

BOROUGH OF WEST READING
BOROUGH COUNCIL BUDGET WORKSHOP/COUNCIL MEETING
October 27, 2020

West Reading Borough Council held a Budget Workshop and Council Meeting at Borough Hall on Tuesday, October 27, 2020 with the following persons present: Council Vice President Philip Wert; Council Pro-Tem Christopher Lincoln; Council Members Jennifer Bressler, Patrick Kaag, Samantha Kaag and Ryan Lineaweaver; Mayor Andrew Kearney; Public Works Director Dean Murray; Borough Manager Nicholas Imbesi; Treasurer Jeanette Rentschler; and Borough Secretary Cynthia Madeira. Council President Jack Gombach was unable to attend.

VISITORS None

CALL TO ORDER

Council Vice President Philip Wert called the meeting to order at 7:01 p.m. via Zoom, which was followed by Roll Call.

PUBLIC COMMENT

There were no public comments.

WATER BUDGET

Mr. Imbesi presented this budget noting that a rate increase has not been proposed.

- 06-279-099 Water Fund Balance total revenue was estimated at \$2,031,855 for the year 2021. Expenses were estimated to increase 3%, which projected a slight deficit of \$6,183. A 10% fund balance was projected to be retained over the next four years.
- Water revenues were projected to total \$2,016,855 for the year 2021. Mr. Wert recommended adding the new townhome tap-in fees as a source of revenue next year.
- Mr. Imbesi reported that a loan is needed from the Water Fund this year due to a current year deficit within the Sanitation Fund. Annual repayments to the Water Fund in the amount of \$15,000 were projected over the next four years.
- Transfers from the Special Reserve Fund were not budgeted for the year 2021. Projected transfers of \$70,000 for the year 2022 and \$290,000 for the year 2023 were budgeted.
- 06-400-366 Water Purchase was estimated at an increase of 6% totaling \$763,200.
- 06-481-800 Capital Water Project was budgeted at \$138,000 for paving of Pine Street following the water line project that was completed last year.
- 06-492-310 Transfer to Special Reserve Fund for the year 2020 was requested to be revised to \$200,000. Mrs. Rentschler indicated that this amount is available to transfer this year and would be held for the large water projects planned in 2022 and 2023.

Motion to add a \$200,000 Special Fund transfer to the 2020 budget to be held for future projects.

Moved by Mr. Lincoln and seconded by Ms. Kaag. **Motion carried 6-0.**

- 06-492-010 Transfer to General Fund for the year 2020 was budgeted at \$459,000 for administrative expenses and overhead. An additional \$60,000 was requested to loan to the Sanitation Fund.

Motion to adjust the 2020 General Fund budgeted transfer amount to \$519,000 to provide a \$60,000 loan to the Sanitation Fund. **Moved** by Mr. Lincoln and seconded by Mrs. Bressler.

Motion carried 6-0.

SEWER BUDGET

Mr. Imbesi presented the Sewer Budget noting a proposed rate increase.

- 08-279-099 Sewer Fund was budgeted at a deficit in the year 2021 of \$117,163 due to a \$450,000 sewer project planned along Linden Lane. A 10% fund balance reserve was projected to be retained during the next four years.
- 08-354-000 Sewer Grant funds of \$200,000 were approved and will offset the costs associated with the Linden Lane sewer improvement project.
- 08-364-012 Sewer Use Fees were calculated at a 5% increase for residential users and a 7% increase for commercial users. These rate increases are anticipated to generate an additional \$50,000.
- 08-400-364 Sewer Use Charges were estimated to increase 3% with a projected total expense of \$854,900.
- 08-481-800 Capital Projects were budgeted in 2021 at \$450,000. The year 2022 was projected at \$115,000 to repave Linden Lane and to televise sewer mains.
- 08-492-001 Transfer to General Fund was budgeted at \$500,000 which was based on the cost allocation plan to fund administrative and overhead expenses.
- 08-492-300 Transfer to Capital Fund was budgeted at \$16,200 for the year 2021 for the final street sweeper payment.
- 08-492-310 Transfer to Special Reserve was budgeted at \$50,000 to fund future projects.

SANITATION FUND

Mr. Imbesi reported that a transfer to the General Fund could not be completed this year because of an operating deficit. The main cause for the deficit pertained to land disposal fees that have increased 25% this year. Land disposal receipts were reviewed and discussed with the trash hauler. Members of Council reported an increase to the amount of trash placed out for collection and the hauler removing all materials regardless of the limits that are set in place. The hauler and residents will be educated as to the regulations that are in place in order to maintain or reduce sanitation expense burdens.

- 09-279-099 Sanitation Fund Balance 2020-year end estimate was proposed at a deficit of \$12,409. A targeted minimum fund balance reserve of 10% was projected to be met in the year 2023.
- 09-354-500 Recycling Grant revenue was projected at \$16,000 over the next four years.
- 09-427-452 Contracted Trash Fees – The three-year contract increases 0.5% to \$164,817 in the year 2021.
- 09-427-454 Land Disposal Fees were proposed to increase to \$162,225 for the 2021 budget. This amount is approximately \$30,000 more than expenses incurred in the year 2018 and 2019.
- 09-427-455 Recycling Fees – Per the current three-year contract recycling rates have increased significantly and are proposed to cost \$76,590 in the year 2021.
- 09-492-001 Transfer to General Fund – Mr. Imbesi requested to reduce the 2020 transfer amount from \$65,000 to \$5,000 due to limited funds. The projected 2021 transfer of \$114,000 were based on the cost allocation plan to fund administrative and overhead expenses.

Motion to reduce the 2020 budgeted Sanitation Fund transfer to the General Fund from \$65,000 to \$5,000. **Moved** by Mr. Kaag and seconded by Mr. Lineaweaver. **Motion carried 6-0.**

- Transfers to the Water Fund were projected at \$15,000 during the next four years to repay the \$60,000 loan to the Sanitation Fund during the year 2020.

- Mr. Imbesi proposed a rate increase from the current rate of \$62 to \$85 quarterly in order to balance the cost of these services. It was noted that the contract cannot be modified to reduce the amount of services provided to the residents and the General Fund cannot subsidize these expenses.

PUBLIC COMMENT

There were no public comments.

Mr. Imbesi noted the next budget meeting that is scheduled on Saturday, November 14th where a number of difficult decisions will need to be made.

ADJOURNMENT

Motion to adjourn the meeting at 7:49 p.m. **Moved** by Mr. Kaag and seconded by Mrs. Bressler. **Motion carried 6-0.**

Respectfully submitted,

Cynthia Madeira
Borough Secretary