



COMMITTEE of the WHOLE

CITY COUNCIL

SUMMARY

July 28, 2022

ARPA Update

**5:30 P.M. Immediately following the Conditional Use
Hybrid Meeting**

COUNCIL MEMBERS PRESENT:

D. Reed, J. Cepeda-Freytiz, M. Goodman-Hinnershitz, C. Daubert, C. Miller, M. Ventura, W. Butler – in person

OTHERS PRESENT:

L. Kelleher, F. Denbowski, J. Kelly – in person and S. Smith, F. Lachat, S. Hunsicker, S. Simmons – virtually

Prior to the meeting, the City Clerk administered the oath of office to O. Chris Miller, Council District 6.

The meeting was called to order at 6:03 pm by Ms. Cepeda-Freytiz.

I. Review ARPA Application Recommendations

Mr. Denbowski stated that the Mayor is unable to attend the meeting this evening. He stated that Mr. Kelly will be reading a prepared statement.

Mr. Kelly reviewed the process created to determine how to use the ARPA funding. He reminded all that two community meetings were held to obtain public input. The Administration presented a plan to Council including \$5 million in grants to small businesses, non-profits, and community organizations. He stated that a formal application period was opened in March 2022 and closed in May 2022 with 32 applications received. He stated that the Review Committee has reviewed and scored the applications and has made funding recommendations. He stated that the Mayor has made additional recommendations and requests that Council approve both sets of recommendations.

Ms. Cepeda-Freytiz questioned the system used by the Review Committee and the number of times the Committee met. Mr. Kelly stated that four hybrid meetings were held and a scoring rubric was used for all applications but one.

Mr. Kelly read the attached statement from the Mayor.

Mr. Kelly stated that the Review Committee recommends \$3,177,000 in grants. The Mayor recommends an additional \$2,020,000 for a total of \$5,197,000. He stated that six applications were not considered – four are not located within the City, one could not be verified as a non-profit, and one event had already passed.

Ms. Goodman-Hinnershitz stated that the Committee did an enormous task. She stated that not all applications met the standard and did not include all the necessary information. She questioned the process used by the Mayor and if he used the same scoring rubric. She noted the need to ensure that all groups that receive funding submit all the necessary information. She stated that the information included in the application will become part of the contract. She stated that without all the required information the contract will be unclear and the City will have difficulty following up. She noted the need for all organizations to meet the same requirements.

Mr. Daubert questioned who entered the comments in the spreadsheet and where the information was gotten. Mr. Kelly stated that the comments were entered by Zelenkofske Alexrod to help the City determine which funding source is available. He stated that the application process was open to all and there will be follow up with all applicants to ensure that all the necessary information is submitted. He stated that no organization will receive funding until their contract, including all the necessary details, is executed.

Ms. Reed noted her concern and disillusion with the review process. She stated that she is unsure why the Mayor made separate recommendations and stated that the Mayor's representatives on the Review Committee should have provided the Mayor's comments for Review Committee consideration.

Mr. Denbowski stated that the Mayor felt his recommendations were necessary because of the Review Committee's allocation of \$1 million to the United Way. Ms. Reed stated that this allocation to the United Way was intended to be a pass through to smaller organizations that address violence prevention.

Ms. Ventura questioned the groups that United Way would assist. Ms. Goodman-Hinnershitz stated that it would assist groups that address violence prevention. She stated that the United Way is expert at overseeing grants and providing support to small organizations. She stated that the funding for United Way is not for United Way programming but rather for administrative purposes to assist the small organizations.

Mr. Kelly stated that the Mayor does not agree with this approach. He stated that the City has already hired a firm to handle oversight of the funding and reporting. He stated that all applicants could be awarded funding based on the \$5 million combined recommendations. He noted the need for equitable funding and stated that if the organization is unable to spend the funds or does not spend it appropriately the contract will be revoked. He noted the need to provide funding to groups that do not have a long institutional history.

Ms. Cepeda-Freytiz stated that she has several concerns after reviewing the spreadsheet. She stated that only four Review Committee meetings were held and many agencies that have been recommended for funding have not provided their financial information and some provided their financial information but are not recommended for funding. She noted the need for a fair and equitable system. She noted that no small businesses applied and questioned if there would be additional funding for small businesses.

Mr. Kelly stated that Council would determine if there would be additional funding available for small businesses.

