

BOROUGH OF WEST READING
BOROUGH COUNCIL BUDGET WORKSHOP/COUNCIL MEETING
November 14, 2020

West Reading Borough Council held a Budget Workshop and Council Meeting at Borough Hall on Saturday, November 14, 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, Samantha Kaag and Ryan Lineaweaer; Mayor Andrew Kearney; Public Works Director Dean Murray; Police Chief Stephen Powell; Fire Chief Chad Moyer; Recreation Director Helen Moyer; Code Department Manager Cathy Hoffman; Borough Manager Nicholas Imbesi; Treasurer Jeanette Rentschler; and Borough Secretary Cynthia Madeira.

VISITORS None

CALL TO ORDER

Council President Jack Gombach called the meeting to order at 9:01 a.m. via Zoom, which was followed by Roll Call.

PUBLIC COMMENT

There were no public comments.

RESOLUTION

Resolution 2020-23 Temporarily Prohibit Parking in the Alley between Tulpehocken Avenue and Olive Street – Mr. Imbesi noted an emergency declaration that was made by the Mayor to prohibit parking in the 200 block of the alley between Tulpehocken Avenue and Olive Street and requested Council's adoption of this resolution for further permanent action.

Motion to approve Resolution 2020-23 Prohibiting Parking in the Alley between Tulpehocken Avenue and Olive Street. **Motion approved 7-0.**

ORDINANCE

Handicapped person parking space amendment. Ms. Imbesi noted additional revisions that are needed to this amendment in order to identify the spaces that are currently in use.

Motion to advertise an amendment to the handicapped person parking regulations. **Moved** by Mr. Lincoln and seconded by Mr. Wert. **Motion carried 7-0.**

2020 BUDGET REVISIONS

Mr. Imbesi requested the following 2020 budget revisions to be in line with the consultant's recommendations:

- An increase to the transfer from the water fund to the general fund totaling \$500,000.
- An increase to the transfer from the sewer fund to the general fund totaling \$500,000.
- An increase to the transfer to the general fund totaling \$500,000.
- An increase to the transfer from the water fund to the sanitation fund totaling \$62,000.
- A transfer from the water fund to the special reserve fund for future projects totaling \$150,000.
- An increase to the transfer from the sewer fund to the general fund totaling \$500,000.
- A transfer from the sanitation fund to the general fund totaling \$67,000.
- A transfer from the water fund to the special reserve fund totaling \$150,000.

Motion to approve revisions to the 2020 budget transfers. **Moved** by Mr. Lincoln and seconded by Mr. Kaag. **Motion carried 7-0.**

OVERALL BUDGET

Mr. Imbesi presented the 2021 budget noting a few additional revisions to the worksheet that brings the overall deficit to \$393,288, an approximate \$50,000 difference from what was previously shared with Council. Changes were made to 30-400-313 Engineering Capital Expense from \$1,500 to \$47,400. The proposed real estate tax increase is 13% as opposed to the quoted 15% increase.

Additionally, the projected 2020 revenue for 01-310-100 Real Estate Transfer Taxes is \$86,100, which is approximately \$16,000 more than what was budgeted. Therefore, the proposed 2021 budgeted revenue has been increased to \$103,320.

The budget worksheet proposes that by December 31, 2024 the borough would run out of money with a negative general fund balance of \$107,290. Adjustments to the budget are needed to ensure the borough's financial stability.

The 2021 proposed deficit includes a half-mil increase to the real estate tax, the road tax and the fire tax. Recommendations to avoid raising taxes in the road and fire tax funds were to delay road improvements to Sycamore Road and the removal of the fire department daytime staffers. It was recommended to increase the real estate tax in order to address the structural deficit.

Mr. Wert noted the importance of daytime staffers at the fire department and repairs to Sycamore Road. A one and a half mil increase in taxes is severe and will illicit negative feedback from residents as well as impact developers' interest to invest in West Reading. Mr. Wert thanked Mr. Lineaweafer for inviting residents to attend this meeting via Facebook and noted that no one other than Council and staff members are in attendance.

