposed 2023 budget was increased to \$9,945.
- **35-434-361 Street Lighting Electricity** – The electricity usage for street lights has also been trending down, however due to increased electricity rates the proposed 2023 budget was increased to \$90,000.
- **35-432-000 Snow and Ice Removal** – The engineer will be assisting in the use of Liquid Fuel funds towards supply costs only. The projected 2023 budget was \$10,000.
- **35-439-000 Highways Construction Rebuild** – The engineer recommended against the use of Liquid Fuel funds now that this work is being performed in-house. Zero funds have been expended from the budgeted amount of \$52,000.

10. PUBLIC COMMENT:

There were no public comments.

11. ADJOURNMENT: Motion to adjourn the meeting at 9:26 p.m. **Moved** by Mr. Lincoln and seconded by Mr. Kaag. **Motion carried 7-0.**

Respectfully submitted,

Cynthia Madeira
Borough Secretary