

**BOROUGH OF WEST READING
BOROUGH COUNCIL MEETING**

November 22, 2022 – 7:00 p.m.

West Reading Borough Council held a Budget Workshop at Borough Hall on Tuesday, November 22, 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; Mayor Samantha Kaag; Building Code Official & Fire Chief Chad Moyer; Public Works Director Kerry Grassley; Police Chief Wayne Holben; Recreation Director Michael Esterly; Borough Manager Dean Murray; Treasurer Jeanette Rentschler; and Borough Secretary Cynthia Madeira. Council Member Zachary Shaver was unable to attend.

VISITORS:

James Rogers, Resident

Suzanne Thompson, Resident

Ty Gardner, Resident (via Zoom)

1. **CALL TO ORDER:** Council President Ryan Lineaweaver called the meeting to order at 7:08 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 6:00 p.m. to discuss personnel matters.

4. **AGENDA AMENDMENTS:**

There were no amendments to the agenda.

5. **PUBLIC COMMENT:**

Mr. Rogers requested clarification of the action item to implement a \$5 fee within the residential sewer maintenance fees. Mr. Murray described a proposed new service that would allow the Public Works Department to provide sewer lateral jetting services to the property owner's side of the trap, when the Borough's side requires cleaning, while onsite addressing a sewer backup. Should Council approve this residential preventative maintenance service, a \$5 fee would be assessed on a quarterly basis.

6. **OVERALL BUDGET:**

Mrs. Rentschler provided an overview of revisions to the budget that include a 1 mil General-Purpose Tax increase. Mrs. Rentschler reported that the Masonic Center was recently granted a tax exemption status eliminating roughly \$76,000 in annual tax revenues moving forward. The current draft budget does not include a loss of tax revenue from the Doctor's Office building.

It was unclear as to when the appeal hearing took place and what changes to the Masonic Center business structure would allow an exemption classification. In an effort to determine appeal options staff was requested to contact the Berks County Assessment office and Wyomissing Area School District. A recommendation was made by Mr. Janssen of the Center for Excellence in Local Government (CELG) to pursue a Payment In Lieu of Taxes (PILOT) should the Masonic Center be classified as a non-profit organization.

- **01-331-125 Code Violations of Ordinances/Statutes** – Mr. Janssen is confident that Mr. Moyer will generate additional citation revenues and therefore the proposed 2023 budget was increased from \$6,000 to \$20,000. Subsequent years were proposed to generate \$50,000.
- **01-331-300 Parking Tickets** – Mr. Janssen recommended increasing this revenue from 100,000 to 110,000.

