



COMMITTEE of the WHOLE

CITY COUNCIL

MINUTES
October 24, 2016
5:00 P.M.

COUNCIL MEMBERS PRESENT:

S. Marmarou, J. Waltman, J. Slifko, B. Twyman, M. Goodman-Hinnershitz, C. Daubert

OTHERS PRESENT:

L. Kelleher, S. Katzenmoyer, B. Murray, D. Cituk, S. McCracken, C. Younger, G. Steckman, P. Vazquez, A. Palacios, R. Johnson, A. Morriss, D. Pottiger

The Committee of the Whole meeting was called to order at 5:02 pm by Mr. Waltman.

I. RAWA Interview

Ms. Goodman-Hinnershitz reminded all that Council decided to conduct interviews for vacancies on several key boards, authorities and commissions as a Committee of the Whole.

Mr. Marmarou questioned why Mr. McCracken was interested in serving on the Water Authority. Mr. McCracken stated that he wants to become involved in the City again. He stated that water is an important issue and he has experience dealing with people. He stated that he served the City in the past on the zoning board, the airport authority and currently serves as a police chaplain. He stated that he was also involved in the community serving on the boards of the YMCA, NAACP and Human Relations Commission. He stated that as a State employee he was required to resign from some positions to prevent potential conflicts of interest. He stated that he is currently the full-time pastor of St. James Church.

Mr. Marmarou questioned if Mr. McCracken would be able to regularly attend meetings. Mr. McCracken stated that he is semi-retired and will have no problem attending meetings.

Ms. Reed arrived at this time.

Mr. Slifko questioned Mr. McCracken's thoughts about the direction this Authority should take. Mr. McCracken stated that he will have a better idea once he becomes involved. He

stated that he is aware of the Authority's past issues. He expressed the belief that his character and good judgement will serve the City well. He stated that the citizens also need a voice in this Authority.

Ms. Encarnacion arrived at this time.

Ms. Goodman-Hinnershitz questioned what Mr. McCracken would need to learn to serve. Mr. McCracken noted the need to learn RAWA's policies, responsibilities, etc.

Ms. Goodman-Hinnershitz questioned what Mr. McCracken considers the most challenging aspect of serving. Mr. McCracken stated that there may be differing opinions on issues and that rates can be problematic for residents. He stated that he will be honest with everyone.

Mr. Waltman stated that the Water Authority has gotten a lot of press and that it was like a ticking time bomb. He noted the need for the Authority board to be autonomous with independent thinkers working to protect this valuable public asset. He stated that next steps will happen soon and that Authority board members need to have the right skill set.

Mr. Twyman commended Mr. McCracken for coming forward to serve and thanked him for his past service.

Ms. Reed apologized for arriving late. She expressed the belief that Mr. McCracken is a big part of the Reading community and that the City needs more volunteers like him. She also expressed her thanks to Mr. McCracken.

Mr. McCracken stated that he is honored to serve.

Ms. Goodman-Hinnershitz questioned if an appointment resolution would be added to this evening's agenda. Mr. Steckman stated that the Mayor would appreciate moving this forward.

Council agreed to appoint Mr. McCracken to the Water Authority and add the appointment resolution to this evening's agenda.

Mr. McCracken left the meeting at this time.

II. Budget Review

- CDBG Action Plan

Mr. Palacios reviewed the CDBG Action Plan and explained that all submitted applications received funding except the Sinking Spring volleyball program and Kutztown University.

Ms. Goodman-Hinnershitz asked Mr. Palacios to describe the application and budgeting process. Mr. Palacios explained that the applications are advertised and released in early May and are due back by the end of May. He stated that staff determines if the activity described is

fundable under HUD regulations. He stated that if it is fundable, staff works with the Mayor and Managing Director on projects that the City would support. He stated that Council approval of the final budget is required.

Mr. Cituk questioned if the 2017 AP column showed the proposed budget amount. Mr. Palacios stated that it does.

