

STATE OF THE BOROUGH 2025

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DRAFT

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BOROUGH OF WEST READING
500 Chestnut Street, West Reading, PA 19611

CONTENTS

TO COUNCIL MEMBERS	2
GENERAL FUND – REVENUES	4
GENERAL FUND – EXPENDITURES	5
CAPITAL FUND	6
Engineer - General	7
Projects	7
Engineer – Water	9
433 Penn Avenue	9
Activate West Reading – Transportation Planning Grant	9
Public Works	12
Codes	15
Fire	16
BID (Business Improvement District)	17
Future Growth	19
WATER FUND	20
SEWER FUND	21
SANITATION FUND	22
PARKS & RECREATION FUND	22
Pool	23
Parks	23
Playground	24
2026 BUDGET PROJECTIONS	24
SUMMATION	25

TO COUNCIL MEMBERS

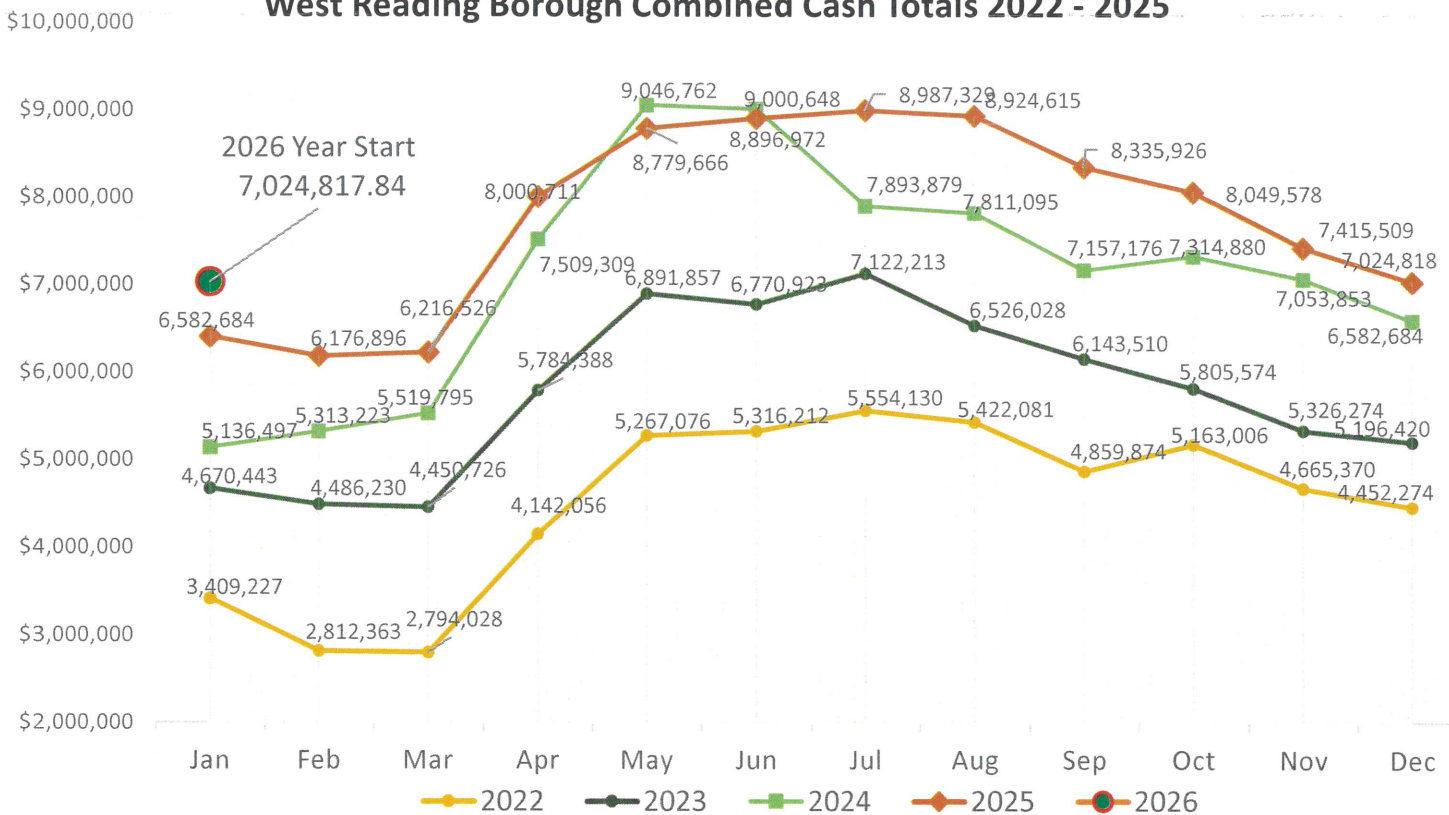
The success of the Borough, and the positive perception of West Reading are due to the abilities and professionalism of all the West Reading Borough employees. The vision of Council and their positive outlook on West Reading’s future, and the future success and development, is the driving force for positive growth both now and in the future.

With this report, I will discuss the end-of-year monetary figures for the past year (2025), and I will indicate where I see the Borough of West Reading by the end of 2026. This report indicates, with more accuracy, the revenues and expenses for the year for the General, as-well-as the Water, Sewer, Sanitation, Capital, and Recreation. This grouping identified as “Combined Cash”; Special Reserves and Liquid Fuels Funds are not included. I have included discussions on Codes, Public Works, and Engineering (grants and projects) along with the Funds.

One note of caution; this report was developed and positioned in this report at a single point in time. The figures contained here-in are a “snapshot” in time and will likely not match final figures that may be reported in the future. Additionally, the auditor is likely to make adjustments that may affect these figures.

2025 year-end Fund statements were distributed in the January Council packet. You may want to reference them. Total Fund expenditures of \$12,097,810 were recorded in 2025. Total of all funds revenue for the year was \$12,475,483.

West Reading Borough Combined Cash Totals 2022 - 2025



As of the writing of this report, the end of 2025 Total Combined Cash Balances are \$7,024,817.84. As you can see from the graph, the Borough has increased cash reserves over the last four years.

2025 West Reading Borough - Budget to Actual totals

	Budget	Actual	Difference	Percent
GENERAL FUND	Beginning balance:	3,417,390		
REVENUE	8,470,019	8,294,749	175,270	97.93%
EXPENSES				
Administration	687,328	682,178	5,150	99.25%
Tax Collection	35,045	23,226	11,819	66.27%
Buildings	80,800	77,244	3,556	95.60%
Police	3,377,359	3,346,745	30,614	99.09%
Fire	261,884	270,043	(8,159)	103.12%
Code & Planning	405,157	358,418	46,739	88.46%
Emergency & Safety Net	26,946	26,383	563	97.91%
Public Works	1,240,271	1,240,148	123	99.99%
Streets, snow, etc	101,975	80,598	21,377	79.04%
Grants	497,708	501,974	(4,266)	100.86%
Parking Lot	37,000	21,667	15,333	58.56%
Trees, MS4	68,100	40,891	27,209	60.05%
Property & Liability	129,404	116,229	13,175	89.82%
Penn Avenue	48,300	47,445	855	98.23%
Pension	575,926	581,510	(5,584)	100.97%
Transfers	631,079	796,349	(165,270)	126.19%
TOTAL EXPENSES	8,216,423	8,282,164		
	Ending balance:	3,429,975	\$ 12,585	Surplus
WATER FUND	Beginning balance:	826,391		
REVENUE	2,880,000	2,692,289	187,711	93.48%
EXPENSE	2,779,018	2,151,895	627,123	77.43%
	Ending balance:	1,366,782	\$ 540,391	Surplus
SEWER FUND	Beginning balance:	1,507,889		
REVENUE	2,023,850	2,106,748	(82,898)	104.10%
EXPENSE	1,992,237	1,941,075	51,162	97.43%
	Ending balance:	1,673,562	\$ 165,673	Surplus
SANITATION FUND	Beginning balance:	201,268		
REVENUE	801,218	699,877	101,341	87.35%
EXPENSE	730,054	752,851	(22,797)	103.12%
	Ending balance:	148,294	\$ (52,974)	Deficit
RECREATION	Beginning balance:	930		
REVENUE	227,120	197,695	29,425	87.04%
TRANSFER IN	125,534	138,000	(12,466)	109.93%
EXPENSE	352,655	336,494	16,161	95.42%
	Ending balance:	131	(138,000)	GF Subsidy
CAPITAL FUND	Beginning balance:	623,308		
REVENUE	1,228,445	1,392,182	(163,737)	113.33%
EXPENSE	1,764,548	1,609,413	155,135	91.21%
	Ending balance:	406,076		Balance of 433 Penn Bond
SPECIAL RESERVE	Beginning balance:	320,385		
REVENUE	22,000	21,079	921	95.81%
EXPENSE	80,000	80,000	-	100.00%
(not in combined cash)	Ending balance:	255,715		
LIQUID FUELS	Beginning balance:	97,300		
REVENUE	119,000	119,022	(22)	100.02%
EXPENSE	135,080	125,924	9,156	93.22%
(not in combined cash)	Ending balance:	90,398	\$ (6,902)	Deficit

