



COMMITTEE of the WHOLE

CITY COUNCIL

SUMMARY

February 22, 2021
5:00 P.M.
Virtual Meeting

COUNCIL MEMBERS PRESENT:

M. Goodman-Hinnershitz, D. Reed, J. Waltman, J. Cepeda-Freytiz, L. Sihelnik (all electronically), M. Ventura, S. Marmarou (via dial in)

OTHERS PRESENT:

L. Kelleher, K. Cochran, S. Smith, M. Rodriguez, E. Kraft, J. Abodalo, J. Kelly, J. Long, S. Rugis, A. Amoros, M. Oppenheimer (all electronically)

The meeting was called to order at 5:02 pm by Mr. Waltman. Due to the COVID-19 Emergency Declaration, the public is prohibited from physically attending the meeting. The meeting is convened via virtual app.

I. Joint Enterprise Zone

Mr. Abodalo reviewed the power point presentation distributed prior to the meeting. He reviewed the required criteria to participate in the enterprise zone and stated that the goal is to increase median income and the number of good-paying jobs. He described the census tracts that will be included in the enterprise zone. He stated that most of the available parcels within these tracts are zoned manufacturing-commercial.

Mr. Abodalo stated that the authorization to enter into this joint enterprise zone is on Council's agenda this evening. He explained that the Berks County Industrial Development Authority (BCIDA) will prepare the enterprise zone application and the Greater Reading Chamber Alliance (GRCA) will manage the program. He stated that he is also working to determine how the City can qualify for the next round of CRIZ authorizations.

Mr. Waltman stated that the enterprise zone will include federal tax incentives. He questioned if there was a local tax commitment. Mr. Abodalo stated that this is a federal program.

Mr. Waltman again questioned the local tax commitment. He also questioned who decides which businesses are permitted and where they will be located. Mr. Abodalo stated that industries will be sought and that GRCA will manage the application process. He stated that the City retains control of where industries locate through its zoning and planning processes. He stated that GRCA will also provide advance notice of applicants to discuss whether it is an appropriate fit. He stated that the City will not give up final approval rights.

Mr. Waltman questioned the incentive to use the enterprise zone. Mr. Abodalo stated that the business's capital gains can be deferred or eliminated. He stated that this is a federal tax program only and that there are no impacts to any other taxing body.

Mr. Waltman questioned when this would be put up for vote. Ms. Kelleher stated that it is on this evening's agenda.

Ms. Reed noted her support of the concept but stated that past experience leads her to believe that industries will prefer greenfield projects over brownfield projects. She noted the need for strong marketing for City properties. Mr. Abodalo stated that he will work closely with developers and require that they remain within the City for at least ten years. He stated that other stipulations can also be added. He stated that he will also require advance notice of the number of new jobs, the pay scale, etc when developers come forward.

Ms. Reed stated that past projects were not vetted well by Administrations. She stated that projects were not financially stable and their locations were not appropriate to the surrounding neighborhoods and infrastructure. Mr. Abodalo stated that he will hold developers feet to the ground regarding their promises of high-paying jobs.

Ms. Cepeda-Freytiz questioned if potential development parcels have already been identified within the proposed census tracts. Mr. Abodalo stated that they have and the final selection will be based on the company's needs. He stated that the Dana 50 acres and the former Glidden 20 acres are included. He stated that there are also several vacant industrial buildings including Penn Optical and 3rd St near the railroad. He stated that pre-COVID a soap manufacturer was interested in a parcel but that project is no longer moving forward.

Ms. Goodman-Hinnershitz agreed with the need for guidelines and criteria for applicants. She questioned the City's leverage and questioned if the City had final approval. Mr. Abodalo stated that it is hoped that good industries will be attracted. He stated that he will vet all applicants and that zoning and planning approvals are required.

Mr. Marmarou stated that he is confused. He questioned if a parcel is selected if current residents or businesses will be forced to relocate. Mr. Abodalo stated that the parcels that are available include vacant lots and abandoned buildings. He stated that a business will also have the option of buying an existing business. He stated that there will be no forced removals or relocations.

Mr. Marmarou stated that in the past businesses were forced to close via eminent domain. Mr. Abodalo stated that eminent domain is no longer used for economic development so this is no longer applicable.

Ms. Sihelnik noted the need to protect the City's assets. She stated that she attended the Center for Excellence in Local Government (CELG) meeting about the enterprise zone. She noted her understanding that the zones are reauthorized every five years. She questioned if these were the same census tracts that were enterprise zones in the past. Mr. Abodalo stated that they are.

Ms. Sihelnik noted the need for good working relationships to ensure the City is well represented during economic development. She noted the need to track the parcels and market them when a developer comes forward. Mr. Abodalo agreed.

