

June 30, 2026 Business Meeting

Meeting minutes

The Mount Penn Borough Council met for the Monthly Business Meeting on June 30, 2026, at Mount Penn Borough Hall, 200 N. 25th Street, Reading, PA 19606. Council Vice President Christine Dise called the meeting to order at 7:02 PM and adjourned at 8:56 PM.

Council Vice President Christine Dise, Council Member Thomas Baer, Council Member Kelly Dudash, Council Member Troy Goodman, Council Member David Korinchock, and Mayor Ryan Maurer were present. Council President Rick Lombardo and Council Member Michael Kindlick were absent. Staff and professionals present included Solicitor Tom Klonis, Esq., Borough Engineer Ty Leinneweber, P.E., Chief of Police Justin Johnson, Codes Administrator Arthur Kelly, Jr., Borough Financial Advisor Jamie Schlesinger, and Borough Manager Hunter L. Ahrens. Several members of the public were present including Curt Hill and Al DeGennaro of J.P. Mascaro & Sons.

Meeting Opening

The meeting was called to order at 7:02 PM. All present were asked to rise for the Pledge of Allegiance, which was led by Mrs. Dise.

J.P. Mascaro Solid Waste Contract Extension

Mr. Al DeGennaro from J.P. Mascaro & Sons addressed Council, noting the conclusion of the current three-year contract and the availability of three one-year extension options. He expressed the company's desire to continue service to the Borough and noted that route supervisors conduct evaluations every three to four months.

Mr. Ahrens noted that the proposed contract extension reflects a 2.24% year-over-year increase. If approved, the residential trash fee could increase to \$499.55 per year, representing a \$9.55 increase, though Council was advised that the trash fee adjustment would require a vote near the end of the year. It was noted that the Borough Solicitor would review the final contract amendment prepared by J.P. Mascaro & Sons prior to execution.

Motion by Troy Goodman, seconded by Kelly Dudash, to enter into the first of three one-year contract extensions with J.P. Mascaro & Sons, subject to review and approval of the final contract language by the Borough Solicitor. Motion carried unanimously.

Presentation of PFM Financial Review

Jamie Schlesinger from PFM delivered a presentation on the fair market rate study associated with the conveyance leaseback process for the Mount Penn Borough Municipal Authority (MPBMA). The analysis employed metrics consistent with Moody's Investor

Service standards and evaluated the system's rate base, long-term debt, and equity to determine a maximum fair lease payment.

The total annual rate of return under the model was calculated at approximately \$711,000. After accounting for planned future debt service, four alternative scenarios were presented showing the impact on ratepayer bills through 2037. Mr. Schlesinger noted that the final report was not yet complete but that the analysis was substantially advanced. Discussion touched on the conservative revenue assumptions used in the 2026 budget, the potential impact of PA American water sales on projections, and the need for incremental rate increases to maintain healthy financial metrics and reserves, including preparation for anticipated PFAS compliance capital expenditures.

Public Comments

There were no public comments.

Discussion and Consideration of the Engineer's Report and Recommendations

Mr. Leineweber reported on the Laurel and Summit Avenue water main installation project. A Change Order No. 7 from Alan Myers was presented in the amount of \$18,644 to mill and overlay a section of Ochre Street from Cameron Avenue to approximately 185 feet, coinciding with Alan Myers' ongoing work on the Summit and Laurel Avenue project. The Mount Penn Borough Municipal Authority agreed to fund this amount, as the section falls outside the existing grant scope. It was recommended that SCE perform the paving inspection. Council was also asked to consider a waiver of the Borough's 90-day trench settlement ordinance requirement, permitting paving restoration after 30 days, consistent with PennDOT standards, to complete the work within the current season.

Motion by Troy Goodman, seconded by Kelly Dudash, to authorize Change Order No. 7 with Allen Myers in the amount of \$18,644 for the partial mill and overlay of Ochre Street, to be funded by the Authority, and to grant a waiver of the 90-day trench restoration requirement under the Borough's paving ordinance, permitting restoration after 30 days. Motion carried unanimously.