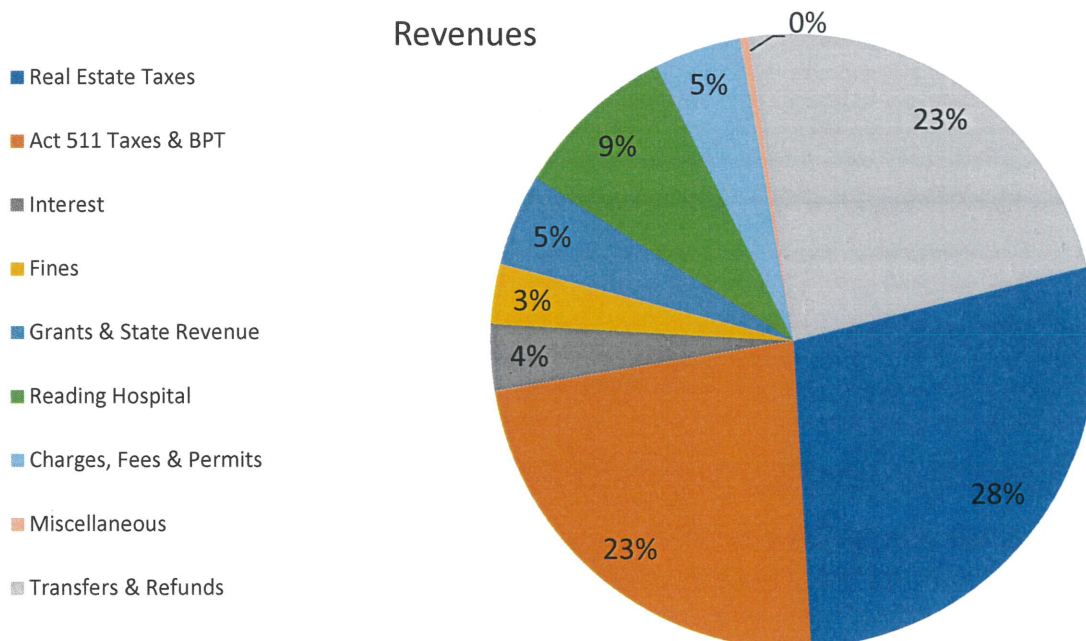
GENERAL FUND – REVENUES

Revenues for the year in the General Fund:

301 Real Estate Taxes	\$2,320,440.67
310 Local Enabling Act 511 Taxes	\$1,870,026.06
321/322 Business Licenses & Permits	\$60,208.63
331/332 Fines & Codes	\$259,548.87
341/342 Interest, Rents, & Royalties	\$290,335.27
351/354 Grants	\$362,519.66
355 State Shared Revenue	\$43,107.79
359 Reading Hospital	\$722,015.00
361 Charges for Services	\$28,462.16
362/363 Inspection Fees & Hgwy Permits	\$354,158.76
380/383/387/389/391 Misc Revenue	\$36,936.9
392/393 Transfers & Installments	\$1,600,474.5
394 State Aid/Self-Insured Surplus	\$346,539.93
Total Revenue	<u>\$8,294,774.20</u>

Total General Fund income for 2025 was \$8,294,774.20. The largest source of revenue was from Property Taxes; the second largest is from EIT and other Act 511 Taxes; these two revenue streams account for 50.5% of the Borough's revenue. However, this was a 0.6% decrease over 2024 revenue for these two lines. Overall, the 2025 total revenues were down by -2.0% over 2024. Reading Hospital, payment in lieu of taxes accounted for 8.7% of revenue. Negotiations for 2025 ended with a decrease to \$500,000 for the 2026 year. We will be continuing discussions with Tower Health.

351/354 Grants (Federal and State Grants) were lower in 2025 by \$115,461.75, and accounted for 4.4%, of the remaining revenue; however, those grant monies not received in 2024, will be received in 2025. 392/393 Transfers & Installment Contract accounted for \$1,600,474.50 or 19.3% of the revenue.



The remaining line items account for \$1,419,298.31 of the revenue and are from Licenses, Fines, Interest, shared Revenue, Inspection Fees, Refunds, and Misc. The largest of these being Inspection Fees at 4.3% of the total revenue.

Actual revenue was under budget by \$175,244.80. It was noted five years ago: projections were that the borough would be insolvent in 2025; that is not the case. Borough Council has ensured that adjustments were made to taxes and the fee structures to set up West Reading for the future.

As it relates to expenditures, revenue exceeded the expenses by \$12,610.71.

GENERAL FUND – EXPENDITURES

Expenditures for the Year

400 Administration	\$682,177.6
403 Tax Collection	\$23,225.00
409 Shared Buildings	\$77,244.29
410 Public Safety - Police	\$3,346,744.88
411 Public Safety - Fire	\$270,042.83
413 Code Department	\$338,897.44
414 Planning & Zoning	\$19,520.99
415-419 Emer. Serv. & Animal Control	\$26,382.86
430 Public Works-Hgwy, Rds. & Strs	\$1,240,148.48
431-446 Public Works Strs	\$559,316.01
455 Shade Trees	\$27,840.34
462 Elm Street	\$51,508.24
465 Main Street	\$53,910.04
471/472 Loan Payments & Interest	\$71,116.25
481 Revenue Transfers	\$619,545.00
486 Insurance	\$116,229.00
487 Pension/State Aid	\$581,509.53
492 Revenue Transfers	\$176,803.77
Total Expenditures	<u>\$8,282,163.49</u>

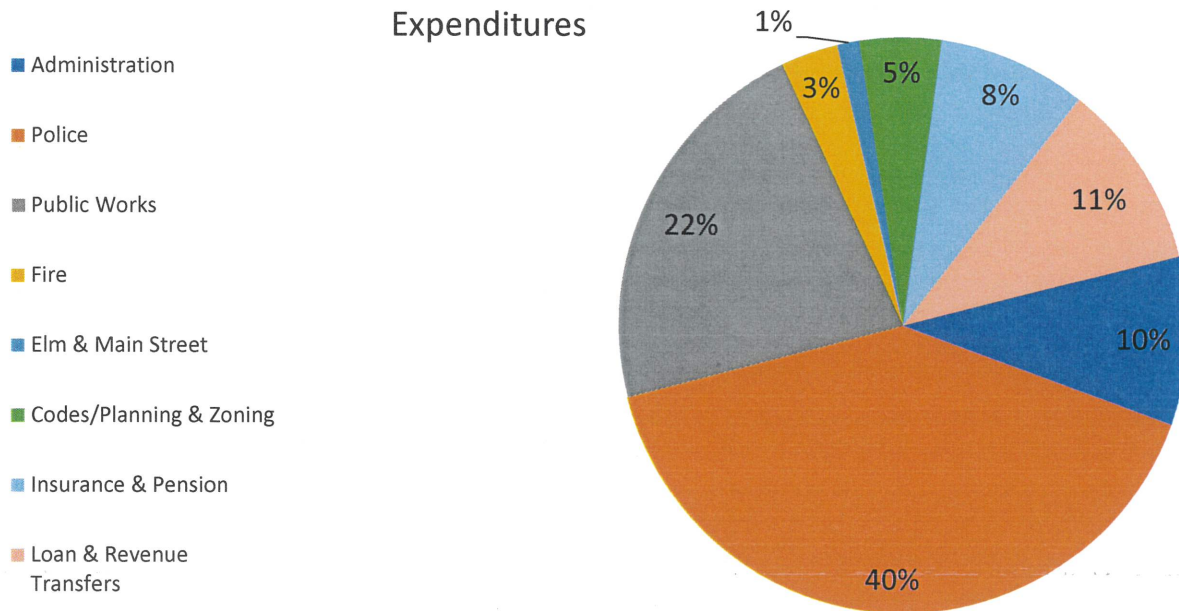
General Fund expenditures for the year were \$8,282,163.49, \$167,626.44 more than in 2024. Of this total, \$3,616,787.71 was expended for Public Safety – 410 Police & 411 Fire. These two lines account for 43.7% of the expenditures and were an increase of 17.1% over 2024.

Public Works (430 Public Works, 431-436 Streets & 455 Shade Tree) were the second largest expenditures at \$1,827,304.83. This was 22.1% of the total expenses, and was a decrease of \$21,201.65 from 2024.

Administration (400 Administration, 403 Tax Collection, 409 Buildings) accounted for \$782,647.83 (9.4%), and was \$33,665.26 more than 2024. Codes and Planning & Zoning accounted for \$384,801.29 (4.6%), an increase of \$14,706.28 over 2043. Insurance and Pension, which is inclusive of all departments, was \$697,738.53 (8.4%) and was up by 1.5% over 2024. Elm and Main Street expenses were \$105,418.28 (1.3%), down 8.2%.