Ms. Kelleher requested an explanation of the caps. Mr. Palacios stated that the caps are as follows:

- Administration – 20% - used for CD staff to administer the programs
- Public Services – 15% - used for CD staff to administer the programs
- Blight – fixed cap of \$550,000 which is used for demolitions as necessary

Mr. Marmarou questioned if projects could be relocated. Mr. Palacios stated that organizations make requests and the City funds them as they are able. He stated that he does communicate with the groups through the process and they are aware of their approved funding.

Mr. Waltman stated that in the past there was more funding and more projects. He expressed the belief that these allocations are clean and stated that the CDBG plan was used to leverage the general fund.

Ms. Goodman-Hinnershitz questioned if all applications were listed with their level of funding. Mr. Palacios stated that they are.

Ms. Goodman-Hinnershitz stated that the public does not feel this is a public process. She noted the need for education about CDBG funding.

Mr. Steckman stated that processing the applications can be challenging. He suggested that next year before the application period opens that an educational session about how to apply may be offered. He expressed the belief that managing the programs if funding is granted can become problematic for some applicants.

Mr. Waltman expressed the belief that the projects are manageable.

Mr. Slifko questioned the CDBG Administration line item. Mr. Palacios explained that this is the line item for reimbursement of CD staff to administer the programs. He stated that this falls under the 20% cap. He stated that in addition to staff, the funding is used for indirect costs such as rent. He explained that HUD is also requiring several studies in 2017 that will require consultants paid from this line item.

Mr. Palacios explained that the director is reimbursed at 50%, the manager is reimbursed at 50%, the fiscal officer is reimbursed at 100% and the CD specialist is reimbursed at 100%. Mr. Pottiger stated that he will send this information to Council.

Ms. Goodman-Hinnershitz requested that the breakdown of reimbursable CD salaries be added to the budget parking lot.

Mr. Slifko questioned if there were other City projects that could receive CDBG funding. Mr. Steckman expressed the belief that one group that needs to apply has not. He stated that the City will work to be flexible to assist with projects. He stated that there is currently \$220,000 of unprogramed funds available and that Council will need to approve spending the funds.

Mr. Waltman stated that Councilors can bring projects for unprogramed funds to CD's attention.

Mr. Slifko questioned if the unprogramed funds needed to be spent by the end of 2016. Mr. Steckman stated that they do not. He stated that Council will be notified when funds are available. He explained that the record keeping for CDBG funding is very daunting. He stated that when groups learn about these requirements the funding is no longer attractive. He stated that the Administration will be encouraging several new groups to apply in 2017.

Ms. Goodman-Hinnershitz stated that there are many reputable organizations but that they need very defined projects. She expressed the belief that many in the public feel that this funding is only available to people in the know. She suggested that the process be similar to an RFP and be an open and public process. She explained that CDBG funding is not like State legislator's walking around money.

Mr. Marmarou suggested that the application process be publicized. Mr. Steckman stated that the process is public and application deadlines are published. He explained that many future City projects could be project-oriented including road paving, sidewalk replacement, etc. He noted the need for the City to look comprehensively and to possibly use CDBG funds. He stated that the process is the same nationally for all municipalities.

Mr. Slifko expressed the belief that some City projects could make a substantial difference to the community. Mr. Steckman agreed and stated that all the projects included in the Action Plan have been vetted by himself and the Mayor. He stated that there are several agencies who will be encouraged to apply for property improvement projects.

Ms. Reed questioned the HOME City and Partner Agency (TBA) Non-profit for various acquisition, rehab and resale projects line item. She questioned how this funding would be spent. Mr. Palacios stated that the partner could be any of the funded partners listed above in the HOME Action Plan. He stated that the funds are available as potential projects progress forward.

Ms. Goodman-Hinnershitz questioned if there were target areas of the City. Mr. Palacios stated that the City will continue to target Ricktown and that Habitat is targeting the 600 block of Tulpehocken St.

Mr. Twyman questioned if the Action Plan addresses the 5th & Penn buildings. Mr. Palacios stated that they will probably be included in the 2018 Action Plan.

Mr. Slifko stated that funding for the demolition of 431 and 437 Penn St is included in the Action Plan. Mr. Palacios stated that this was included in case the City gains possession of the buildings and plans to develop the site. He stated that if this does not occur, the funding will become unprogramed and can be used elsewhere.