Mr. Waltman stated that the tax relief is a federal capital gain deferment. He stated that BCIDA and GRCA are marketing parcels across the County. He noted the need for City approvals and questioned if there are impediments. He noted the need to ensure the protection of existing neighborhoods and to have clean hand-offs. Mr. Abodalo stated that he will be involved in every step. He agreed with Mr. Waltman's comments and stated that he will have an active role in the process.

Mr. Waltman expressed the belief that this will be an excellent partnership.

Ms. Sihelnik stated that this is a multi-municipal application. She questioned if all partners are on board. Mr. Abodalo stated that West Reading, Muhlenberg and possibly Exeter will be participating.

Ms. Reed stated that most of these census tracts are within District 5. She noted the need to keep the adjacent neighborhoods safe. She noted the need to examine street capacity in densely populated areas. She noted her support of more jobs but noted that residents and infrastructure cannot be endangered in the process.

Mr. Waltman described the problems that the water bottling plant would have caused the adjacent neighborhood. He noted the need for Reading not to look desperate to developers.

Ms. Kraft noted the need for the reauthorization resolution to contain more specific information on the census tract boundaries. Ms. Kelleher stated that this information was not included in past resolutions. Mr. Abodalo stated that he will provide this information.

Ms. Kraft requested census tract descriptions or a detailed map showing specific blocks that are included in the enterprise zone. She noted the need for specificity. Mr. Abodalo stated that the tract information should be available on the US Census website.

Mr. Waltman suggested using the map included in the power point presentation. Ms. Kraft stated that this map is difficult to read.

Ms. Reed stated that the exact tract descriptions should be available on the Census website. She suggested that the descriptions be included in the resolution as this is very important information.

Ms. Kraft stated that not all street names and block numbers are included on the map. She stated that this is not specific enough.

Mr. Waltman questioned the timeline for passage of the resolution. Mr. Abodalo expressed the belief that there is time to make the corrections for action at Council's next meeting.

Ms. Kelleher stated that the next business meeting is March 8. Mr. Abodalo stated that corrections can be complete by that meeting. He stated that he will provide the census tract information to Ms. Kraft.

Mr. Waltman thanked Mr. Abodalo for his presentation. He expressed the belief that this is another tool to bring good economic development to Reading.

II. Agenda Review

Council reviewed this evening's agenda including the following:

- Public Comment

Ms. Kelleher stated that there is one person registered to speak on a non-agenda topic.

- Award of Contract for the municipal ERP project to Tyler Technologies at a cost of \$1,100,468 with \$700,000 available in FY 2021 and the remaining costs covered in FY 2022

Mr. Waltman questioned if capital funds are being used for this purchase. Mr. Kelly stated that they are. He reminded Council that he made a presentation several weeks ago and that this technology will replace the City's current accounting and parcel information programs. He stated that the software will also interface with Public Works and Human Resources in the future. He stated that this upgrade addresses the need for the City to better track its assets in the Act 47 Exit Plan.

Mr. Waltman stated that it will also provide better workflows. He questioned ongoing costs. Mr. Kelly stated that the purchase will be budget neutral after the initial installation.

Ms. Cepeda-Freytiz questioned if feedback was received from others who use this technology. Mr. Kelly stated that this technology is currently used by Easton and Lancaster. He stated that Berks County recently purchased the technology to manage parcel data for the Recorder of Deeds office. He stated that several technologies were tested by accounting and this was the best.

Ms. Cepeda-Freytiz questioned when the technology would be received. Mr. Kelly stated that it will take approximately 12 – 18 months to be fully built. He stated that if Council approves the contract this evening a notice to proceed will be sent. He noted his hope that the accounting piece is completed by this summer so that training can begin. He also noted his hope that this program will be installed soon enough to be used to draft the 2022 budget.

Ms. Cepeda-Freytiz questioned if the cost includes training and support services. Mr. Kelly stated that it does.

Mr. Waltman noted the need for safeguards. He stated that this will entail much work. He stated that it will bring efficiencies workflows.

Ms. Ventura requested a presentation by the company before approval is given. Mr. Kelly stated that he is happy to make these arrangements. He stated that the presentation will be mostly about internal operations and may not be useful to Council.

Mr. Waltman suggested that a presentation be arranged but not to delay action. He stated that the Administration believes this company will best serve Reading.

Ms. Ventura questioned if users will receive training. Mr. Kelly stated that all staff who use the program will be trained. He stated that it will also become part of the orientation process for new employees. He stated that the presentation given to accounting was three hours long but that he can request a briefer presentation for Council.

Ms. Ventura voiced her appreciation for the presentation.

Ms. Goodman-Hinnershitz noted the need for Council to keep their role in mind. She stated that the Administration determines what they need for day to day operations. She stated that Council has no expertise in this area. She stated that the presentation will be for informational purposes only. She expressed the belief that this purchase has been vetted well.

Ms. Cepeda-Freytiz questioned if department heads were shown a demo and were able to provide input. Mr. Kelly stated that they were.