Revenue Transfers (monies used for Capital projects lines 471/472, 481 & 492) were \$867,465.02. These are offset by Grant monies received (Revenue Lines 392/393). The amount of Borough, Capital expenditures accomplished from Grant monies was down by 8.6%. The Borough has successfully sought, applied for, and received Grant Funding from numerous sources, which have been used to make Capital Improvements throughout the Borough. The Borough continues to seek grant funding from all available sources.

Expenditures are accounted for as follows:



2025 was a good year for operations. The General Fund Revenue exceeded the 2025 Budget by \$108,867. In addition, Expenditures were under Budget by \$654,628.95. This leaves a Net Revenue over Expenses of \$763,495.95.

Of the Total Fund Balance reported earlier, \$3,422,943.87 is allocated to the General Fund. A note of caution: some of this allocation can be attributed to Grant monies received, which are dedicated for the work for which the grants were received.

CAPITAL FUND

Since Capital Receipts and Expenditures are tied to the General Fund, I am including them at this point in the discussion.

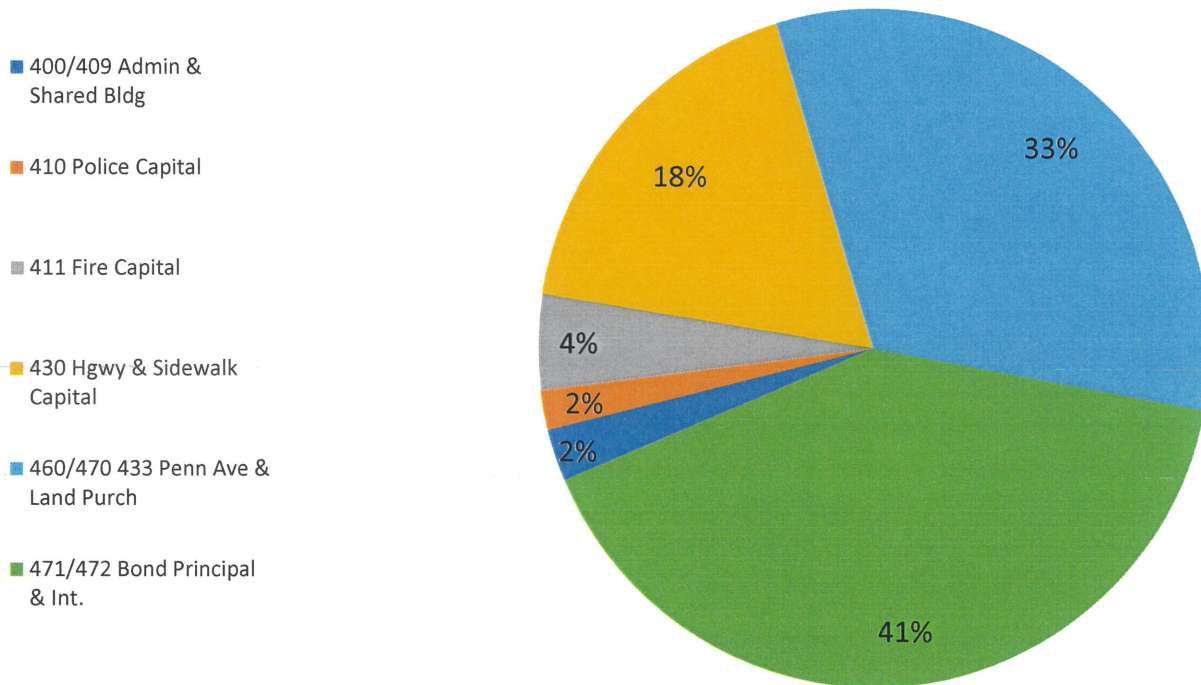
Capital Funds, Funds 30 & 31, had revenues in 2025 of \$2,802,220.50 and \$23,731.49 respectively. These monies are used to fund Capital work in the Borough. The largest of these receipts, \$1,260,466.65, was from the 2025 Bond. These were the monies that were used to purchase (\$710,943.49) 433 Penn Ave. In addition to this purchase, the remainder of these bond funds are being used to remove the tanks and complete environmental assessments (see Pamela's update below). What monies remain; Council will need to decide on the direction the Borough takes for re-development of this parcel. The debt outstanding on this Bond is \$1,377,620 as of May 21, 2024. Additionally, there remains \$6,442,225 on the GO Bond as of June 30, 2024.

Also expended from Capital was \$382,446.90 for street projects in 2025. These were paving projects on various streets and alleys in the Borough:

- South Fifth Avenue Paving & Curbing Repairs – Penn Avenue to Oak Terrace
- Spruce Street Paving & Curbing Repairs – 200 & 400 blocks of Spruce Street
- Grape Street Paving Repairs – Fourth Avenue to Fifth Avenue
- Alley Paving Repairs – Park Alley (behind Playground Drive & Parkview Road)
- Water Line Replacement – 500 block of Spruce Street

The largest of the Capital expenditure is the \$888,583.83 used to pay the principal and interest on the Borough’s Bonds.

Capital Expenditures



Engineer - General

SDE has been doing fantastic work for the Borough. Pamela does an incredible job each year, with the grants that have been acquired, the projects that have been completed, and those that are scheduled, to have a positive contribution to major infrastructural enhancements. The Borough must continue to look and apply for any and all grants and take every opportunity to effect repairs to the aging infrastructure.

Projects

For 2025, the Borough completed a number of projects. I asked Pamela to update the Borough on where we stand; the following are her notes:

1. DCED GLG Grant Year 8 Application – 5th Avenue and Museum Road Corridor

The Green Light Go Grant amount of \$209,975.60 with the Borough match of \$52,493.90. At the 9/17/24 Council Meeting, the GLG Year 8 was awarded to CM High in the amount

of \$183,600.00. Please note that this Grant is based on actual costs. Notice to Proceed was dated 11/4/2024. Advance notification to the hospital, Police Department and EMS will be completed by CM High. CM High started work on 1/21/25.

2. DCED GLG Grant Years 9 & 10 – 7th & Parkside, 7th & Reading, and Reading, 8th & Hill

Borough was informed that the Grant amount was reduced to \$157,554.50, and the 20% match would be \$39,388.62. The reason for the reduction was the ADA improvements were removed completely. TPD has begun the consultant design for GLG Year 9, and the Borough received the revised Grant Agreement the week of 1/6/25.

The GLG Grant Liaison recommended that the Borough submit a Green Light Go Year 10 Grant Pre-Scoping Application by November 22nd that would include all of the required ADA improvements at the intersections of S. 7th & Parkside Drive North, 7th Ave & Reading Ave, and 8th Ave & Hill Ave & Reading Ave. SDE & TPD will complete the GLG Year 10 Pre-scoping Application for the ADA Improvements at the GLG Year 9 Locations. The GLG Year 10 Grant is in the amount of \$228,404.00 with the 20% match of \$57,101.00. SDE is waiting on the GLG Year 10 review of Pre-Scoping to submit Grant by 2/28/25.

3. Ann Street Multi-Model Grant Application

Borough was awarded the Multi-Modal in the amount of \$253,850.00, with no matching funds. Forino was awarded the Project in the amount of \$182,411.70. A Change Order in the amount of \$28,918.00 was approved for tree plates, service walks and 2 additional ADA ramps at Sunset. Forino should be submitting their Final Payment for the retainage in the amount of \$20,902.02 for Council's consideration at their February Agenda. The one-year maintenance period will begin once the final payment is approved. Grant Reimbursement in the amount of \$116,317.90 was submitted 1/16/25.

4. MORE Grant – Level 2 Commercial Energy Audit

Congratulations as the Borough was awarded this Grant on 8/15/24 for the amount of \$50,000. The Borough is in the process of completing paperwork for the Agreement to be finalized. Once the Agreement is executed, SDE can be authorized to proceed with the Energy Audit. The Agreements were just received for the MORE Grant and SDE expects to get started in February with the Energy Audit portion of the Grant.

5. Main Street Matters Grant Application

SDE has applied for a Planning Grant under the Main Street Matters Program for the Parking Study along Penn Avenue and the parallel blocks of Reading Avenue and Cherry Street between 3rd Ave and 8th Ave. The areas of the parking study will be increased to include Franklin Street. The maximum Grant amount is \$50,000 with a 20% Match of the Total Grant Requested, which would equate to Borough match of \$16,667. The Borough and SDE were contacted to provide additional information for the Grant Application and resubmitted the documents the week of 1/6/25.

Engineer – Water

1. 500 Block Spruce St. Water Line Replacement

The Total Project Cost was estimated to be \$317,082; the Grant was awarded in the amount of \$269,520 which is 85% of the Project Cost; and the Borough's match is 15% which equates to \$47,562. Barrasso was awarded the Project in the amount of \$218,955.00. The Contracts are assembled, and the Preconstruction Meeting was held on 10/9/24. The potential balance of \$50,565.00 could be used towards the paving restoration in 2025. Barrasso Excavation, Inc. completed the Contract in the amount of \$182,171.70. Grant Reimbursement in the amount of \$168,547.18 was submitted 1/16/25.