Discussion and Consideration of Ochre Street Improvements

Mr. Leineweber and Mr. Ahrens provided an update on ongoing discussions with Allan Myers regarding liquidated damages stemming from late contract completion. Allan Myers completed work approximately 110 days beyond the contract deadline. The Borough had asserted a minimum of \$55,000 in liquidated damages; Allan Myers countered with claims totaling approximately \$98,000 for equipment damage, additional hauling, and remobilization costs. Mr. Klonis noted that the contract language strongly supports the Borough's position, but cautioned that pursuing arbitration or litigation carries meaningful

legal costs, and that an arbitration award carries an automatic right of appeal, potentially leading to a full trial.

Council discussed the possibility of resolving the matter by applying available grant funds toward the cost of double milling as a concession to Allan Myers, in lieu of the Borough pursuing its liquidated damages claim, thereby avoiding legal expense and returning no net cost to the Borough's general fund. Consensus was reached to pursue this resolution framework. No formal action was taken at this meeting, with a potential change order anticipated for the July or August meeting.

Discussion & Updates on Conveyance of MPBMA

The Borough Manager and Borough Solicitor presented negotiating parameters developed through a meeting held the previous day with authority representatives. Council was asked to approve these parameters and authorize continued negotiations with the Authority toward a conveyance leaseback agreement.

Motion by Thomas Baer, seconded by Kelly Dudash, to approve the negotiating parameters as presented and to authorize staff and the Borough Solicitor to proceed with negotiations with MPBMA toward a conveyance leaseback agreement. Motion carried unanimously.

Discussion & Consider APPI Energy Engagement

Mr. Ahrens reported that APPI Energy had been in contact with the Authority regarding a longer-term energy procurement contract to stabilize electric rates. Considering Ordinance 910, any long-term commitment by the Authority was noted as warranting Borough review, particularly given the ongoing conveyance process. Council expressed general support for the engagement, provided that the final contract be submitted to the Borough for review prior to execution and that any agreement contain provisions binding on successors. It was noted that APPI Energy was expected to make a formal presentation to the Authority at its July meeting. No formal action was taken.

Discuss and Consider Resignation of AVMA Board Member

The Borough Manager advised Council that Nathan had submitted his resignation from the AVMA Board effective July 15, 2026. Council moved to accept the resignation.

Motion by David Korinchock, seconded by Troy Goodman, to accept the resignation of the AVMA Board Member effective July 15, 2026. Motion carried unanimously.

Discuss and Consider Appointment of AVMA Board Member

Mr. Ahrens noted that two letters of interest had been received—one from resident Sandy Adams and another from Troy Goodman. Council discussed whether to advertise the vacancy publicly prior to appointment. Given the need to fill the vacancy before the

Authority's next meeting, Council moved to make an appointment. A resolution—designated Resolution 26-26—would be prepared and signed accordingly.

Motion by Thomas Baer, seconded by David Korinchock, to appoint Troy Goodman to fill the vacancy on the AVMA Board. Motion carried unanimously.

Approvals

Approve Communications to MPBMA on Conveyance Requirements

Tabled considering the progress made during negotiations at the meeting held the previous evening.

Approve Resolution Authorizing Legal Action

No discussion was recorded. The item was addressed consistent with the direction taken under Item 8.

Approve Advertisement of Recycling Ordinance Updates

Mr. Ahrens advised that the Borough had submitted a grant application for replacement of recycling bins and that the state required adoption of updated ordinance language as a condition of grant competitiveness, with a deadline of July 29, 2026. The updates would apply to the Borough's recycling ordinance. Upon review, it was determined that the Borough's existing no-burning ordinance (Ordinance 852, amending Ordinance 813) already contained the explicit language required by the state regarding designated recyclables and leaf and yard waste; therefore, no amendment to the no-burning ordinance was necessary. Council authorized advertisement of the recycling ordinance updates, with the Borough Manager directed to coordinate with the Borough Solicitor on the final draft.

Motion by Kelly Dudash, seconded by David Korinchock, to authorize advertisement of the recycling ordinance updates. Motion carried unanimously.

Approve June 2026 Treasurers Report

Motion by Kelly Dudash, seconded by David Korinchock, to approve the June 2026 Treasurer's Report. Motion carried unanimously.

Approve Minutes for May 29, 2026

Mrs. Dise requested revisions to the spelling of Endlich Avenue in the May 26, 2026 minutes draft presented. Mr. Ahrens confirmed that he would have it corrected.

Motion by Kelly Dudash, seconded by David Korinchock, to approve the May 26, 2026, Meeting. Motion carried unanimously.