Ms. Reed stated that a large effort was made by the Review Committee. She stated that the scoring is the result of many points of view. She stated that she felt the process shifted and changed throughout the review. She stated that it appeared that there were \$2.5 million in requests until the Committee was told that there would be \$5 million in grants per the Mayor's plan. She stated that this changed the scoring and points of view and changed the guidelines. She stated that she is also uncomfortable that not all Review Committee members attended the meetings. She expressed the belief that this process was flawed and she does not support any recommendations at this time. She suggested that Council review all the applications and make its own decision.

Ms. Goodman-Hinnershitz agreed with Ms. Reed about the funding shift. She stated that she reviewed the applications and completed her scoring sheets while on vacation. She stated that significant time was spent on the scoring. She stated that equity was the goal but that not all the applications fit into the application process. She noted the need to avoid shoe horning all the applicants into the same process. She stated that many organizations submitted incomplete information which is needed before funding can be awarded. She noted the need to follow the federal process and to ensure that there are deliverables.

Mr. Daubert questioned if the scoring system was included in the application process. Mr. Kelly stated that it was included.

Mr. Kelly stated that seeking perfection is the enemy of doing something good. He stated that the Review Committee was appointed late which shortened the time available for review. He stated that Council can extend deliberations but that the organizations that applied are anxious to know their status. He stated that many requests were for summer programs that cannot occur now.

Ms. Cepeda-Freytiz questioned if the organizations would be monitored. Mr. Kelly stated that they will be monitored. He stated that there are quarterly reporting requirements and that these funds are not “walking around” money.

Ms. Cepeda-Freytiz questioned if the funds would reimburse expenses for specific programming. Mr. Kelly stated that some organizations have enough funding to be reimbursed but others will need a lump sum up front to move the project forward. He stated that these details will be in the contract which need to be signed before funding is released.

Ms. Cepeda-Freytiz reminded all that these funds are a once in a lifetime opportunity to create a real impact. She stated that she appreciates the Mayor’s approach to distribute the funding. She expressed the belief that many organizations are doing great work. She stated that she is glad to hear that projects and programs will be monitored. She questioned how Council would like to proceed.

Mr. Miller stated that he is still getting acclimated to his role. He stated that some organizations will create a larger impact in the community and that the funding needs to improve the community. He stated that he must do some research because he’s not familiar with all the organizations that applied.

Mr. Daubert suggested moving forward with applicants that both the Mayor and Council are comfortable with. He suggested that the full \$5 million not be awarded if Council is not comfortable with these additional organizations. He stated that \$5 million should not be an arbitrary amount. He suggested that once this decision is made the other applicants can have further review as necessary.

Ms. Cepeda-Freytiz questioned how consensus would be reached on the applicants that move forward. Mr. Daubert suggested having a super majority of Council (5 members) agree to move an organization forward.

Ms. Reed stated that Mr. Daubert’s suggestion seems reasonable. She expressed the belief that the process was inconsistent. She noted the need to avoid giving an impression of favoritism. She stated that not all applicants had a chance to meet with the Review Committee to discuss their organization and programming.

Ms. Cepeda-Freytiz questioned if those who did not have the opportunity to make a presentation should be provided an opportunity to make one. Ms. Reed suggested that the presentation be made to the full Council but reminded all that the Review Committee was to vet the applications and make recommendations to Council to save time.

Ms. Ventura stated that not awarding all the funding at the same time is not fair. She stated that there is no time for presentations because the organizations are already wondering when they will receive their funding. She stated that she is unsure how to move forward.

Ms. Cepeda-Freytiz questioned if Ms. Ventura preferred awarding all the funding at this time. Ms. Ventura stated that she does.

Ms. Goodman-Hinnershitz suggested that all the proposals be reviewed to see if information is missing. She stated that it may be possible to complete this within a week to ensure that all necessary information has been provided. She agreed that this funding is once in a lifetime and noted her hope that the funds would seed sustainable programming. She suggested that this be part of the review process and expressed the belief that these organizations cannot become reliant on government funding because this is a one-time grant. She stated that some organizations have a lot of upfront work to do including appointing a Board of Directors and staff. She stated that the City cannot set these organizations up to fail and that the funding awards must be realistic. She stated that this is why the suggestion was made to provide funding to the United Way. She stated that the United Way can assist with all the startup requirements. She stated that these organizations must have the capacity to execute the programming.