2. Local LSA Grant for the Waterline Replacement on 6th Ave. between Penn Ave. and Franklin St.

This Grant was submitted prior to the 9/30/24 deadline. The reviewing staff at the CFA had some questions concerning the Grant Application and the Borough and SDE are responding accordingly. The amount of this Grant Request was \$423,071.00.

3. LSA Grant for the Waterline Replacement on Olive Street between Elm and Buttonwood St.

SDE prepared the Grant Application with the assistance of the Borough Staff to replace the water main and valves in these 2 Blocks in the Borough. It appears that the recent water main breaks are concentrated in this area of the Borough. The amount of this Grant Request is \$465,225.00. Grant application submitted 11/27/24.

433 Penn Avenue

Environmental Assessment (EA) Proposal for 433 Penn Ave Site

Phase I and II Environmental Assessments have been completed and delivered to the Borough. The 30-day Advance Notification Form has been completed and forwarded to the PA DEP. Borough Council approved Earth Engineering and SDE's proposals for services for the tank removals. Tank Removal was completed early in 2025.

The site has been made available for parking in the new year.

Activate West Reading – Transportation Planning Grant

Bowman Consulting Group has continued to advance Activate West Reading in accordance with the approved scope and schedule.

Key activities completed to date are summarized below.

Project Management and Steering Committee Coordination

Bowman has convened two Steering Committee meetings, providing structured opportunities for project oversight, discussion of priorities, and confirmation of direction. Feedback received during these meetings has informed the development of project visioning and subsequent work tasks.

Vision and Goals Development

Based on Steering Committee input and early project discussions, Bowman has prepared draft project vision and goals. These draft statements are intended to guide the remainder of the planning process and will be refined as additional stakeholder and public input is incorporated.

Public Engagement – Online Map Survey

Bowman successfully deployed an online interactive map survey to solicit public feedback on transportation safety concerns and opportunities. To date, the survey has generated approximately 80 comments, providing location-specific insights that will directly inform problem identification and recommendations.

Stakeholder Interviews

Bowman completed the two stakeholder interviews included in the project scope, including:

- Dr. Babb, Principal of WREC
- Chris Lincoln, Chair of Transportation and Infrastructure

These interviews provided targeted perspectives on pedestrian safety, operational challenges, and policy considerations relevant to the corridor.

Existing Conditions Analysis

Bowman has assembled and reviewed existing conditions data, including:

- Historical crash data
- Operating speeds along 3rd Avenue

This information is being used to establish baseline safety conditions and to identify areas of elevated risk for pedestrians.

Upcoming Activities

Bowman is currently making preparations for the Pedestrian Safety Audit scheduled for April 9, including coordination with project partners and review of field conditions to ensure a productive and focused audit.

Bowman remains on track with the project schedule and will continue to coordinate closely with the Borough and Steering Committee as work progresses. Our next Steering Committee is scheduled for May 11, 2026.

Future Grants

- Multimodal Transportation Fund – DCNR March 1 to July 31
- LSA Shared Berks County – July 1st to September 30th
- LSA Statewide – September 1st to November 30th
- GLG Year 10 – February 1st to February 25th 10 2/1/2025
- GLG Year 11 – Pre-scoping November 2025
- GLG Year 11 - February 1st to February 25th 10 2/1/2025

The Spreadsheet, attached, outlines all the grants and funding from them.

Grant Name	Grant Amount	Match	Status	Contract Amount	Expenditures As of 12/31/24	Reimbursement	Pending Reimb	Pending Exp	Expiration
Green Light Go Year 8 23-1144-0123	\$209,975.60	\$52,493.90 20% of Actual Costs	Under Construction	\$183,600.00	TPD \$44,801.47 SDE \$3,199.65	\$0.00	\$209,975.60	CM High \$183,600.00 TPD \$7,692.43 SDE \$3,500.00	6/30/2026
Green Light Go Year 9 24-1144-0130	\$157,544.50	\$39,388.62 20% of Actual Costs	To be Bid 2025/2026		TPD SDE \$72.73	\$0.00	\$157,544.50	TPD \$39,388.62 SDE TBD	6/30/2027
Green Light Go Year 10 24-1144-0134	\$228,404.00	\$57,101.00 20% of Actual Costs	Pending Grant Approval		None	N/A	N/A	N/A	N/A
LSA Security Upgrade 23-1144-0124	\$264,750.00	\$19,450.00 None Required	Project Complete	\$284,200.00	BSGI \$284,200.00	\$264,750.00 Subm 11/1/2024		None	6/30/2026
Ann St Multi-Modal Curb & Sidewalk 23-1144-0126	\$253,850.00	None Required	Pending Final Paving \$211,329.70 Contract	\$209,020.20 Final Amount	Forino \$188,118.18 SDE \$6,205.38 Advertisement \$846.65	To be submitted \$116,317.90	\$137,532.10	Forino \$20,902.02 SDE \$2,500.00	6/30/2027
500 Block Spruce St ARPA Water Main Replacement 24-1144-0409	\$269,520.00	\$47,562.00 15% Match	Pending Final Paving \$218,955.00 Contract	\$182,171.70 Final Amount	Barrasso \$182,171.70 SDE \$18,617.50 Advertisement \$800.11	To be submitted \$168,547.18	\$100,972.82	Barrasso \$47,562.00 SDE \$2,500.00	9/30/2026
					Exp				\$1,036,678.44
					Reimb				\$1,155,640.10
LSA 6th Ave Water Main	\$423,071.00	None Required	Pending Grant Approval		Subtotals \$729,033.37	\$549,615.08	\$606,025.02	\$307,645.07	
LSA Olive St Water Main	\$465,225.00	None Required	Pending Grant Approval		Exp	Reimb	Reimb	Exp	
MORE Level 2 Energy Audit	\$50,000.00	None Required	To start February/March		None related to the Grant				
Main St Matters 24-1144-0133	\$50,000.00	\$16,667.00 25% Match	Pending Grant Approval		None related to the Grant				

Public Works

Kerry has provided a written assessment of 2025 accomplishments below:

Myself and the crew have created such a successful year, between all of the work we have done for the community and all we plan to do, with the help of the borough. The community within West Reading is so supportive and strong, and we are so incredibly grateful to be apart of that and help anytime we are able. Whether it be through directly helping neighbors during and after hours with sewer stops, setting up events, or less directly with line painting and working with contractors. We have worked extremely hard and we are honored to continue to be able to provide our work while maintaining budget friendly costs to the borough and being productive at the same time.

Within the year, we stayed busy with maintaining and repairing the pipes in the community. We conducted repairs to 4 water main breaks and dug up one sewer main on Chestnut with us doing that repair saved the borough roughly 10,000 dollars. There were one hundred sixty eight repairs to laterals as of December 31, 2025 Included with these numbers, we performed seventy four jettings and four camera operations.

We have maintained a collective of systems in the buildings as well as other building repairs/additions throughout the year. Firstly, we took down the gas stations gas pump canopy which was quoted at \$8,000 to have a company come in. we back filled and paved the lot, which was quoted at \$23,000 which we did ourselves for \$6,000. We took down the canvas awning and refinished it and we painted the outside to beautify it. Secondly, we built another large enclosure to allow our vehicles and equipment to stay out of the weather. Third, we redid the kitchen in the bicentennial house to upgrade and modernize the look, along with added more counter space and outlets to give better conditions for renters. We also changed all lighting at hall, police BiCi, and garage to LED lights to save money. Fourth, we also changed the street lights on the Avenue to new LED lights ourselves and saved the borough \$36,000 on installation cost. Other construction projects to create better travel, or even simply better living to residents, have been done as well. Whether big or small, all notable. For example, we also changed out the sewer pump motor at the borough garage pump station in house to save the borough \$4,000. We continued the project to repair sidewalk slabs that have been damaged by trees, as well as replace curbs on streets that have been or are getting replaced. That has been a huge success as the borough is saving big money with this getting all fixed up and it's stopping our streets being dug up after being replaced. We also dug up and replaced service lines that have been leaking at main.

Some maintenance work goes along with the construction. We maintain about twenty-eight acres and eleven buildings. We also keep maintenance up on approximately one hundred street lights. Along with our maintenance duties, we pushed for maintenance out of our control. We motivated the state to go cleanup down by the state bridges. We hope to continue

to be more maintenance based. To work towards that, we are setting a path to streamline our operations at the garage to make the future easier to run and be more affordable. We are working towards that by trying to replace older, out-of-date equipment and setting up projects for the future to be more maintenance related than replacement related. We started with our copper and lead process.

We have plenty of other tasks we did and continue to do through the year as well. For example, we redid the baseball field two years ago so we stay on top of that and maintain it due to it being used for games and us making money off it. Alongside of that, we added a waterline and fountain for our ever-so-busy pickleball courts. There was plenty of more trees trimmed, removed, treated, and drill-tested for strength this year. Line painting was accomplished in parts of the borough to maintain roads and crosswalks. We continue to focus on helping out with smaller things like pick up branches, dead animals, Christmas tree collection, etc. We also come out for potholes, scrap metal pick-up, anything we can do, we will do to try to keep residents happy. Cannot forget about our big events, like working to set up, maintain, and close Fall Fest, Arts on the Ave, parades, runs, Beer and Pretzel fest, French Fry Fest and Fire and Ice. All of which are always so successful. We had also moved Delaney’s circle down to playground to give it a safer better and more beautiful area. We removed the sidewalk from the circle alongside of that. We have been monitoring trash hauler to prevent excessive collection, and it’s saving money.

