

Sewer Fund

A.) 803 sewer operations

1) sewer rate ordinance 2024 draft

The proposed 2025 sewer budget was based on the sewer rates that were approved at the Board of Commissioners meeting on 10/15/24.

B.) 809 sewer capital

1) consider transfer(s) from 803 fund

A proposed project sheet with estimated costs was provided for discussion. The proposed projects focus on Point of Connection #1 (POC#1) which comprises approximately 1/3 of the Cumru Township sanitary sewer system. Just like in POC#8, the purpose is to reduce inflow and infiltration (I&I) by replacing major sanitary sewer mains in POC#1.

Ms. Johnston requested, if there is a healthy balance, that \$500,000 be transferred in the 4th quarter of 2024 from the 803 fund to the 809 fund to help pay for the current Cedar Top Rd. project. She also requested that \$1 million be transferred in 2025 to fund other projects. The Board agreed to include these recommended transfers into the budget.

Mr. Greg Miller asked about the nature of the replacements. Mr. McNichols explained that the old clay pipes have been grouted but need to be replaced. The lateral stubs are also being replaced. The dilapidated roads will be reconstructed after the sewer pipes are replaced. The Township will realize a savings from the decreased I&I. Mr. McNichols has data to show I&I on Ardmore to be as much as 4 gal/minute.

Sewage Management Program (SMP) Fund

A.) consider fee

1) 2024 SMP fee resolution

Ms. Johnston explained that the Township was able to decrease this fee over the past 6 years. This is a 3-year inspection cycle for on-lot systems, so it only applies to households with septic systems. She recommended to continue the \$55/year fee in 2025 for the second year of the cycle.

Refuse Fund

A.) consider fee

B.) consider billing parameters

The Township has a 2024-2026 contract with A.J. Blosenski which includes yearly increases in the annual fee for services. The Township also has a 10-year dumping contract with Republic Services which began 1/01/21 and that also has annual increases.

The recommendation is to begin discussion about 2027 refuse collection in 2025. The trend toward automated collection will be problematic for Cumru Township. Companies are charging increased rates to provide service without automated collection. A reference sheet was provided to compare the refuse rates for neighboring municipalities. Wyomissing Borough's rate increased by \$100/household when they decided not to use an automated collection service.

Leaf collection is included in this fund. Public Works wages are shifted between funds based on the activity being done. A Cumru Township business takes the collected leaves which saves the Township money.

Ms. Johnston explained that extra 2024 expenses were incurred by moving the yard waste site. Waste Management ordered the yard waste site to be moved off of their land in preparation for closing the landfill. There were costs for materials and permitting of the new site.

Ruth O’Leary and Mr. Greg Miller asked about line item 3643-100-040-1. This seemed higher than usual. Ms. Johnston also noticed the increase which she attributed to the collection of late fees. Many residents have been lagging in payments.

There was discussion about the methods used to calculate the refuse rates. No two municipalities do this the same. More staff would be needed to assess the number of adults in households in order to use a 1, 2, or 3 adult system.

Mr. Greg Miller asked about how the carryover balance is determined. Ms. Johnston explained that, at least the first quarter expenses for the next year need to be covered in those funds that rely on real estate tax millage. For fee-based funds, like the refuse fund, usually a 4-6 month cash balance is recommended.

Mr. Greg Miller stated that the proposed carryover appeared to be closer to 6 months. He proposed a conceptual idea to lower the ambulance by offsetting with this money. Ms. Johnston explained that municipal accounting is fund-based accounting and such a mixing of funds would not be possible according to the auditors.

Debt Service Fund

A.) consider millage

1) debt service schedule

This fund is supported by the real estate millage. There is no increase proposed for 2025, but there is almost a zero balance from the previous year. If needed for the February interest payment, before tax revenue is received, money is borrowed from the general fund. Once the tax money is received, the general fund is paid back.

It is up to the Board to increase the millage or continue doing the same process. The recommendation is to leave the millage as is unless the Board decides otherwise. The Board indicated that there should be no change in the 2025 millage for the debt service fund.