- **01-341-105 Interest PLGIT Prime** – Mr. Janssen recommends the implementation of a tiered investment plan that would increase the proposed 2023 budget from \$40,000 to \$140,000. The tiered plan would include the investment of \$1,000,000 for 365 days at 5.24% interest, generating roughly \$50,000; an additional \$1,000,000 could comfortably be invested in April or May of 2023 for a period of six months generating roughly \$25,000. Mrs. Rentschler intends to communicate to Council each month the status of combined cash totals to discuss additional investment opportunities.
- **01-362-100 Fire Code Inspection Fees** – Mr. Janssen and Mr. Moyer were comfortable in proposing additional revenues to the proposed 2023 fire code inspection budget. The amount was increased from \$10,000 to \$35,000.
- **01-362-470 Rental Occupancy Fee** – Mr. Moyer shared thoughts on restructuring the rental inspection fee schedule by removing the included reinspection. Justification for implementing a reinspection fee, equivalent to the annual rental fee, was based on providing a list of common violations to be addressed prior to the scheduled inspection. Should items be found outside of the list of common violations a reinspection fee would not be assessed. It was agreed that general safety items such as smoke detectors should not require additional time and expense to the Borough.
- **01-400-243 COVID-19** – It was noted that the proposed \$1,000 expense had been removed from the 2023 budget. Should the planned audio/video upgrades to Council Chambers be delayed until next year roughly \$10,000 would be moved from the 2022 budget to the 2023 budget.
- **01-410-171 Overtime** – Chief Holben requested a division of court case and special event overtime from this GL Code. The proposed 2023 budget was \$167,000.
- **01-410-175 Overtime for Court Cases** – The proposed 2023 budget was \$33,000 for this new court case overtime GL Code. It was noted that the combined proposed 2023 budget for the police department overtime was \$200,000. Mr. Janssen had recommended better scheduling to accommodate court cases to lessen overtime pressures, thereby lowering the proposed 2023 police department overtime budget by \$30,000.
- **01-410-194 Hiring Cost Full Time Officers** – Mrs. Rentschler indicated that the proposed 2024 budget had been lowered from \$2,000 to \$1,000.
- **01-445-300 Parking Meter Kiosk Expense** – Mrs. Rentschler noted efforts to research lowering the cost to process credit card transactions through First National Bank as opposed to Chase Payment Tech. However, First National Bank's system does not integrate with the existing Caselle software. Xpress Bill Pay will be providing a list of other establishments that may offer less expensive credit card processing options. It was noted that a few larger commercial accounts have been remitting their utility bill payment via credit card, burdening the Borough with steep processing fees. Options such as prohibiting commercial entities from paying their utility bills via credit card, establishing a limit for credit card processing, or assessing a processing fee to the consumer were discussed. Mrs. Rentschler noted that a lower credit card processing rate of 1.4% is assessed for municipal paid processing of utility bill payments. It was recommended to continue to pursue alternate methods to reduce the fees incurred by the Borough.
- **06-400-336 Vehicle Replacements** – Mr. Janssen recommended smoothing out expenses in the coming years by planning to replace one vehicle per year. Therefore, replacement of the

10-ton dump truck was moved from 2024 to 2025. This divided expense has been reflected in the water, sewer and refuse budgets.

- **06-492-010 Transfer to General Fund** – Following a review of personnel cost allocation plans, insurance payments, and other expenses an increase from 5% to 11.9% has been justified in budgeting a transfer of \$648,600 in 2023.
- **08-364-027 Sewer Jet Service Fee** – A new GL Code was created to begin a sewer jet service program. The proposed 2023 budget was \$24,000.
- **30-392-009 Transfer from Refuse Fund** – It was found that the transfer of funds from refuse to fund alley road repairs could not be accomplished in the year 2023 and 2025. Therefore, \$150,000 has been budgeted to transfer in 2023 and 2026.
- **90-367-300 Playground Registration Fees** – Revenue was increased \$1,000 to a total proposed 2023 budget of \$32,000.
- **90-367-350 Sign/Banner Program** – A new GL Code was created for a business sign sponsorship at the basketball courts and pool area. The proposed 2023 budget was \$7,800.
- **90-367-370 Pickleball Program** – The Pickleball Association has agreed to reimburse the Borough for any engineering fees and porta-potty fees associated with the Pickleball program. Therefore, \$4,000 has been budgeted in 2023.
- **90-453-036 Sign/Banner Program** – A new GL Code was created for the cost associated with a new partnership sign program. The proposed 2023 budget was \$3,000.

Mrs. Rentschler noted the total of these revisions has brought the budgeted deficit down from \$664,052 to \$141,264. Mr. Murray thanked everyone, including Mr. Janssen whom was not in attendance of the meeting for their efforts in presenting an achievable concept.

Motion to authorize the advertisement of the proposed 2023 budget. **Moved** by Mr. Kaag and seconded by Mrs. Bressler. **Motion carried 6-0.**

7. ORDINANCES / RESOLUTIONS:

- a. **Ordinance – Tax Rate Amendment** – Mr. Lineaweaver requested consideration to authorize the advertisement of an amendment to the General-Purpose tax rate from 7.25 to 8.25 mills. There were no proposed changes to the fire or infrastructure taxes. It was thought to be prudent to increase the General-Purpose tax rate in 2023 based on the potential loss of real estate revenue from the Doctor's Office building.