Everything adds up to make the borough the strong, safe, and beautiful place for the community.

We have made large steps to save the borough money through multiple ways. There was a change in the process of how the pool is run, which resulted in saving us hundreds of dollars a month. We made a that agreement with Wyomissing borough with our pump stations which still saving us about \$900 a month. Additionally, we have created a working relationship with the City of Reading, Wyomissing, Mt Penn, Adamstown and Reading Area Water Authority.

This is a list of things to show money we have saved borough and residents. Starting in 2022:

	Savings since 2022	Savings Forward/yr
<u>2025 Work</u>		
Sewer Line	\$10,000	
Gas Station Work	\$25,000	
Lighting on Penn Avenue	\$36,000	
Motor - Pump Station	\$4,000	
<u>2024 Work</u>		
Stopped enzyme for pump stations \$900/mth x 6 mths	\$5,400	\$10,800

Pool pumps off at night \$400 a month x 3 months	\$1,200	\$1,200
Chemical-no delivery fee \$50 a week x 15 weeks	\$750	\$750
<u>2023 Work done in-house</u>		
Servicing our own pump stations \$4,000 a year	\$8,000	\$4,000
Doing our own sewer repairs \$55,000	\$55,000	none
Adding our own jetting service \$15,000 (revenue as well)	\$15,000	\$30,000
<u>2022 Work done in-house</u>		
Not vacuuming out pump stations \$8,000 a year	\$24,000	\$8,000
Went to 87 octane gas \$4,000 at \$.25/gal.	\$12,000	\$4,000
Serving our own heaters at the garage \$1,200 a year	\$3,600	\$1,200
Cancelled service contract for printer \$350 a year	\$1,050	\$350
Painting pool in house (\$80,000 last done 13 years ago)	\$80,000	none
Since being named Public Works Director	\$281,000	\$60,300

Through all these savings we also are technically making the borough roughly 30,000 a year by the extra money the residents pay into the water and sewer bill to cover jetting treatment for there laterals if needed during sewer back ups.

Myself and the entire borough crew has put incredibly hard work into their jobs. The dedication we all have to the borough is shown through the motivation to keep everything working hard for the residents, businesses, and entire community. We will continue to aim to be as productive and budget friendly in years to come.

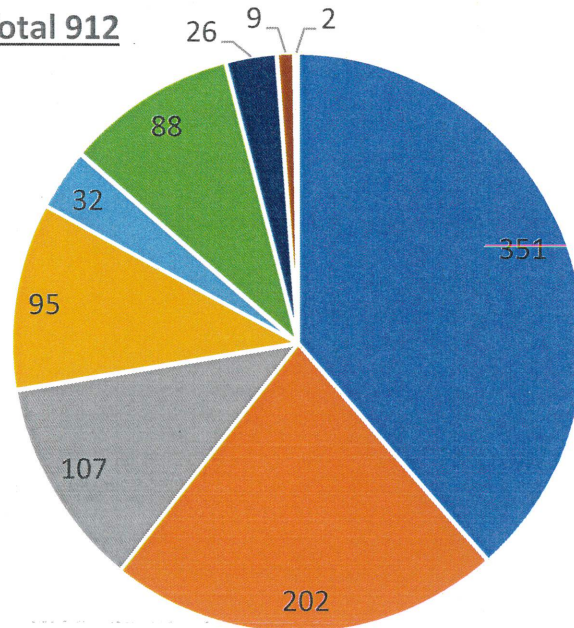
Respectfully submitted, Kerry Grassley

Codes

I asked Chad to provide some insight on the Codes Department for 2025. He has provided the following graphs of information for the number of violations issued by code, permits by type, inspections by type and revenue.

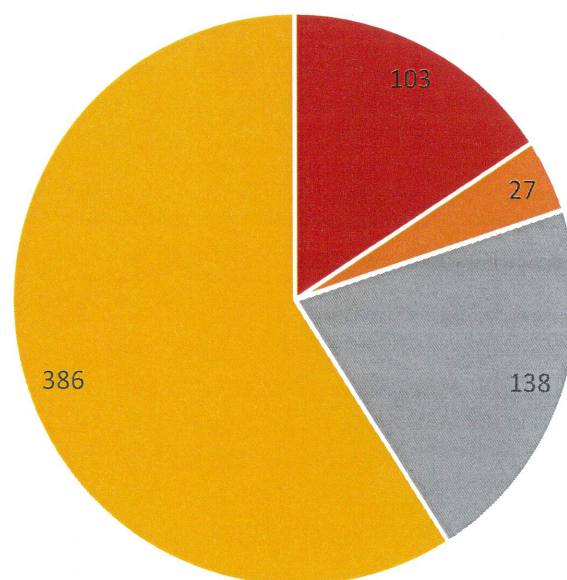
2025 Code Violations By Type - Total 912

- Property Maint./High Grass
- Trash & Recycling
- False Alarms Prohibited
- Nuisance Abatement
- Zoning Violation
- Snow & Ice Removal
- Permitting/Building/Fire Code
- Animal Violations
- Misc.

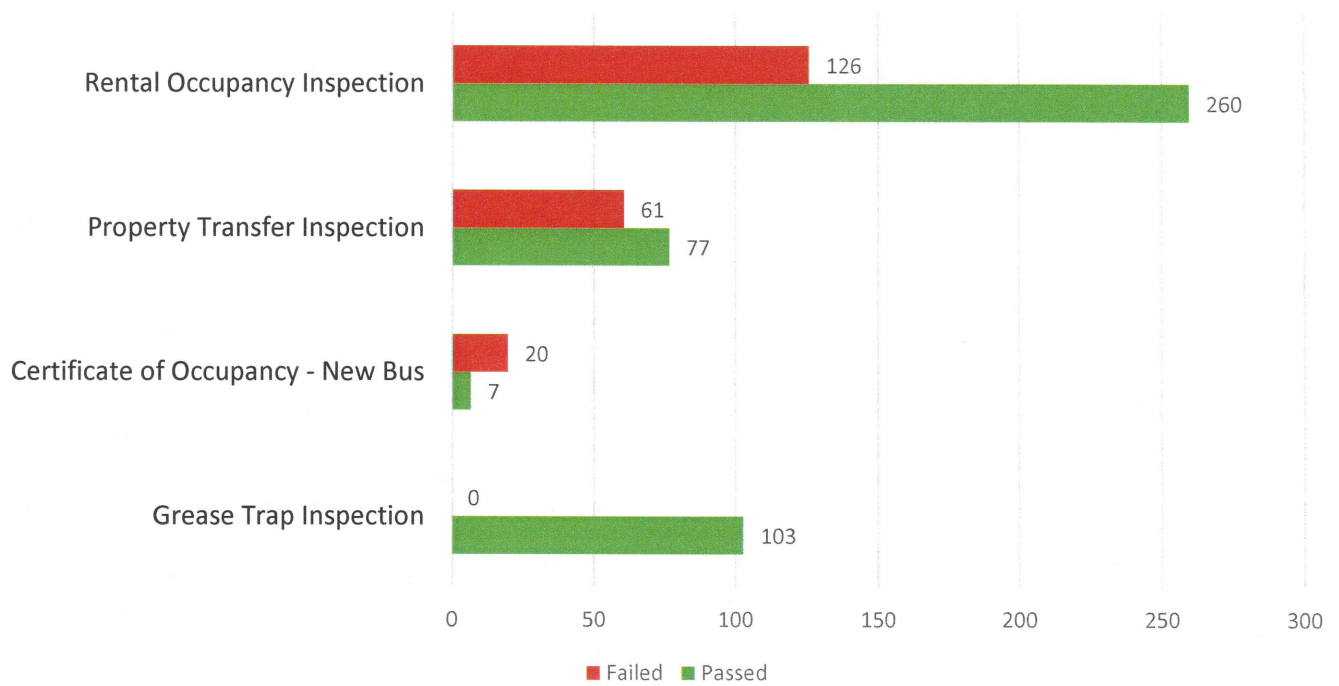


Internal Inspections By Type - Total - 654

- Grease Trap Inspection
- Certificate of Occupancy - New Bus
- Property Transfer Inspection
- Rental Occupancy Inspection



Internal Inspection Failure Counts



Grease Trap Inspections: The biennial grease trap paperwork is due by January 31st. At this point we still have a handful of restaurants that have not returned their completed paperwork. After January 31st we will be issuing citations to restaurant owners who have not returned the paperwork. The properties that have gone through inspections so far have all passed.

Fire

Chad has a Fire Department report, issued under separate cover:

<https://205a1bf8.delivery.rocketcdn.me/wp-content/uploads/2026/01/2025-WRFD-Year-End-Report.pdf>

I asked Chad to provide a result of the Fire Department Personnel Incentive project, since this was funded by the Borough.