Ms. Cepeda-Freytiz noted the need to pay it forward to impact the community.

Mr. Kelly reminded all that the original funding request for Zelenkofske Alexrod was for \$250,000 but that it was cut back to \$150,000. He suggested that the same difficulties may occur when reviewing small businesses.

Mr. Daubert questioned if there would be one single vote on the package of recommendations or separate votes.

Ms. Cepeda-Freytiz stated that this is what she is hoping to determine this evening.

Ms. Goodman-Hinnershitz stated that learning to wait is part of the grant process. She stated that she understands that the applicants are eager but expressed the belief that some also need guidance. She suggested that the cost of the consultant and their scope of work be revisited.

Mr. Butler suggested that each Councilor review the applications and provide their priorities since not all Councilors served on the Review Committee. He stated that the priorities can be compared and the funding can move forward where there is agreement.

Ms. Cepeda-Freytiz questioned if the applications should be categorized. Mr. Butler stated that categories are not needed. He stated that the comparison can help Council move forward.

Ms. Reed stated that this is how the Review Committee worked. She stated that the Mayor's priorities were not known to the Committee. She questioned how the recommendations of the Mayor and of the Review Committee would be weighted in Council's decision.

Ms. Cepeda-Freytiz stated that she met with the Mayor and Mr. Kelly to review the spreadsheet. She stated that the goal is to be fair and equitable. She expressed the belief that good work is being done in the community and this will provide additional support. She noted the need to share funding with as many organizations as possible.

Ms. Reed expressed the belief that the Committee results should reflect that not all members attended the meetings. Mr. Kelly stated that those Committee members did submit their scores. He stated that the Review Committee did not consider organizations with scores lower than 200 points.

Ms. Cepeda-Freytiz questioned if the scoring system was skewed.

Mr. Kelly stated that equity matters.

Ms. Goodman-Hinnershitz expressed the belief that the scoring system penalized organizations without prior experience. She stated that there was disparity when scoring between organizations with history and newer organizations. She expressed the belief that there was an uneven playing field.

Ms. Cepeda-Freytiz questioned when the vote would occur.

Mr. Denbowski stated that it is important to award the grants. He stated that the longer the delay the greater the impact will be. He stated that a hasty decision should not be made but that the process needs to move forward. He stated that the ordinance will need to be introduced and have a 14 day layover. Then the contracts will need to be drafted and executed. He estimated that the process will take approximately a month and that it would be near Labor Day. He stated that no summer programming would benefit from this grant funding.

Ms. Cepeda-Freytiz questioned if the Mayor agrees with the Committee recommendations. Mr. Denbowski stated that the Mayor agrees with all of the recommendations except the United Way. He stated that the Mayor believes that the Committee recommendations along with his recommendations are equitable. He stated that the Mayor and his team also reviewed all the applications. He stated that the Mayor feels that this funding should be used for agencies that cannot compete traditionally. He stated that the Mayor has personally spoken with or worked with each agency in the past. He stated that the consultant will review the recommendations and provide reports to the US Treasury as required.

Ms. Cepeda-Freytiz questioned if the Administration recommends disbursing all the funds at once or in installments. Mr. Kelly stated that it would depend on the needs and capacity of each agency.

Ms. Cepeda-Freytiz questioned if Council can see the applications and scoring rubric before voting. Mr. Kelly stated a Right to Know Request can be submitted. He stated that the rubric is based on the one used by the County. He stated that all information must be submitted by the organizations before the contract can be drafted and the funds released.

Ms. Cepeda-Freytiz questioned if Council can recommend conditions when the vote is taken. Mr. Kelly stated that they can make recommendations.

Ms. Cepeda-Freytiz questioned if all funding should be approved together. Mr. Kelly stated that the Mayor recommends funding all the awards together. He stated that Council should decide how to move forward.

Ms. Reed stated that she opposes a blanket vote.

Ms. Ventura stated that she is unsure if this is the process she supports.

Mr. Butler stated that there are many viewpoints. He stated that he prefers individual votes. He stated that otherwise Councilors may need to vote no because of one organization that is not supported. He stated that he is ready to move forward in August.

Ms. Cepeda-Freytiz questioned if Mr. Butler prefers each vote individually at the August 8 meeting. Mr. Butler stated that this is his preference if Council has time to do their review before that date.

Mr. Denbowski suggested a package ordinance that is amended as necessary.