Ms. Goodman-Hinnershitz questioned funding for the Blighted Property Review Committee to move properties forward. Mr. Palacios stated that there is \$400,000 available for demolition plus the funding for the façade programs. Mr. Steckman stated that there is an additional \$1 million that the Mayor has committed to address blight in the General Fund budget.

Mr. Palacios reviewed the ESG recommendations. He stated that this is relatively the same each year. He stated that ESG is dedicated to emergency shelter funding and benefits the homeless.

Ms. Goodman-Hinnershitz questioned if the funding is released directly to the agency or if it goes through the Berks Coalition for Homelessness. Mr. Palacios stated that it is a mix and depends on the agency and the planned activity.

Ms. Goodman-Hinnershitz questioned the date of the public hearing for the Action Plan. Mr. Palacios stated that it is November 2 at noon in the County Commissioner's Board Room. He stated that the public hearing is held jointly with the County.

Ms. Kelleher explained that budgeting with the County began to reduce the number of agencies that receive both City and County CDBG funding. Ms. Goodman-Hinnershitz expressed the belief that the process is very productive.

- Community Development Department

Mr. Steckman stated that the differences in the 2017 CD budget are funding for over time and the \$1 million to address blight. He stated that policies and guidelines are needed before this funding can be spent. He also noted the need for a committee to oversee the process as properties are addressed.

Mr. Daubert questioned why salaries were decreased in the Zoning office but that the Social Security line item remains the same. Mr. Steckman suggested that it is because the salary reduction was a part-time employee.

Mr. Waltman stated that this happens throughout the budget. Mr. Pottiger stated that he will review the calculations and formulas.

Mr. Waltman noted the need to address the blight oversight. He noted the need for the parameters of the program and what properties will be eligible.

Ms. Reed questioned why this would be outside the Blighted Property Review Committee's (BPRC) oversight since they already have a process and policies. Mr. Steckman stated that the \$1 million may also be used to acquire, rehab and sell properties that are in danger before the block is marked by vacant lots. He used the example of 1132 Green St. He stated that it would cost \$30,000 - \$60,000 to demolish but only \$25,000 to replace the roof. He stated that replacing the roof would save the streetscape and its resale could encourage home ownership.

Mr. Waltman suggested that this may not be complete before the budget is passed by Council. He recommended that the \$1 million be placed in contingency.

Ms. Goodman-Hinnershitz suggested working with the BPRC. Ms. Reed agreed and stated that the BPRC has a great process already. Mr. Steckman suggested that perhaps the BPRC refer properties that are eligible for the funding.

Ms. Reed noted the need to be strategic with the properties that are addressed. She noted the need to shore up strong neighborhoods. Mr. Steckman agreed that the neighborhoods need to be prioritized but noted that all neighborhoods need to be strong. He noted his hope that this funding would also be used to leverage other programs. He also noted the need for the local banks to invest in their community.

Mr. Twyman stated that urban planning is an important component of this initiative. He stated that this is a very valuable position and suggested that additional planners be hired. Mr. Steckman informed Council that the single planner position is now vacant. He stated that the City will be working with the County Planning Commission temporarily. He stated that over the years the City has lost a lot of staff and that the salary caps imposed by PFM make it difficult to replace them. He noted his hope that the Planner position will be filled quickly. He stated that he has requested that the Comprehensive Plan be rewritten due to the tone in the original draft.

Mr. Twyman stated that the Planner impacts housing, beautification, treescapes and streetscapes. He stated that this should be a high priority. Mr. Steckman again stated that the salary caps make filling positions difficult. He suggested that perhaps several part-time planners could be hired. He suggested adding this discussion to the budget parking lot.

Mr. Slifko questioned if Council would be able to provide input for the Comprehensive Plan. Mr. Steckman stated that Council had a chance to provide input earlier in 2016. He stated that he requested the draft be revised to have a more positive tone.

Ms. Goodman-Hinnershitz suggested that the Comprehensive Plan be discussed at the next Strategic Planning Committee meeting.

Mr. Steckman stated that the other change in the CD budget is the addition of the Economic Development Coordinator. He stated that this person will be a business liaison and bilingual. He stated that they will work with small to moderate sized businesses.