Reports

Chief of Police

Chief Johnson reported on plans for the July 4th holiday weekend. Given limited personnel, the department's approach would be to respond to fireworks complaints, issue warnings, and cite violators as necessary. The Chief noted the availability of Reading's bomb squad as a resource if needed. He also advised that the City of Reading would be hosting a FIFA World Cup watch party on July 3rd and 4th, expected to draw approximately 10,000 people, with state police resources concentrated there. The Chief also noted that the department had assigned officers to actively address the growing issue of motorized scooters and electric bikes operating illegally on sidewalks and roadways throughout the Borough, consistent with state law prohibiting such vehicles without pedals on public streets and sidewalks.

Community Relations Liaison

Mrs. Dise raised concerns about motorized scooters in the Borough. Chief Johnson confirmed that officers had been assigned to address violations and were distributing information to the public. Discussion also touched on the dangers posed by illegal motorcycles, four-wheelers, and larger organized groups, which was an issue previously.

Codes Administrator

The Code Administrator reported the following activity for the period of May 27 through June 30, 2026: 131 cases and notices of violation issued; 84 closed; 47 open; 11 total inspections conducted. Notable items included:

1. The notice of violation at 2500 Glen Terrace regarding excessive exterior lighting was resolved and the case closed.
2. An investigation at 2700 Perky Elm Avenue into unauthorized construction and alterations remained ongoing, with findings shared with the Borough's electrical engineer inspector and appropriate parties.
3. The property at 2400 Filbert Avenue was flagged for an attempt to sell without required Borough documentation, with appropriate action pending.
4. The Code Administrator noted that the Pennsylvania Supreme Court had agreed to hear *Rivera v. Borough of Pottstown*, with arguments expected in early 2027, and that the Borough Solicitor and Borough Manager would be consulted regarding any necessary ordinance revisions depending on the outcome.
5. Property maintenance and rental inspections continued to progress well. A new fence erected without a zoning permit was addressed with a written warning requiring compliance within 10 days.

Discussion followed regarding the long-term goal of bringing building inspection services in-house. It was acknowledged that the current third-party inspection arrangement through SDE had experienced turnover and follow-through issues. The Code Administrator indicated that while the long-term vision of an integrated in-house codes department was supported, capacity constraints made expansion into building inspection impractical in the near term.

Finance Committee

Mr. Ahrens reported that all past-due audits had been completed as of the beginning of the month, and that Herbein & Company had completed on-site work for the 2025 audit, with a full presentation to Council anticipated upon completion. It was noted that the 2023 and 2024 audits reflected marked improvement. Mr. Ahrens further reported that grant drawdowns in excess of \$400,000 were being prioritized for July.

The Borough received a grant extension for the public works garage project through 2029, with \$200,000 in LSA funding anticipated in late 2027, targeting construction in late winter or spring of 2028. Combined with previously committed funds, approximately \$650,000 was expected to be available for the garage project. A separate grant was noted for renovation of the current garage, at Borough Hall, into a file room to consolidate records for both the Borough and the Authority, targeted for completion by the following spring.

Merger Committee

Mr. Ahrens reported that staff research was ongoing to identify challenges and opportunities associated with a potential municipal merger. It was noted that successful execution of the conveyance leaseback could positively affect the feasibility of that discussion.

Borough Solicitor

Mr. Klonis reported that an executive session was held prior to the meeting to discuss personnel matters and the lease of real property. No action was taken on either matter.

Other Business

Chief Johnson noted that the LSA grant for building improvements to the police station had been approved, with the first wave of funding in the amount of \$28,300. Discussion centered on how to maximize the use of grant funds by minimizing labor costs, including the potential use of Borough public works personnel and coordination with Lower Alsace Township to assist with certain tasks.

Motion by Thomas Baer, seconded by Troy Goodman, to permit Borough Staff to contribute time to the renovation work at the Police Station. Motion carried unanimously.

Adjournment

Motion by Michael Kindlick, seconded by Troy Goodman, to adjourn that meeting at 8:56 PM. Motion carried unanimously.

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Submitted by:

Hunter L. Ahrens

Hunter L. Ahrens (Jul 31, 2026 14:41:40 EDT)

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

January 2026 Reorganization Meeting - Meeting Minutes

Final Audit Report

2026-07-31

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