Ms. Cepeda-Freytiz stated that amendments require consensus.

Mr. Denbowski stated that the motion to amend is discussed. He stated that this is a unique situation and that all due diligence has been done. He stated that there is room to critique at the end of the process. He stated that there is a short timeline and that he is confident in the process. He expressed the belief that this is fair and equitable.

Ms. Cepeda-Freytiz questioned if Council was ready for the ordinance to be introduced on August 8. All agreed.

Mr. Denbowski noted the need for consensus for the ordinance to be drafted. Mr. Kelly stated that the agenda deadline is August 3 at noon.

Mr. Daubert left the meeting at this time.

Ms. Cepeda-Freytiz questioned if a blanket ordinance and individual ordinances are the same amount of work. Mr. Kelly stated that they are not. He stated that the blanket ordinance with the spreadsheet is less work than individual ordinances.

Mr. Denbowski stated that individual ordinances also mean 32 individual discussions. He expressed the belief that it would be easier to amend one blanket ordinance.

Ms. Cepeda-Freytiz questioned if the agencies need to be categorized. Mr. Denbowski stated that he is unsure.

Mr. Butler noted his agreement with one ordinance that can be amended.

Ms. Ventura also agreed with this approach.

Ms. Reed stated that she would agree to this approach if an organization can be removed by amendment. She warned that many amendments could get confusing.

Ms. Cepeda-Freytiz requested a legal opinion on this approach. Mr. Lachat noted his agreement with Ms. Reed. He stated that it may become difficult when many amendments are made. He expressed the belief that either way this will be a long meeting. He suggested that a package ordinance be introduced that can be reviewed at the Committee of the Whole meeting to get consensus on amendments.

Ms. Cepeda-Freytiz stated that organizations may also speak during public comment.

Mr. Butler questioned the language of the agenda heading. Mr. Denbowski stated that it will be omnibus language otherwise the agenda will be many pages long. He stated that the ordinance may categorize the agencies and stated that there are several options.

Ms. Goodman-Hinnershitz stated that the applications have been reviewed by Zelenkofske Axelrod, the Administration and Council. She noted the need to ensure that regulations are followed. She stated that the public must be informed how the funding is being used. She suggested having three ordinances, one for each funding category. Mr. Kelly stated that he can use this approach but that it will not be completed by the August 8 agenda deadline.

Mr. Denbowski stated that the ordinance can be prepared for introduction on August 8 and an agenda memo be issued to provide more detail.

Mr. Lachat stated that the ordinance can be introduced on August 8 and the agenda memo issued later.

Ms. Cepeda-Freytiz questioned if the August 3 deadline can be met. Mr. Denbowski stated that the deadline can be met and that the agenda memo would be issued afterward. He noted the need to move forward correctly.

Ms. Cepeda-Freytiz noted the need to follow a legal process.

II. Additional ARPA Recommendations

Ms. Ventura stated that she needed to be excused. Ms. Cepeda-Freytiz requested that Ms. Ventura stay and stated that the meeting would conclude at 7:30 pm.

Ms. Cepeda-Freytiz Reviewed the additional items being recommended by the Administration:

- Public Works – Mt. Penn Preserve Trail Study - \$115,000
- Reading Recreation Commission facilities / programming - \$352,200
- Reading Public Library equipment - \$100,139

Mr. Denbowski stated that guidance is needed from Council. He stated that these requests are in addition to the \$10 million approved by Council for capital projects. He stated that the Reading Phillies is also requesting an additional \$1.5 million. He stated that this funding is necessary to break ground on the new project in September so that it can open in April 2023.

Mr. Hunsicker stated that the facility is City-owned. He stated that the project is necessary to meet the MLB improvement requirements. He stated that the project was expected to cost \$16.5 million but inflation has increased the cost. He stated that most costs have doubled and that the project has been reduced by 20% but that it still could not meet the \$16.5 million total. He stated that the new estimate for the smaller facility is \$20 - \$21 million and that there is a small timeframe to begin. He stated that the Reading Phillies will be paying its fair share and is requesting an additional \$1.5 million from the City.

Ms. Reed thanked Mr. Hunsicker and stated that she has met with him separately because the stadium is within District 5. She expressed the belief that due diligence was done and suggested that additional funding also be requested from the County and State. She stated that the project will allow the stadium to be open beyond baseball season. She stated that this will increase the amusement tax revenue and stated that this request cannot be taken lightly. She stated that more events will benefit the City and that the City will receive increased revenue.

