

January 20, 2026 Special Townhall Meeting

Meeting minutes

The Mount Penn Borough Council met for a Workshop/Townhall Meeting on January 20, 2026, at the Auditorium of Antietam High School located at 201 N. 25th Street, Reading, PA 19606. Council President Rick Lombardo called the meeting to order at 7:01 PM and adjourned at 8:47 PM.

Council President Rick Lombardo, Council Vice President Christine Dise, Council Member Thomas Baer, Council Member Kelly Dudash, Council Member Troy Goodman, Council Member Michael Kindlick, and Council Member David Korinchock, were present. Mayor Ryan Maurer was absent. Staff and professionals present included Solicitor Thomas Klonis, Esq., Special Counsel David Nasatir, Esq. and Thomas Wyatt, Esq., Borough Financial Advisor Garrett Moore, and Borough Manager Hunter L. Ahrens. More than 20 community members were present including Michelle Boyle, Mike Frankhouser, Sidney Kanavins, Cindy Mock, Kim Wittich, and Patti Rose.

Meeting Opening and Pledge to the Flag

The meeting was called to order at 7:01 PM. The pledge of allegiance was led by the Council.

Attendance Roll Call

No formal roll call was recorded in the transcript.

Introductory Comments

Hunter Ahrens read a statement on behalf of Borough Council that welcomed residents, community partners, neighboring municipalities, and members of the Mt Penn Borough Municipal Authority. It emphasized two key points at the outset:

- No sale of the water system is being considered by the Council now or in the future.
- No authority employee would lose their job, compensation, or benefits as part of this discussion.

It was stated that the purpose of the meeting was to explore a conveyance and leaseback concept as a potential tool for long-term stability, coordination, and local control. The statement noted that no final decisions had been made and community feedback was a meaningful part of the process.

Conveyance-Leaseback Presentations

Mr. Ahrens provided a presentation, outlining the rationale for considering a conveyance-leaseback arrangement. He explained that the borough faces financial pressures including high dependence on general fund revenue, limited ability to continue raising rates, and unexpected infrastructure repair costs.

As an example, he mentioned a recent storm water system repair that cost \$95,000, equivalent to 1 mill of property tax. The borough has projected increasing deficits over the next five years that would deplete fund balances without intervention.

Mr. Ahrens noted structural problems facing the borough, including aging housing stock and an increasing percentage of rental properties (approximately 40% of housing units), which creates challenges for maintaining the tax base. He clarified that the conveyance-leaseback offers an alternative to selling the water authority or doing nothing with the valuable asset that could prevent the Borough from achieving sustainability.

Garrett Moore from Public Financial Management presented a financial analysis showing the impact of different scenarios on water rates:

- He outlined five scenarios, with the recommended model including a lease payment of \$320,000 annually to the borough, which would increase water rates by approximately 3-4% per year.
- This payment would still keep Mt Penn's water rates below the state average (currently \$450/year compared to state average of \$600/year).
- The authority would continue its planned capital improvements while maintaining appropriate reserves.
- The lease payment would grow with inflation over time.

Dave Nasatir and Tom Wyatt from Obermayer Law Firm presented the legal framework:

- They emphasized that the conveyance-leaseback arrangement would maintain local control and prevent future sale of the system.
- The arrangement would involve the authority conveying assets to the borough, which would then immediately lease them back to the authority.
- Operations would continue unchanged with the same authority employees.
- The lease agreement would include contractual prohibitions against future sale of the water system.
- The attorneys noted that the lease could be structured to last up to 50 years, the maximum legal life of an authority, with possible renewals.
- The lease agreement would also provide opportunities for economies of scale, staff sharing, and collaboration between the borough and authority.

Comments, Questions, and Answers from Members of the Publicⁱ

Several residents and ratepayers shared comments and concerns:

Tuan Duong [MP], 233 Carsonia Avenue – Mr. Duong expressed concern about ensuring the authorities never get sold. Mr. Nasatir and Mr. Wyatt explained that the lease agreement would include contractual obligations preventing the sale for the duration of the lease, which could be up to 50 years.

Michele Boyle [ET], 208 Mayer Street – Ms. Boyle noted that 69% of water authority customers are not Mt Penn residents and questioned whether it would be better to wait for a merger with the sewer authority before implementing a leaseback arrangement. She was concerned about water authority ratepayers outside Mt Penn having no representation in how the lease payments would be used. She also expressed concerns about potential impacts on water authority personnel being asked to perform borough duties.

Mike Frankhouser [MP], 1962 Woodvale Avenue – Mr. Frankhouser raised concerns about the financial burden on residents, particularly seniors on fixed incomes. He stated this would effectively be a tax increase on water customers. He also expressed frustration with the school district's tax burden and questioned the transparency of the process. Mike suggested removing fluoride from the water system to save \$100,000 annually.

Sid Kanavins [MP], 1940 Fairview Avenue – Mr. Kanavins, a resident and nurse expressed support for the conveyance-leaseback proposal with the contractual language that prevents a sale.

Cindy Mock [MP], 1940 Fairview Avenue – Ms. Mock spoke in support of the proposal, praising the quality of Mt Penn's water service and expressing concern about preventing situations like Exeter Township, where privatization led to significant rate increases.

Kim Wittich [LA], 610 N. 26th Street – Ms. Wittich asked for clarification on whether Mt Penn residents would face both increased water rates and borough taxes. Officials confirmed that all ratepayers would see the same water rate increases regardless of municipality, but only Mt Penn residents pay borough taxes.

Patti Rose [LA], 919 N. 26th Street – Ms. Rose asked about the sewer authority and whether it could be sold, expressing concern about both water and sewer systems being protected from privatization. Officials explained that the sewer authority is jointly chartered by Lower Alsace Township and Mt Penn Borough, making it more complicated, but noted that council had passed a resolution opposing any type of sale for either entity.

Mr. Duong [MP], 233 Carsonia Avenue – Mr. Duong asked about potential savings through staff synergies. Mr. Ahrens explained that while direct savings might be modest and difficult to precisely identify, there would be benefits from specialization, continuity of operations, joint insurance rates, and retirement cost savings through state aid eligibility for employees.

Other Business

No other business was discussed.

Adjournment

The workshop was adjourned by Richard Lombardo at 8:47 PM. The Council reminded attendees of upcoming meetings and encouraged them to reach out with any additional questions.

Submitted by:

Hunter L. Ahrens

Hunter L. Ahrens, MPA, SHRM-SCP
Borough Manager

ⁱ MP: Mount Penn Resident; ET: Exeter Township Resident; LA: Lower Alsace Township Resident; ST: St. Lawrence Borough Resident.