Mr. Twyman questioned how this would affect the CRIZ and the KOZ. Mr. Steckman stated that the Zoning Administrator and CD staff would determine if projects qualify. He stated that there are pros and cons to both programs. He reminded all that the LERTA phases taxes in over a ten year period. He noted the need to promote this program.

Mr. Twyman agreed that education on the program is needed.

Mr. Daubert questioned the job description for the Economic Development Coordinator. Mr. Steckman stated that Council will review it before the budget is passed.

Ms. Goodman-Hinnershitz expressed the belief that working with small businesses will use a lot of time. She noted the need to invest in all businesses. She noted the need for the Coordinator to have the right skill set.

Mr. Slifko suggested that the budget review process should be set around the City's priorities. He suggested that the highest priorities are public safety and internal functionality. He expressed the belief that the Economic Development Coordinator is not a high priority at this time. He noted the need to look at the forest and not at the trees to see the big picture.

Ms. Reed stated that there are already established economic development drivers. She stated that the City should work with and through them to locate businesses in Reading. She stated that this would allow the City to use the salary and benefit funding elsewhere. She expressed her concern that this is a political position. She noted the need to advertise the position's availability to get the best person. She noted the need for moderate to large businesses to locate in the City to have a larger collective result.

Mr. Steckman stated that he has met with the economic development drivers. He expressed concern that their main focus was large industrial businesses. He noted the recent sale of the former Glidden property and Car Tech's proposed use of the former Dana property. He expressed the belief that the City can already handle the large businesses but that someone is needed to work with the many small businesses. He stated that the position description will include measurables. He stated that this person will help guide entrepreneurs to available

programs and assist them through the process. He noted the need to kick start the City. He stated that most entrepreneurs call the City first.

Ms. Reed and Mr. Slifko stated that they did not agree with this approach.

Mr. Waltman noted the need for Council to review the job description before the budget is passed. He questioned if the salary would be \$62,000 as noted in the budget document. Mr. Steckman stated that the salary should be lower than that. He stated that he will examine this line item and it will be corrected as necessary.

Ms. Goodman-Hinnershitz suggested that Public Works be discussed at the next budget review meeting as there are other topics for Council to cover before their general meeting tonight at 7 pm. She suggested holding a Saturday session to cover more topics.

Mr. Waltman suggested waiting until after the Wednesday meeting to determine if Saturdays are needed.

Public Works and Fire will be discussed at the next meeting.

III. Agenda Review

Ms. Kelleher stated that the Administration has requested the addition of a resolution authorizing the disposition of Purchasing office records to the consent agenda and the introduction of a budget transfer in the Zoning office. She reminded all that Council also added a resolution appointing Mr. McCracken to the Water Authority.

Council reviewed this evening's agenda including:

- Award of Contract – to Michael Ronca & Sons as the general contractor for the WWTP project at a cost of \$121,221,000

Mr. Daubert suggested that this be moved off of the consent agenda for discussion under Resolutions.

- Award of Contract – to Keystone Collections Group for the collection of Act 511 taxes

Mr. Steckman stated that the RFP results were reviewed and the committee preferred Keystone due to its reporting procedures. He reviewed the fees.

Ms. Kelleher stated that she served on the selection committee. She stated that Keystone also provided a better fee schedule.

Mr. Steckman stated that the contract will begin January 1, 2017 but that the City will begin working with them before the end of the year.

Mr. Twyman stated that this is important to increase the City's revenue. Mr. Steckman agreed. He stated that the Per Capita Tax needs to be examined to find additional residents who currently are not paying. He stated that there are also many businesses not submitting their Business Privilege Taxes. He stated that Keystone will begin auditing businesses at a later date.

Mr. Waltman expressed the belief that increased BPT collection is a key component to exiting Act 47.

Mr. Slifko suggested that this contract award also be discussed under the Resolution section as this is also a significant issue.

Mr. Steckman noted that BPT audits will be addressed separately.

- External Audit Presentation

Mr. Cituk stated that the formal presentation will occur at the Council meeting this evening.

