

**BOROUGH OF WEST READING
BOROUGH COUNCIL BUDGET WORKSHOP/COUNCIL MEETING
OCTOBER 10, 2020**

West Reading Borough Council held a Budget Workshop and Council Meeting at Borough Hall on Saturday, October 10, 2020 with the following persons present: Council President Jack Gombach; Council Vice President Philip Wert; Council Pro-Tem Christopher Lincoln; Council Members Jennifer Bressler, Patrick Kaag, and Samantha Kaag; Mayor Andrew Kearney (arrived at 9:33 a.m.); Code Department Manager Cathy Hoffman (arrived at 9:30 a.m.); Borough Manager Nicholas Imbesi; Treasurer Jeanette Rentschler; and Borough Secretary Cynthia Madeira. Council Member Ryan Lineaweaver was unable to attend.

VISITORS None

CALL TO ORDER

Council President Jack Gombach called the meeting to order at 9:00 a.m. via Zoom, which was followed by the Pledge of Allegiance and Roll Call. Mr. Gombach requested a moment of silence to remember those lost to COVID-19 locally and around the world.

PUBLIC COMMENT

There were no public comments.

ADMINISTRATION DEPARTMENT BUDGET

Mr. Imbesi noted a proposed half-mil increase to the real estate, road and fire taxes in an attempt to balance the budget. However, this increase in taxes would still result in a \$500,000 to \$600,000 budget deficit.

Revenues

- 01-310-100 Real Estate Transfer Tax 2020-year end estimate is \$10,000 below budget due to a hold on transfers during the height of the pandemic. The amount budgeted for 2021 was \$72,000.
- 01-310-200 Earned Income Tax is proposed at a 2% increase totaling \$699,720. It was noted that Mr. Janssen recommended a 10% increase each year.
- 01-310-500 Local Services Tax was also proposed at a 2% increase totaling \$430,236.
- 01-310-800 Business Privilege Tax – The amount budgeted for 2021 was \$210,000. Mr. Imbesi noted a meeting scheduled next week with the Executive Director of Berks Earned Income Tax to gather information on how this tax is collected and what actions are taken for non-payment. Mr. Wert suggested that if there are marked discrepancies found during this meeting that Council give consideration to an alternative solution on how this tax is collected. The option of a part-time employee shared with the Borough of Wyomissing and Wyomissing School District to collect these taxes was an area that could be explored.
- 01-321-800 Cable TV Franchise Tax was proposed at a 2% increase for the year 2021. However, Mr. Imbesi noted a 1% decrease in revenue for the years 2022 through 2024 due to the deployment of fiber for broadband services throughout the Borough.
- 01-341-100 Interest Earnings have plummeted due to the pandemic. The amount budgeted for 2021 was reduced by 65% to \$770.
- 01-341-105 Interest PLGIT Prime budgeted amount was reduced by 55% to \$4,950.
- 01-355-010 Public Utility Realty Tax was proposed by Mr. Janssen to drop 6% to \$2,538.
- 01-359-100 Reading Hospital – A 1% cost of living increase was proposed for the Payment in Lieu of Taxes for the year 2021 totaling \$642,501.

- 01-362-456 Special Event Permits – It was noted that due to the pandemic revenues were reduced in 2020. Two-hundred dollars was budgeted for 2021.
- 01-363-210 Parking Meter Revenue was budgeted at \$30,000.
- 01-363-510 PennDOT Contracted Snow Removal – The state has increased their reimbursement of these services to \$3,702 for the year 2021.