The Borough allotted \$10,000 for this incentive. The Fire Department expended \$8,073.64. There were 68 persons eligible for the incentive. Of this total, 26 met the minimum 30-point requirement to be an eligible participant. Earned amounts ranged from \$1,318.56 to \$88.44. A cap of \$599.00 was set, and seven firefighters qualified for this amount. The average pay amount was \$310.52. Chad stated: “The program was definitely worthwhile, and I seek to continue it this year.”

Respectfully submitted, Chad Moyer

BID (Business Improvement District)

The West Reading Community Revitalization Foundation (WRCRF) is nearing a vote on the creation of the WRBID. Plan documentation has been promulgated to all property owners in the WRBID area.

Here is the executive summary of the WRBID Plan:

This document presents a proposed Business Improvement District Plan (“Plan”) for the central business district of the Borough of West Reading (“Borough”) pursuant to Act 130 of 2000, known as the Pennsylvania Neighborhood Improvement District Act (“NID Act”). The Plan encompasses all properties in the area of the Borough currently zoned as Central Business District (CBD) and General Business District (GBD) under the Borough Zoning Ordinance, in addition to two (2) parcels currently zoned Light Industrial District (LI) and included in the Commercial and Industrial Redevelopment Overlay Zoning District within the Borough.

While the Improvement District proposed under the Plan is technically a “Business Improvement District” as defined in the NID Act, the District will operate under the title of “West Reading Business Improvement District (WRBID).” The WRBID will be managed by West Reading Community Revitalization Foundation (WRCRF) as the Neighborhood Improvement District Management Association (NIDMA), as that term is defined in the NID Act. The powers as duties of WRCRF are as set forth in the Plan, and in the NID Act.

The primary activities to be undertaken by the WRCRF within the WRBID include, but are not limited to: creating and maintaining an inviting business district by providing business retention and recruitment assistance for property owners, promotion of WRBID as the central business area of the Borough, marketing of the WRBID and its businesses and location suitable for downtown businesses, and activities geared to promote the WRBID as “safe, clean, and green.”

WRCRF may also seek designation as a Pennsylvania Department of Community and Economic Development (DCED) Keystone Communities Main Street Program. If approved, this designation would open the door to additional funds for activities including façade renovations, building improvements, additional public improvements, and technical assistance.

As currently envisioned by this Plan, the WRBID includes one hundred seventy-six (176) AFFECTED properties, all of which will have the opportunity to officially participate in the decision-making process. Of the 176 affected properties, one hundred sixty-eight (167) are full assessment rate payers, nine (9) are tax exempt properties that will be asked to make a payment in lieu of the assessment. The tax-exempt and residential properties, while entitled to notice and ability to participate in the hearings as “AFFECTED properties, are not “BENEFITED Properties” as the term is defined in the NID Act and are not eligible to cast a vote on the Plan. *See, Schock v. City of Lebanon*, 210 A.3d 945 (Pa. 2019). All benefited

properties will have the right to cast an objection to this plan, in accordance with the NID Act. If forty percent (40%) or more (67 votes) of these property owners cast a vote in objection to this plan, the plan may not be approved by West Reading Borough Council and effectively stops the process at that point. Should less than 40% object, the West Reading Borough Council may approve, but as the option to approve the WRBID plan at that point. A property owner will get the cast one ballot for each individually deeded property owned. Thus, a property owner with ten properties would get to cast ten votes. Votes must be cast in accordance with the directions stipulated in this plan and using the ballots provided.

If approved, this plan will take effect on the date approved by West Reading Borough Council and will terminate on June 30, 2031. The WRBID may be reauthorized by West Reading Borough Council to continue operation after June 30, 2031, subject to the conditions presented in Section 17 of this plan.

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Future Growth

In 2025, West Reading Borough Council adopted the new, “Forms-based” Zoning Amendment. This adoption completed the final implementation of Article XVIII Downtown Overlay Ordinance, Article XXIX Sign Ordinance and related sections.

The following are the documents included in the amendment submittal:

- New Zoning Map
- Downtown Overlay District
- Sign Ordinance
- Zoning Ordinance

In addition, the Planning Commission is in the process of reviewing an amendment to the Borough’s SALDO (Subdivision and Land Development Ordinance). This change would allow, through a ‘conditional use’ process, for impervious coverage to be up-to 100%. Council would be the Board tasked with hearing the conditional use request. The basis for increased impervious coverage would be MS4 stormwater BMP (all stormwater to be reduced on-site, as an example), along with Green Space available for use by all visitors to the Borough. These ideas will be discussed and reviewed by the Planning Commission in the coming months. These would be the guidelines for any future re-development.

The changes to the Downtown Overlay District are included in the WRBID implementation. Changes coming as part of the PennDOT 422 corridor (West-Shore Bypass) enhancements, will give the Borough an opportunity to gain riverfront access and allow for possible development of some kind in that area.

The area bounded by Penn Avenue over to Chestnut Street and 2nd Avenue to the Schuylkill River (identified on Derck and Edson plans as “Chocolate District”) may afford an opportunity for future redevelopment, as well.

The Borough acquired 433 Penn Avenue in 2024. The site has been cleaned of the tanks, pumps, and piping. Environmental Assessment has been completed, and the site is clean of

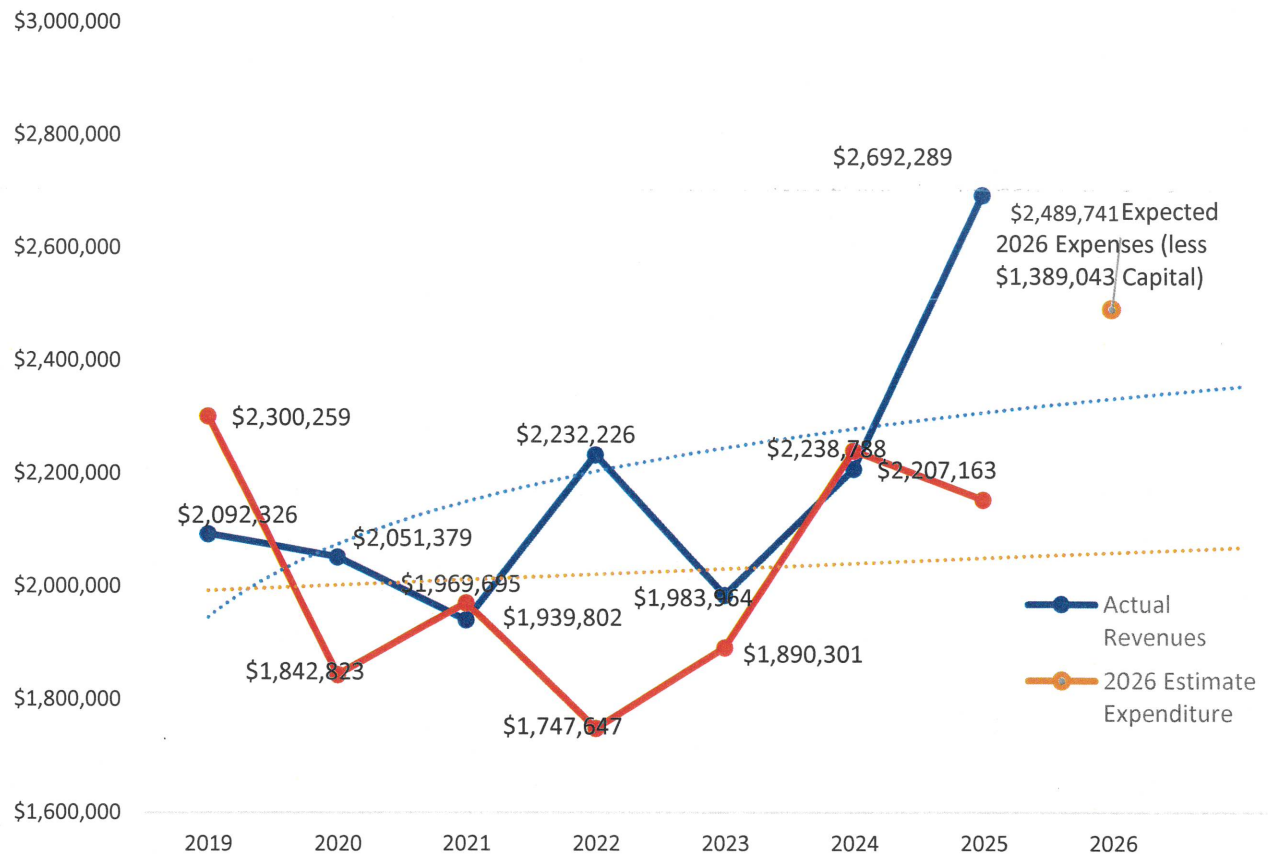
any impediments. The Public Works Department has backfilled the lot, added an overlay of macadam, and lined the lot for parking. A new ParkMobile Zone is being added to allow for charging a fee to park there. It will have the same requirements as the larger lot further up the Avenue. Council will need to make a decision on the next direction for the lot, but there are ways available to work with the Berks County Redevelopment Authority.