Motion to authorize the advertisement of an amendment to the General-Purpose Tax rate. **Moved** by Ms. Drobnick and seconded by Mr. Lincoln. **Motion carried 6-0.**

- b. **Ordinance – Sewer Disposal Rate Amendment** – Mr. Lineaweaver requested consideration to increase the residential and commercial sewer rates in 2023 by 3%. It was noted that there are no proposed increases to the water or refuse rates in 2023 even though an 8% increase has been passed onto the Borough by the water and sewer service providers.

Motion to authorize the advertisement of an amendment to the Sewer Disposal rate. **Moved** by Mrs. Bressler and seconded by Mr. Wert. **Motion carried 6-0.**

- c. **Resolution 2022-19 PennDOT Traffic Signal Maintenance Agreement** – Mr. Lincoln noted that PennDOT began requiring municipalities to enter into a Traffic Signal Maintenance Agreement to describe maintenance requirements and identify a position within the municipality that Borough Council authorizes, in this case the Borough Manager, to execute forms related to the

maintenance agreement and future modifications to the signals. This agreement is required to be in place prior to applying for grant funding.

Motion to adopt Resolution 2022-19 PennDOT Traffic Signal Maintenance Agreement. **Moved** by Mr. Kaag and seconded by Mrs. Bressler. **Motion carried 6-0.**

Mr. Lincoln requested Borough Council's direction as to the scope of work to apply for a grant to offset the cost of traffic signal improvements. It was noted that the four traffic signals along Penn Avenue were updated five years ago requiring a 20% match of funds totaling roughly \$30,000. The remaining signals in need of improvements are the four along Fifth Avenue, two along Reading Avenue and one on Parkside Drive North. To separate and prioritize improvements it was thought that the four signals along Fifth Avenue would be a priority, followed by the two signals along Reading Avenue. Council members agreed to separate and prioritize the four signals along Fifth Avenue. The 20% match of funding was thought to be in the range of \$40,000, and if awarded would need to be budgeted in 2024.

8. BOROUGH MANAGER'S REPORT:

- a. **Sewer Jet Service Fee** – Mr. Murray requested consideration to approve a \$5 quarterly fee within the residential sewer maintenance fees to enable the Public Works Department to use the sewer jet on the property owner's side of the trap during sewer backup occurrences.

Motion to approve a sewer jet service fee of \$5 within the quarterly residential sewer maintenance fees. **Moved** by Ms. Drobnick and seconded by Mr. Lincoln. **Motion carried 6-0.**

- b. **2022 Paving Project** – Mr. Murray requested consideration to approve a payment application from H&K Group, Inc. in the amount of \$128,778.45 for the completed 2022 paving projects. It was noted that this project was completed below budget by \$45,662.44.

Motion to approve Payment Application No. 1 "Final" to H&K Group, Inc. in the amount of \$128,778.45 for the completed 2022 paving projects. **Moved** by Mr. Lincoln and seconded by Mr. Kaag. **Motion carried 6-0.**

- c. **PLGIT Investment** – Mr. Murray requested consideration to approve the investment of \$1,000,000 in a PLGIT fixed rate program for 365 days at a rate of 5.24%.

Motion to approve the investment of \$1,000,000 in a Pennsylvania Local Government Investment Trust (PLGIT) fixed rate term program for 365 days at a net rate of 5.24%. **Moved** by Mr. Kaag and seconded Mrs. Bressler. **Motion carried 6-0.**

9. PUBLIC COMMENT:

Mr. Rogers recommended doing away with credit card processing of payments to remove that expense. It was noted that credit card processing reduces administrative costs and better collection of fees.

- 10. ADJOURNMENT:** Motion to adjourn the meeting at 8:08 p.m. **Moved** by Mr. Kaag and seconded by Mr. Lincoln. **Motion carried 6-0.**

Respectfully submitted,

Cynthia Madeira
Borough Secretary