CORRESPONDENCE

A.) Meeting advertised in the Reading Eagle on 10/10/2024

PUBLIC

Attendance: Ruth O’Leary and Ellen Condon

There was additional discussion about the refuse fee. Mr. Donnell indicated that he would like to reduce the fee. Ms. Johnston cautioned that the refuse fund, if reduced, would not be able to be decreased by a vast amount. She asked about whether the Board wanted to send 1 mailing (Jan.) or 2 mailings (Jan. and June) for the 2025 refuse fee. She explained that with 1 mailing, the residents would receive a \$300-330 refuse bill in January and then a minimum of \$145 sewer bill in February. With 2 mailings, the residents would receive a \$150-165 refuse bill in January, a minimum of \$145 sewer bill in February and May, and then a \$150-165 refuse bill in June. Ms. Johnston said, that anomalies aside, the same residents that don’t pay the refuse bill also don’t pay the sewer bill.

Ms. Rowe wanted to clarify that the options currently being discussed were to pay the whole amount or two bills for half.

Mr. William Miller said that, with projected increases expected for 2026, the Township might have to go to two bills. He suggested keeping the refuse fee as one bill in 2025.

Mr. McNichols asked if one billing would increase the number of delinquent accounts.

Ms. Rowe asked about the extra cost of doing two mailings. Ms. Johnston replied that the costs of mailings was factored into this budget.

If the Township decides to go to two mailings, Mrs. Carpenter asked about notifying the public so the residents will understand that the January bill is only ½ and not the fee for the whole year.

Mr. Donnell suggested paying a monthly rate for more palatable billing. Ms. Johnston replied that monthly billing, while not impossible, would require getting proposals from other entities and there would be additional layers of cost.

Mr. Donnell said that low-interest financing is popular and allows for more cash flow. He suggested that the Township could finance people's regular bills for a fee. Ms. Johnston cautioned about possibly creating a separate group of people who are permanently unable to pay bills and rely on the Township to finance them.

Mr. Greg Miller asserted that this would be higher interest, not low-interest. He suggested selling the accounts receivable, but that would mean taking a haircut.

Mr. Batdorf stated that it was not the Township's problem if people can't remember that they have bills to pay. It is their own responsibility. He recommended treating everyone the same.

Ms. Johnston said that the people can set up payment plans with collections. She explained that the Township should be careful with taking a haircut.

Mr. William Miller asked if the number of unpaid accounts are the same as when the fees were included on the tax bills. Ms. Johnston replied that they are basically the same. There are approximately 654 accounts in collection for refuse and approximately \$500,000 in collection for sewer.

Ms. Johnston explained the difficulties with discontinuing sewer service to properties with on-lot water and properties served by RAWA. Some properties have never paid a sewer bill.

After more discussion about outsourcing delinquent accounts, Mr. Greg Miller asked about the additional burden to the staff. Ms. Johnston acknowledged that the staff would have to stay on top of everything and additional mailings would increase the workload. She also said that additional billing will become inevitable once the refuse bill increases significantly. An example given was Wyomissing Borough's bill of \$550/year because this becomes difficult to pay all at once in January.

In response to how to get the word out about any billing changes, Ms. Johnston stated that the refuse calendar is being redesigned to include billing information. Mrs. Carpenter showed the Board the new yellow cardstock that will be used for the refuse bills to help them stand out in the mail from the white sewer bills.

Mr. Donnell asked Ms. Johnston to look at softening the ambulance and refuse increases for the next budget meeting.

REMINDERS

A.) Zoning Hearing Board 10/22/2024 at 6:00 p.m.

Ms. Johnston stated that the ZHB will be held upstairs to avoid having to change the room setup before the next budget meeting.

B.) Board of Commissioners meetings for October and November 2024

10/24/2024 at 6:00 p.m. – Budget Meeting

10/29/2024 at 7:00 p.m. – 5th Tuesday Meeting

11/07/2024 at 6:00 p.m. – Budget Meeting

11/19/2024 at 6:00 p.m. – Public Hearing for text amendment to Zoning Ordinance (ZO)

11/19/2024 at 6:30 p.m. – SALDO Public Hearing

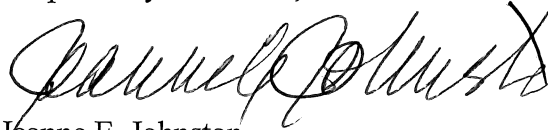
11/19/2024 at 7:00 p.m. – Regular Meeting

C.) Planning Commission 11/04/2024 at 6:00 p.m.

ADJOURNMENT

**ON MOTION OF MR. WILLIAM MILLER, SECOND OF MR. BATDORF, A
UNANIMOUS VOTE TO ADJOURN THE MEETING AT 7:24 P.M.**

Respectfully submitted,



Jeanne E. Johnston
Manager/Secretary