WATER FUND

Total revenue for the Water Fund for 2025 was \$2,692,289.

Total Water Fund expenditures for the year were \$2,151,895.16. At present, the total Water reserves are \$1,366,781.58.

In 2026, the Borough increased the water rates in the Borough to cover increases from Western Berks Water Authority (WBWA). In 2026, the Borough is planning a \$1,389,043 Capital Project, paid partially with grant monies.



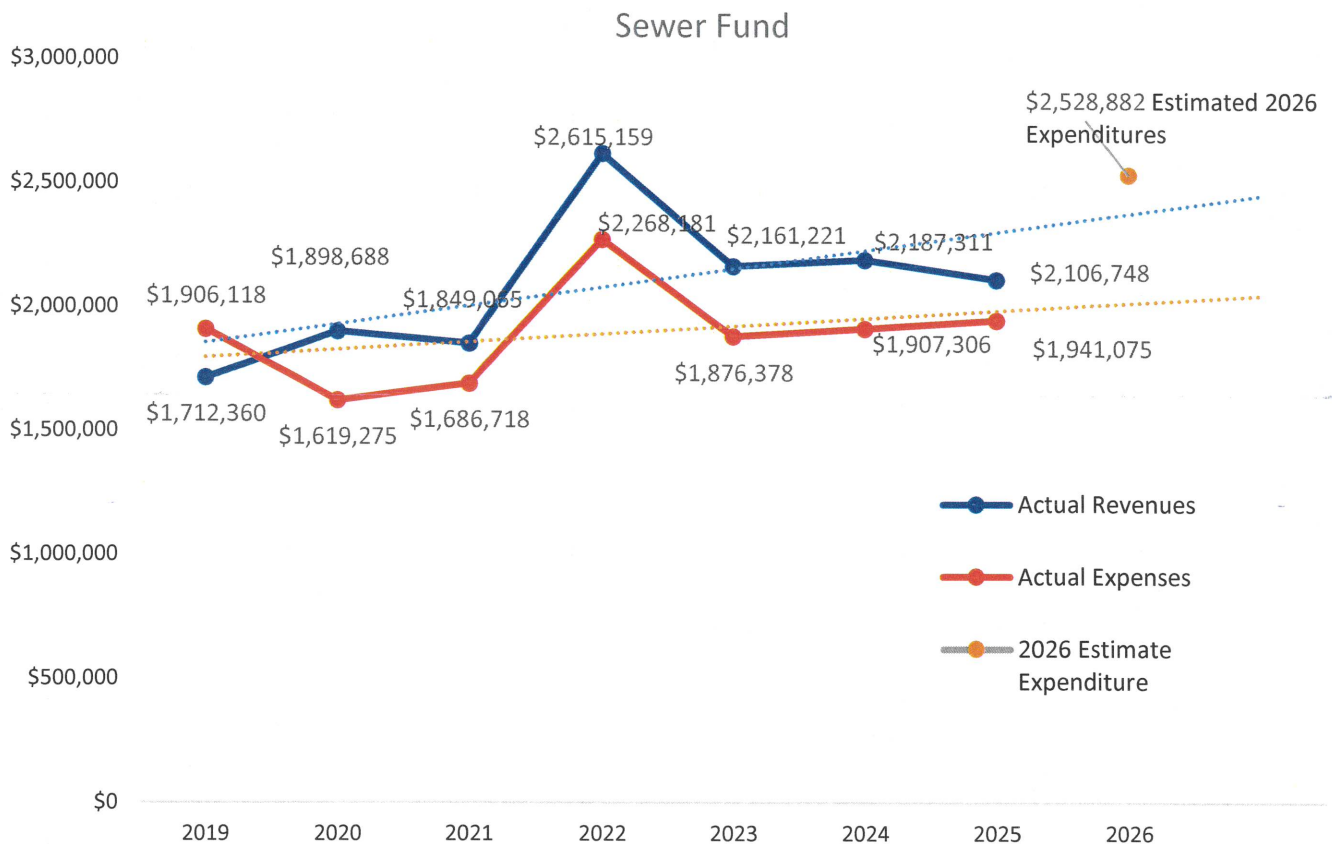
Additionally, there are anticipated increases of water supply rates in future years. The WBWA has indicated that the water filtration plant is in need of major upgrades, and they have received bids for these upgrades. At present, the total costs of upgrades have not been determined, as several of the proposals for the plant were rejected. It is anticipated that rates to all parties will be increased to pay for the debt services incurred by the new filtration plant construction.

As far as the Borough’s water rates go, Council increased the rates to keep pace with the increases coming from the WBWA. Before finishing his term, Councilman Wert noted: “At the end of March, there will inevitably be residents in an uproar about higher water rates. Be prepared to defend the budget where funds are being spent appropriately to improve the community.”

SEWER FUND

Total revenues for the Sewer Fund for 2025 were \$2,106,748.28.

Total expenditure was \$1,941,075.33. The fund has reserves of \$1,673,560.86.



Although there were no major issues with the sewer collection system in 2025, there were a number of blockages that needed to be cleared. These blockages were, for the most part, in sewer laterals. Since the Borough began to check laterals, when reports of clogs were received, we have a good sense for what the causes were. Tree roots, grease dams, flushed non-biodegradable materials, and misaligned laterals and mains are the underlying causes.

The Borough should continue to offer televising service for sewer laterals. This will help us keep track of impending problems. Additionally, we will be recording areas of concern for possible main replacement or lining in the future.

One additional issue is the age of the Borough’s pump stations. The Borough should earmark reserve funds for future upgrade and/or replacement projects of these vital infrastructures.

SANITATION FUND

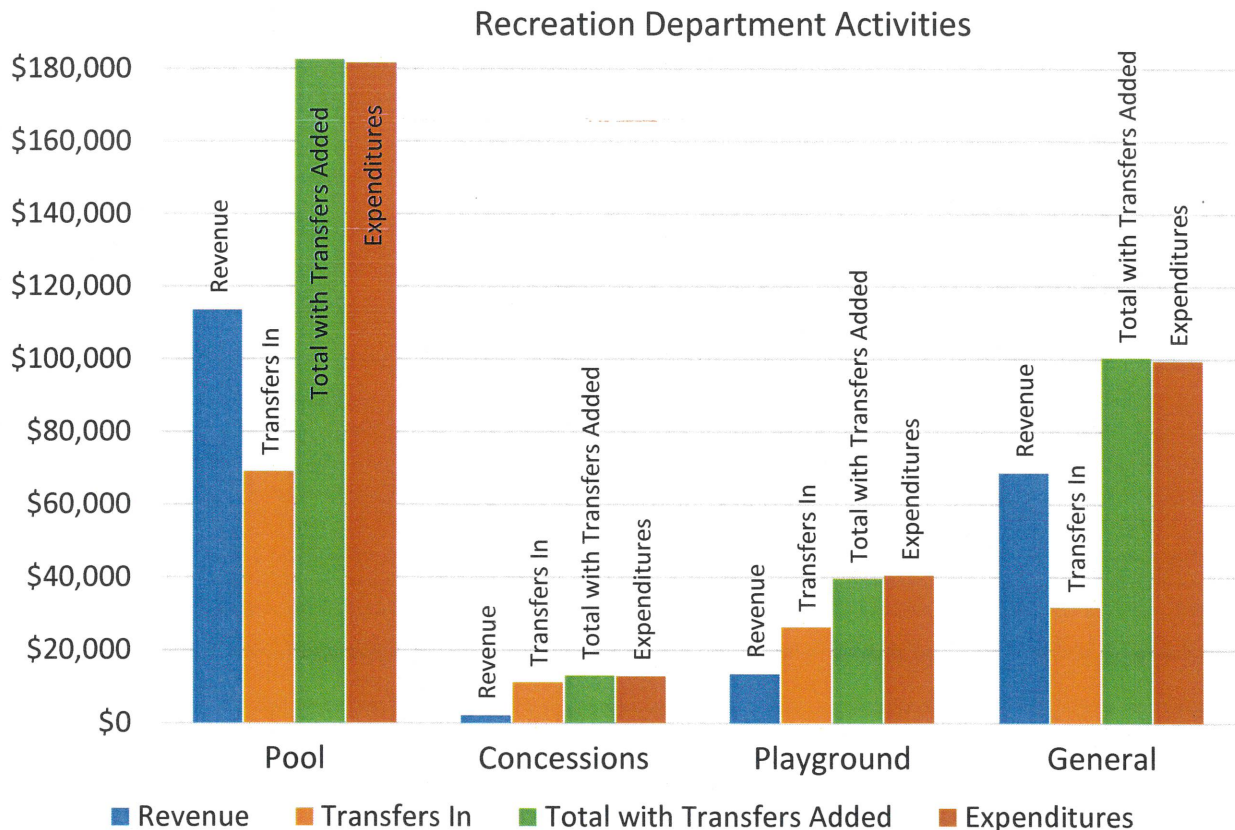
Hollenbaugh Trash & Recycling LLC is the Borough’s waste hauler. They collect and transfer the trash to the disposal site. The weight of disposal is then billed directly to the Borough.