Expenses

- The manager, treasurer and office staff salaries were proposed to increase 2.75%.
- 01-400-210 Office Supplies were reduced to \$3,000. Mr. Imbesi noted that this is a bare bones estimate.
- 01-400-243 COVID-19 was budgeted at \$2,500 for masks and hand sanitizer.
- 01-400-300 General Expenses was budgeted at \$9,500. Mr. Imbesi noted that this amount may be exceeded in 2021.
- 01-400-310 School Crossing Guards was budgeted at \$0.00.
- 01-400-311 Auditing Services was increased by 1.7% to \$15,250.
- 01-400-313 Engineering Services was reduced to \$32,000.
- 01-400-314 Legal Services was reduced to \$22,000.
- 01-400-340 Advertising and Printing was reduced to \$6,000.
- 01-400-354 Workers' Compensation Insurance was increased by 5% to \$1,365.
- 01-400-374 Computer Repair and Maintenance was reduced to \$22,000 for support of the operating system and comprehensive computer support. It was noted that the Imageze contract expires at the end of 2021.
- 01-400-416 Training Expenses was budgeted at \$600 even though this amount was exceeded during 2020 primarily for new Council member training.
- 01-400-611 Miscellaneous Costs was increased to \$2,000 should a consultant be needed for the ongoing discussions with Spring Township.
- 01-400-740 Major Equipment Purchases were budgeted at \$15,000 to replace a server as was recently recommended by Imageze.
- 01-400-750 Minor Equipment Purchases was reduced to \$300.
- 01-409-220 Materials and Supplies was reduced to \$3,500.
- 01-409-230 Heating Fuel was reduced to \$7,500.
- 01-409-361 Electricity was increased by 3% to \$18,000.
- 01-409-366 Water was increased by 3% to \$1,236.
- 01-409-373 Maintenance and Repairs was reduced to \$35,000. It was noted that repairs are needed to the alarm system at Borough Hall.
- 01-419-542 Animal Control Services was proposed at the higher amount associated with services provided by the Animal Rescue League totaling \$4,212. Mr. Imbesi noted that Safety Net Sanctuary indicated an increased cost for their services due to the number of stray cats collected from the Borough.
- 01-445-300 Parking Meter Kiosk Expense was budgeted at \$9,600 for credit card processing fees, Flowbird fees and an annual reimbursement to the West Reading Community Revitalization Foundation in the amount of \$7,500 for the purchase of the kiosks.
- 01-445-400 Parking Lot Revenue was budgeted at \$15,000. It was noted that these revenues are shared with the parking lot owner.

- 01-462-000 TIF Payments for Candlewood Suites was budgeted at \$10,325. Mr. Imbesi will research the year-end date for this tax incremental financing payment.
- 01-462-545 Elm Street Operating Expense was budgeted to remain at \$21,600.
- 01-465-300 Main Street Operating Expense was budgeted to remain at \$42,000.
- 01-486-352 Casualty/Fire/Flood Liability Insurance increased by 10% to \$139,040.
- 01-492-030 Transfer to Special Reserve Fire was budgeted at \$43,352.
- 01-492-031 Transfer to Special Reserve Roads was budgeted at \$172,704.
- 30-471-100 GO Bond Principal that was refinanced in 2016 was budgeted at \$629,161.
- 31-341-100 Interest was reduced by 65% to \$73.
- 31-341-105 PLGIT Term Interest was reduced by 55% to \$561.
- 31-392-010 Transfer from Real Estate Roads was budgeted at \$172,704.
- 31-392-015 Transfer from Real Estate Fire was budgeted at \$43,352.
- 35-434-361 Street Lighting Electricity was budgeted at \$93,753. Mr. Wert noted a number of fees associated with street lighting and a desire to own this infrastructure to save on expenses. Mr. Imbesi will reach out to municipalities that have gone through this process to determine a starting point.

CODE DEPARTMENT BUDGET

Mrs. Hoffman presented her budget noting the following:

Revenues

- 01-321-471 Rental Occupancy Late Fee – Mrs. Hoffman proposed an additional tier to the late fee structure to encourage compliance prior to entering the citation process. The current fee structure assesses a \$10 fine per unit, a second tier of assessing a \$100 fine per unit was discussed and agreed to by Council.
- 01-321-850 Public Right-of-Way License was increased to \$2,000 in anticipation of additional wireless communication facilities. Mrs. Hoffman recommended reviewing the conditional use requirement for these types of facilities due to the hearing expenses incurred by the Borough for legal, engineering and stenographer services.
- 01-355-080 Alcohol Beverage License was budgeted at \$5,000. Mrs. Hoffman noted a limit to the number of licenses within the Borough and indicated that we have exceeded this number.
- 01-361-300 Land Development Fees were budgeted at \$3,000 for the proposed structure within the 400 block of Penn Avenue and a proposed two-unit structure on the lot known as 400 Walnut Street.
- 01-361-340 Hearing Fees – Mrs. Hoffman indicated that the new Zoning Hearing Board Solicitor is quite a bit more expensive. An increased amount of \$6,000 has been budgeted for 2021.
- 01-362-100 Fire Code Inspection Fees – The amount budgeted for 2021 was \$7,500. Mrs. Hoffman noted a slow start to performing these inspections and recent staffing issues that have resulted in approximately 50% of the commercial properties being inspected to date.
- 01-362-200 Burning Permit revenue was reduced to \$100 for 2021. Mrs. Hoffman noted a change in regulations that now require a twenty-five-foot clearance for wood burning devices. Gas fired devices are based on the manufacturer's specifications.
- 01-362-410 Building Permits were budgeted at \$75,000. Mrs. Hoffman noted a decrease in the number of projects this year due to the pandemic and an increase to the number of zoning projects.