- Ordinance authorizing the transfer of funds from Public Works to the Recycling Fund

Mr. Johnson stated that this is to purchase recycling bins. He stated that the total cost is \$24,000.

Mr. Marmarou questioned if this purchase was still through the same vendor. Mr. Johnson stated that it is. He stated that they do solicit prices before making purchases.

Mr. Marmarou stated that the bins don't last long. Mr. Johnson explained that these are not the bins used for household recycling.

Mr. Twyman questioned if grant funds were examined before recommending this purchase. Mr. Johnson stated that the bins have already been purchased. He stated that grant funds were used in the past.

Mr. Twyman stated that there are many grants available for recycling.

- Ordinance amending the Position Ordinance by removing the Public Property Foreman and adding a Public Property Manager

Mr. Steckman stated that this does not eliminate a position or a person. He stated that the current foreman will be promoted to manager. He noted his hope that the Operations Division Manager would also be hired soon. He stated that there is a great candidate. He explained that the Property Manager would act as a "field general".

Mr. Slifko questioned if this would result in the loss of an employee. Mr. Steckman stated that it would not.

Mr. Slifko stated that Public Works is already very understaffed.

Mr. Twyman questioned if this was a position name change only. Mr. Steckman stated that it is a promotion. He stated that the employee is already performing this work and has been for some time.

Mr. Peiffer arrived at this time.

- Ordinance creating the Reading Regional Water Authority

Ms. Goodman-Hinnershitz reminded all that this ordinance remains in the Pending Legislation box.

Mr. Waltman stated that this issue will be moving forward shortly. He stated that if the City and the Water Authority can agree on a new lease agreement this ordinance will be removed from the agenda.

- Resolution regarding the Rockland St project

Mr. Waltman stated that this also remains pending. He stated that Mr. Steckman is working on the project.

- Award of Contract – to Michael Ronca & Sons as the general contractor for the WWTP project at a cost of \$121,221,000

Mr. Daubert noted the need for discussion about this contract award. He stated that it is a significant project at a very large cost.

Mr. Steckman stated that there are also three other contracts that will be before Council for HVAC, electric and plumbing. He stated that the language in these contracts is incomplete. He stated that DEP has reviewed the language. He stated that this is the largest cost and that it is \$6 million less than the first bid which contained the PLA language. He stated that all cost savings are helpful. He stated that MBR will be recommended for the HVAC contract, Brandon Stanton for the electric, and Vision Mechanical for the plumbing. He stated that after all four contracts are awarded the project will begin.

Mr. Daubert questioned the overall budget for this project. Mr. Steckman stated that it is still over budget but that the first bids were higher.

Mr. Daubert questioned the costs of the other contracts. Mr. Steckman stated that the full project will be \$139 million. He again stated that this is less than when the project was bid with the PLA language. He stated that MBR uses union labor and that there is also apprenticeship language.

Ms. Reed expressed the belief that this is being rushed passed Council. She stated that she is uncomfortable authorizing such a large contract without additional discussion. She suggested that the vote be delayed. She stated that this is a big issue.

Ms. Goodman-Hinnershitz, Mr. Marmarou, and Mr. Slifko agreed with Ms. Reed.

Ms. Goodman-Hinnershitz suggested that this award be tabled and all contracts be awarded at the same meeting. Mr. Waltman agreed and suggested that they all be discussed at Council's meeting on November 2.

Mr. Slifko questioned if there were time constraints to award the contracts. Mr. Steckman stated that the City is behind the schedule set by the consent decree. He stated that this has been a very thorough process. He stated that there were 65 people at the pre-bid meeting but not all of the firms submitted bids. He stated that he is pleased with the response and that the City explained that there would be no change orders for the project. He expressed the belief that this increased the bid amounts. He explained that all the work has been approved by DEP.

Mr. Waltman suggested that this be reviewed as part of the Public Works budget on Wednesday.

VI. Executive Session

Mr. Waltman stated that Council would be entering executive session to discuss a litigation matter. Council entered executive session at 6:35 pm and exited at 6:51 pm.

The meeting adjourned at 6:51 pm.

*Respectfully Submitted by
Linda A. Kelleher, CMC, City Clerk*