Revenues for 2025 were \$699,877.18. There were no grants received. Expenditures for 2025 were \$752,850.97. The Fund operated in the red by \$52,973.79. The rates for Sanitation were increased to \$105 per quarter for 2026.

We are contractually obligated to Hollenbaugh for the three-year period of January 1, 2025, through December 31, 2026. Council should consider the extension of the contract for two additional years (2027 and 2028).

PARKS & RECREATION FUND

The Parks and Recreation Fund operated in 2025 in the red by -\$798.71; however, the General Fund covered these negative revenues. Transfers from the General Fund were

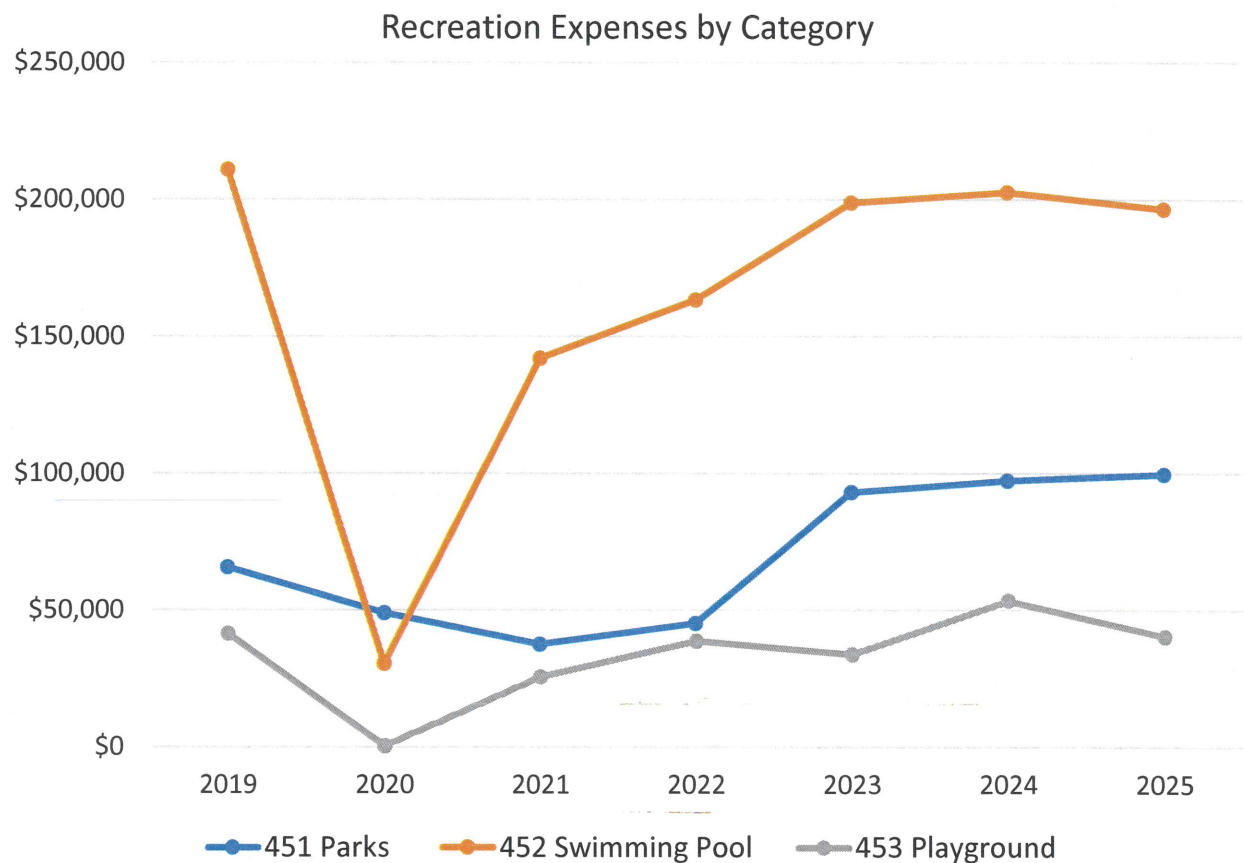


\$42,000 more than in 2024. Concession operations were contracted out this past year, turning an \$8,000 loss-leader into a profit. Mike notes: “We have come up with a solution to outsource the concession stand for the 2025 season which would alleviate some of the financial burden on the pool.”

Although revenue was down, the elimination of the concession loss limited the operational loss.

Total revenue in 2025 was \$335,694.85, inclusive of the Transfers and Grants. The Expenditures were \$336,493.56.

Expenditures were recorded in the following categories:



Other than the 2020 season (COVID), the Recreation programs have been reasonably steady.

Pool

The pool has been affected by the cool summer seasons in 2021 thru 2023, but had a significant rebound in 2024. The warmer summer, and added programing helped to enhance the rebound.

For 2025, Mike notes: “In addition to hosting exclusive raffles for pool members only, we will explore new ways of generating income, as well as potentially entice more families/individuals to join the pool to partake in these benefits.”

The 2025 season was affected heavily by rain which led to closing the pool early 17 days and losing four days to thunderstorms the entire day, coupled with temperatures in the low 50’s to start the season. With some changes in pricing at the pool in the evenings for non-residents, coupled with the return of moonlight swims, and swimming lessons, this could benefit the pool financially.

Parks

Rentals in 2025 were up as well. The Bicentennial House, Park and Pavilion rental fees were up by over 44%. Again, this additional rental is likely a rebound from COVID. The facelift at the Bicentennial House has added value for its rental. In 2025, Public Works completed upgrades to the kitchen area, and they will continue to make upgrades in 2026.

Mike gave some insight: “Rentals have grown significantly I believe due to taking a more customer service-based approach with physically showing potential renters the facilities the Borough has to offer, opposed to handing them a key for them to look on their own. This creates a one-on-one relationship between the renter and the Parks and Recreation Director. Additionally, utilizing social media, along with the website, to showcase upgrades that have been completed.”

Playground

Programs for summer playground are again on the rebound. In 2025 a higher qualified director helped to establish a more interesting structure which will help to gain added participants in the future.

It is anticipated that 2025 will continue as a growth year and that with a reduction in the loss-leader (concessions) the Parks and Recreation Fund can be self-supporting.

“The summer playground program is beginning to attract new participants. With more activities planned, along with new field trip experiences, 2026 is looking to be another growth year.”

Respectfully submitted, Mike Esterly

2026 BUDGET PROJECTIONS

We have projected General fund revenue for 2026 at \$8,470,019. Expenditures are projected as being about \$8,216,423. Excess at the end of 2025 were transferred to the reserves, specifically for future liabilities.

Water rates have been increased by three percent for residential and five percent for commercial to counter the rate increase from WBWA. It is noted that they (WBWA) are in the process of a plant overhaul and expansion for a number of reasons. The highest concern is the removal of “forever chemicals” (PFAS as an example) [these requirements may change as the current administration makes decisions]. Additionally, the current water treatment plant is antiquated, and in desperate need of upgrades. It is likely that there will be pressure in the future for increases in rates for the plant and system upgrades.

The Borough continues to monitor for water main breaks and has projects planned for main replacements in 2026. The issue with breaks previously were as a result of problems encountered when WBWA isolated the water tank for inspection and cleaning. PVC (pressure control valve) failures resulted in pressure spikes that are the underlying cause of the main breaks. These PCVs have been replaced or upgraded. The tank has been cleaned and inspected. The expectation is that it will come back on-line in the spring of 2026. We have planned for, applied for and received, and continue to apply for grant monies to replace old infrastructure. We need to keep up on infrastructure maintenance, repair and replacement projects to ensure we have minimal problems with the Borough’s water mains.

Sewer rates are being increased by four percent for residential and eight percent for commercial to meet the expenditure necessary to treat the wastewater. It is likely that there will be pressure in the future for increases in rates from necessary plant and system upgrades.

The Sanitation Fund is operating well however, a \$5.00 increase per quarter was enacted to ensure revenue meets expenditure pressures. Future increases in rates will be needed to cover the economic realities of inflationary pressure.

SUMMATION

The Borough had previously set a goal of ensuring West Reading could function with balanced budgets. Over the past several years, Council has worked diligently to overcome the past obstacles and position the Borough for the future.

Redevelopment and growth will be happening over the foreseeable future, and Council has expressed its commitment to make certain the strong financial position is maintained for this growth.

One final point: Maillie LLP Accountants and Advisors will be auditing our Funds and accounts. It is expected that no major findings will be reported. There will be adjustments made to these funds to offset “due-to” and “due-from” entries, as well as end of year receipts and payments. We will ensure that the 2025 financials will be issued to you as soon as they are received from the auditor.

If you have any questions or concerns about 2025 or 2026, please feel free to see me at the borough office.

Faithfully Submitted,

R.P. Miller

* See end of year 2025 Financial Statements for additional information.