



# ***FINANCE COMMITTEE***

## ***CITY COUNCIL***

**MONDAY, MARCH 5, 2007**  
**CITY COUNCIL OFFICE**  
**5:00 p.m.**

### **AGENDA**

*Committee: M. Goodman-Hinnershitz, Chair; S. Fuhs; J. Waltman*

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|---|------------------|
| <b>I. Committee of the Whole</b>                                  | <b>5:00p.m.</b>  |
| -Meeting with the Police Diversity Board (Penn Room)              |                  |
| -Meeting with Jon Scott (BEP) and representatives of Artemis Inc. | <b>5:45 p.m.</b> |
| <b>II. CDBG</b>   | <b>6:15p.m.</b>  |
| -Impact of reductions on City finances                            |                  |
| -Status of reallocation process                                   |                  |
| <b>III. Budget Process</b>  | <b>6:30 p.m.</b> |
| -Formation of ad hoc Budget Committee                             |                  |
| -Review Budget Process (Council Policy and Procedure Book)        |                  |
| -Budget Summit issues   |                  |

### **Upcoming Issues**

Trash and Recycling Costs  
Land Value Tax – Two Tier Tax -  
Policy for the review and adoption of bonds and other financing initiatives  
Storm Sewer Utility  
Water Authority  
Study of City's Fines and Fees - Maximus

*It is possible that members of and possibly a quorum of members of other governmental bodies of the municipality may be in attendance at the above-stated meeting to gather information. No action will be taken by any governmental body at the above stated meeting other than the governmental body specifically referred to above in this notice.*

## COUNCIL POLICY BUDGET REVIEW & ADOPTION

The budget review process is designed to provide an open, inclusive and most importantly an objective process, by which to allocate the resources of the City of Reading. It is important for Council and the Administration to work cooperatively in both preparation and review of the budget; however, to borrow an old expression: Council controls the purse strings. The budget is prepared by the Administration but approved by Council. Adopting the budget is one of Council's most important responsibilities.

In order for Council to digest the enormous amounts of information presented by the Administration, a separate committee of Council will be created for the purpose of reviewing the budget. The President of Council may create the committee, although any member of Council may propose a resolution establishing the committee. If a resolution is proposed it must be passed by a majority of Council.

The Budget Committee shall be composed of the following:

- Chair, a member of the Council Finance Committee designated by the President of Council
- 2 additional Councilors
- Managing Director
- Finance Director or his designee
- Council Staff
- Other personnel deemed to be necessary by the Finance Director
- Ex Officio: Council President

**Process:** The Chair will be responsible for defining the specific process to be followed; however, certain criteria must be met:

1. Following an initial meeting between all of Council and the Administration (the Budget Summit), the committee shall schedule a separate meeting with the Managing Director to agree upon the process to be followed;
2. Any member of Council is invited to attend meetings, but may only participate if they are a member of the committee;
3. A review of the General Fund budget must be completed by the committee and a summary prepared for review by the body of Council;
4. The committee shall prepare an initial list of priorities, amendments and suggestions, to serve as a framework for subsequent discussions with the Administration;
5. The committee will be responsible for articulating the position of the body of Council during all discussions with the Administration related to budget;
6. A majority of Council may elect to override the positions of the committee if it is determined to be necessary;
7. The Chair must provide reports, either verbal or written to the entire body of Council on a regular basis throughout the budget process; the President of Council or a majority of

Council may decide to set a schedule for reports;

8. The Chair will serve as a point of contact between the Administration and the body of Council, all requests for information must be relayed to the Chair, who will further relay the request to the information.

**Benefits of this Approach:** A process will provide for a more orderly review of the budget, the establishment of tangible goals and firm deadlines and better communication and participation in the budget setting and prioritizing process.

As per the Charter, the Administration must submit both proposed budgets to Council no later than November 1. The City Clerk then places an ad in the paper giving the taxpayers a summary of the budgets and notice of 2 Public Hearings, one on the General Fund Budget and one on the Capital Improvement Plan Budget. These hearings must be held on separate nights and cannot be held on the evening of a regular Council meeting. The Public Hearing must be held no less than 15 days after or more than 30 days after the placement of the ad.

Both Budgets, the Full Time Position Ordinance (which authorizes all full time City employment positions for the ensuing fiscal year), the Property Tax Ordinance and any other tax or fee ordinances that support the revenue increases proposed by the Administration in the budget are introduced at a Special Meeting scheduled on the night the budget is submitted to Council by the Administration.

Proposed amendments to both Budgets must be introduced no later than 2 weeks prior to their adoption. To comply with the timelines mandated by the Charter both budgets must be adopted by Council no later than the last Monday in November. This provides time for the Mayor's approval process and any necessary public hearings or special meetings needed to ensure the Budget is adopted by Council and approved by the Mayor by December 15.