Mr. Lincoln requested a decision regarding necessary curbing repair costs being built into future paving projects now that the solicitor has clarified that the borough can fund these types of improvements. Mr. Wert recommended to include necessary curbing repairs into the cost of future paving projects while commencing enforcement of sidewalk repairs by property owners. Mr. Lincoln requested an estimate from the engineer as to the cost of engineering fees and curb repairs along the planned 2021 paving project of Pine Street. Information will also be needed for the Linden Lane sewer improvement project that will be partially funded through grant monies. In an effort to reduce the proposed road tax increase from 0.50 mils to 0.25 mils it was decided to delay the Sycamore Road paving project until the spring of 2022 to allow road tax funds to accrue.

Mr. Lincoln requested a recent history of tax increases. Mr. Imbesi reported that the tax rate in 2005 was 5.5 mils, in 2017 taxes were increased to 6.0 mils, 2018 was increased to 6.25 mils, and 2019 was increased to 7.0 mils. A 1.0 mil tax increase would net \$176,360 during the discount period.

The 0.50 mil fire tax increase would still retain a \$7,000 deficit within this fund. Chief Moyer expressed the importance of trained individuals staffing the fire house during weekday hours. Mr. Wert stated that the daytime staffers enhance the services being provided to the residents. It was decided to retain the proposed 0.50 mil fire tax increase and 0.50 mil real estate tax increase to avoid placing the borough at risk by the year 2024. Borough Council is managing assets and utilizing the tools that are provided by state legislators and the guidance of our consultant. Raising taxes is the lesser of two evils.

Mr. Imbesi reported that there are no proposed increases to the water rates. Sewer rates are proposed to increase 5% for residential customers and 7% for commercial customers. Trash rates are proposed to increase from \$62 per quarter to \$85 per quarter to cover expenditures.

The proposed Recreation Capital Expense of \$80,000 to resurface the pool was decided to be divided between two years by budgeting half of this expense in 2021 and the remaining portion in 2022 with plans to resurface the pool in the spring of 2022. Mrs. Moyer recommended that the pool be drained and patched in hopes of reopening the pool for the 2021 season.

Mr. Lincoln requested an estimated cost to perform a borough-wide permit parking study to potentially include in the 2021 budget. Mr. Wert recommended requesting assistance from the Berks Alliance to address parking issues prior to the medical school opening.

Police vehicle replacements were discussed. Chief Powell agreed to remove one of the two vehicle replacements in 2021. Vehicle 38-3 is to be replaced in 2020 with funds raised by the Mayor and insurance proceeds and vehicle 38-4 would be replaced in 2021. Mr. Imbesi noted that this would lower the 2021 budgeted deficit to \$318,038. Chief Powell recommended consideration be given to a community type leasing program that would allow vehicle roll overs every four years for the ease of budgeting purposes.

Police salaries were discussed. Chief Powell noted his resignation effective December 5, 2020 and the ability to promote a sergeant to this position, thereby reducing police salaries \$94,200. Chief Powell would speak to the Mayor as to his recommendation for promotion should Borough Council wish to promote within.

Motion to advertise the proposed 2021 budget as presented. **Moved** by Mr. Wert and seconded by Mrs. Bressler. **Motion carried 7-0.**

PUBLIC COMMENT

There were no public comments.

Mr. Wert requested a synopsis of the merger discussions. Chief Powell noted that proposal information has been shared with the Mayor, Council President and the Officers' Association, and a willingness to meet with Borough Council prior to the next meeting to discuss conceptual budget items. In order to satisfy advertising requirements, it was decided to schedule this meeting on November 24, 2020 at 5:00 p.m.

ADJOURNMENT

Motion to adjourn the meeting at 10:26 a.m. **Moved** by Mr. Wert and seconded by Mr. Lincoln. **Motion carried 7-0.**

Respectfully submitted,

Cynthia Madeira
Borough Secretary