- 01-362-412 Reading Hospital Building Permits were budgeted at \$50,000. Mrs. Hoffman attempted to open a dialogue with the project manager for a better understanding of their plans in 2021 and has not yet received a response.
- 01-362-415 Plumbing Permits – Mrs. Hoffman stated they are no longer permitting plumbing projects separately since a third-party is not needed for these inspections. This is now being processed through the building permit application.
- 01-362-433 Sewer Tap-In Fees were budgeted at \$10,557. Three EDU's are anticipated for the 428 Penn Avenue proposed building. Mr. Wert recommended including EDU's for the proposed townhomes along Tulpehocken Avenue.
- 01-362-455 Sidewalk Café Permits – Mrs. Hoffman recommended increasing this fee from \$50 to \$100 due to expenses associated in monitoring the required four-foot wide walking space. The property maintenance inspector currently walks Penn Avenue on the three days per week that he is in the Borough. Mrs. Hoffman requested Council's feedback on the amount of time the inspector devotes to Penn Avenue due to a complaint that she received. Council recommended more focus on residential areas and no increase to this permit fee.
- 01-362-470 Rental Occupancy Fees were increased to \$82,500 for the year 2021. Mrs. Hoffman noted that approximately \$20,000 in rental occupancy fees are currently outstanding.
- 01-362-473 Zoning Permits were increased from \$3,000 to \$5,000 for the year 2021. Mrs. Hoffman recommended revisions to this fee schedule. Currently zoning permit applications are assessed a flat fee of \$50, it was recommended to assess \$50 for residential and new business applications and \$100 for commercial applications due to the lengthy review process and assistance needed from the zoning professionals at Systems Design Engineering. Council agreed to the increase of fees for commercial type zoning permit applications.
- 01-362-475 Housing Certification Fee – Mrs. Hoffman noted that these fees are entirely passed through to Systems Design Engineering. It was recommended to increase this fee \$25 to allocate towards administrative expenses. The proposed new fee schedule would be \$125 plus \$25 for each additional unit, Council agreed to a revision in fees.
- 01-362-476 Rental Inspection No Show Fine – Mrs. Hoffman recommended a reduction to this fee that currently assesses \$100 per unit for failure to attend an inspection. Council agreed that this was excessive and agreed to reduce the fine to \$100 per appointment.
- 01-362-479 Commercial Certificate of Occupancy – Mrs. Hoffman noted that this is a pass-through fee to Systems Design Engineering.
- 01-363-100 Street/Sidewalk Opening – Mrs. Hoffman recommended an increase to these fees due to the length of time associated with these types of applications and requested to discuss this further with the manager and the infrastructure committee.

Expenses

- Wages were increased by 2.75%.
- 01-413-210 Supplies/Equipment remained at \$2,000 for the year 2021.
- 01-413-373 Property Maintenance – Mrs. Hoffman noted that this is a pass-through expense to the property owner for failure to maintain their property.
- 01-413-740 Major Equipment Purchases was budgeted at \$2,000, Mrs. Hoffman noted that there are no plans to purchase equipment.
- 01-413-750 Minor Equipment Purchases was budgeted at \$250 for copier supplies and maintenance.

- 01-414-320 Planning/Zoning Hearing Expenses was increased from \$5,000 to \$7,500 for the year 2021.
- 01-414-342 Zoning Ordinance Updates – Mr. Wert recommended allocating funds towards zoning ordinance updates annually and to keep a running list of items to be amended. Mrs. Hoffman suggested to reallocate expenses for better tracking of expenses and proposed \$4,000 for ordinance updates. Mrs. Hoffman will review the allocation for zoning expenses and provide an update to the proposed 2021 budget.
- 01-413-401 Codes Department Administration – Mrs. Hoffman noted that Systems Design Engineering will be increasing their fee for these services by 2.5% to \$148,625.

NEW BUSINESS

Mr. Gombach shared his desire to utilize Borough assets and referred to the eleven-acre parcel owned by the Borough along the river. Council's feedback was requested as to facilitating development of this parcel. Mr. Wert noted PennDOT plans to redevelop the bypass and a number of unknown items about this parcel such as soil quality and environmental sensitivities that may be too costly to develop this parcel of land. Mr. Gombach suggested that the Borough Manager draft a request for information as a starting point to share with Council later this month. It was recommended to inquire with members of the Economic Development Committee to identify a consultant or volunteer that would have experience in drafting such a request.

PUBLIC COMMENT

There were no public comments.

ADJOURNMENT

Motion to adjourn the meeting at 11:11 a.m. **Moved** by Mr. Lincoln and seconded by Ms. Kaag. **Motion carried 6-0.**

Respectfully submitted,

Cynthia Madeira
Borough Secretary