Mr. Denbowski questioned if Council supports the request from the Reading Phillies. He stated that an ordinance will be introduced at the August 8 meeting. All agreed that they support this project.

Mr. Hunsicker disconnected from the meeting at this time.

Mr. Denbowski stated that these additional requests are for City-owned properties. He stated that the details of the projects are contained in the agenda packet. He stated that the projects can either be funded with ARPA funds or as capital projects. He reminded all that now that the City is out of Act 47 it will lose the ability to fund capital projects through the non-resident EIT. He stated that the Rec Commission has not received any ARPA funding to date. He stated that the Trail Study is needed to get future grants for Mt. Penn trails. He questioned if an ordinance should be introduced at the August 8 meeting.

Ms. Cepeda-Freytiz questioned the amount of ARPA funds remaining. She reminded all that Council has not yet heard the presentations from the City's colleges. She questioned if all needs could be met.

Mr. Denbowski stated that the college presentations would occur at the next ARPA Review meeting.

Ms. Cepeda-Freytiz stated that the kiddie pool at Schlegel Pool, the façade program and small business grants have not yet been discussed.

Mr. Kelly stated that he will provide an overview of ARPA funds.

Ms. Goodman-Hinnershitz stated that the trail study is a City project and not an MP3 project. Mr. Denbowski agreed that this is a City project through Public Works.

Ms. Cepeda-Freytiz questioned the ownership of Riverfront Park. Ms. Goodman-Hinnershitz stated that the Park is owned by the Redevelopment Authority.

Ms. Cepeda-Freytiz noted the need to address the riverfront. Mr. Denbowski stated that studies have already been done to address the riverfront. He stated that he is reviewing these studies now. He stated that the City maintains Riverfront Park.

Ms. Ventura stated that Council still has no information on the kiddie pool. She stated that Council was clear about this project. Mr. Denbowski stated that this will be part of the 2023 Capital Budget review process. He stated that the Administration has not forgotten about the kiddie pool. He stated that Council's message has been heard loud and clear.

Ms. Cepeda-Freytiz suggested that the City engage additional grant writers.

The meeting adjourned at 7:33 pm.

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



City of Reading, Pennsylvania
Office of the Mayor, Eddie Morán

Good evening,

I would like to thank the ARPA Review Committee for their hard work and commitment in reviewing and scoring all of the applications for grant funding that we received. With 32 applications received, I am sure that it was no small undertaking to comb through them all. As the process now moves to the Council Body for vote on approving them, I would like to lend my support to the committee's application funding recommendations while also providing additional recommendations for funding, based on the applications we received.

In doing so I would like to remind all of us all of the fact that [and I quote] "the American Rescue Plan act established a Coronavirus LOCAL Fiscal RECOVERY Fund that may be used for expenditures that respond to the COVID-19 public health emergency or its negative economic impacts, including assistance to households, small businesses, and nonprofits, or aid to impacted industries such as tourism, travel and hospitality."

I believe my additional recommendations will enable a fairer and more equitable approach to funding while maintaining the spirit of the law as intended. Providing funding to these organizations will deliver crucial resources that empower them to help ALL OF US meet challenges head on across our City. Whether that be gun violence prevention, securing safe spaces and activities for our youth, spurring economic development among our small and large businesses, generally tapping into that synergy that I believe will make Reading a destination town in its own right.

These organizations and entities preform critical work that supports our community AND IT IS TIME WE SUPPORT THEM. While we cannot give all of them everything that they asked for my team and I did do our very best to be as consistent as possible, and we believe these allocations will reflect that.

Remember government alone cannot do everything, but it is our duty to use a good portion of this funding to help our community partners fill in those gaps beyond what our government is able to do. Again, as I support the committee recommendations, to be clear, I expect the full Council body to support my additional recommendations for funding as well.

Sincerely,

A handwritten signature in black ink, appearing to read "Eddie Moran", with a long, sweeping underline.

Eddie Moran, Mayor



Building a Better Reading Together
815 Washington St. Room 2-33, Reading, PA 19601-3690 • 610-655-6234
610-655-6697 (fax) • mayor@readingpa.gov • www.readingpa.gov • [@CityReadingPA](https://twitter.com/CityReadingPA)