- Resolution accepting repository bids on 1314 Kenney St and 741 – 743 Neversink Alley and rejecting repository bids on 818 Culvert St and 428 – 434 Spring Garden St

Ms. Kelleher stated that she contacted the Berks County Conservation District (BCCD) and Parking Authority (RPA) about these lots. She stated that BCCD did not respond but that RPA is interested in 818 Culvert St and 428 – 434 Spring Garden St.

- Resolution authorizing the amendment of Resolution 185-2020 extending the DID wind down period for a total of 90 days

Mr. Amoros stated that the Administration has done its best to wind down DID operations but that more time is needed. He stated that the full 90 days may not be needed but stated that there is much work to be done by Finance, CD, Law and Public Works.

Ms. Cepeda-Freytiz questioned progress made on the wind down. She questioned if work can be concluded by the end of March. Mr. Amoros stated that work will be complete by the end of March.

Ms. Kraft stated that she has spoken with the DID solicitor and that a list of untitled equipment that must be addressed. She stated that this will be addressed after the list of titled equipment has been transferred with PennDOT. She stated that when all the equipment has been transferred, the DID solicitor will file to decertify DID and the City will file the appropriate paperwork with the State.

Mr. Kelly agreed that there is much equipment to address. He stated that the weather has delayed work on inventorying the equipment and that the City does not have adequate storage space for all of it.

Mr. Rugis stated that he will be speaking with Mr. Shuman to extend the lease at 645 Penn St to allow additional time to review equipment. He stated that IT must look at the servers, telephones, etc and that some equipment no longer has value. He stated that there is also event equipment stored at Goggleworks. He stated that he will also be exploring extending this lease until other suitable storage can be found.

Mr. Waltman agreed with the need to extend these lease agreements and not to rush through the process.

Ms. Reed questioned if DID staff has completed their work. Mr. Kelly stated that they have.

Ms. Reed noted the need to find the Pagoda pole lights. She expressed the belief that they are stored at the Goggleworks. She also noted the need to find the theatrical masks pole lights. Mr. Rugis stated that the Goggleworks storage area is currently plowed in and there is no access. He stated that he will be visiting this location when he is able.

Ms. Reed expressed the belief that these items are important to implementing downtown economic development.

Ms. Goodman-Hinnershitz stated that it is important when dissolving an organization that there is an accurate inventory. She questioned if one was provided to the City. Mr. Rugis stated that an inventory was provided but that it was not detailed. He stated that this is not a bad reflection on DID. He noted the need for the event items to be located in convenient space downtown.

Ms. Goodman-Hinnershitz questioned if the items would be rebranded and become City property. Mr. Rugis stated that they would but that not all items would be kept.

Ms. Goodman-Hinnershitz questioned if the Segways remain. Mr. Rugis stated that they did.

Ms. Sihelnik thanked staff for their work on the dissolution. She noted the need to catalog the items carefully and for the City to move forward. She stated that these tools should be maintained downtown and operations be preserved as able. She noted the need to add the beneficial parts of DID into future downtown planning. She noted her hope that this additional time is adequate.

- Administrative Report

Mr. Amoros stated that the Mayor would not be attending this evening's meeting while he recovers from surgery. He thanked all for their well wishes.

- Ordinance amending the 2021 Position Ordinance by reclassifying one position in HR from Human Resources Assistant to Training & Employment Coordinator

Ms. Goodman-Hinnershitz stated that she has general comments about salary adjustments that will be made later in the meeting.

- Ordinance authorizing a budget transfer in the amount of \$60,000 for the Pagoda Foundation to make the contributions from 2018 – 2020 that were never made, as per the agreement with the Foundation

Mr. Waltman stated that these transfers were budgeted but were not made. He stated that this is not accumulated funding.

Ms. Cepeda-Freytiz questioned how this funding would be used. Ms. Goodman-Hinnershitz reminded all that at the last meeting it was determined that she and Ms. Reed would need to abstain from this vote due to their involvement on the Pagoda Foundation. She explained that this funding will be used for general operations, activities and the café. She stated that the Pagoda was working with a deficit until COVID forced its closure. She stated that this reduced expenses. She stated that the hope is to reopen with a professional staff in place.

Mr. Waltman reminded all that this is a regional asset and a tourist attraction.

- Ordinance increasing the Property Maintenance Manager salary from \$61,398.10 to \$69,000

Ms. Cepeda-Freytiz requested confirmation that this is a promotion and an increase in responsibilities and duties. Mr. Amoros stated that this is correct.

Ms. Goodman-Hinnershitz stated that she has spoken with Mr. Waltman and Mr. Amoros about her concerns with large salary adjustments and the City's Act 47 status. She noted the need to address the overall salary structure and to have additional discussions with Mr. Mann. She stated that salaries were kept tight in the past as part of the Act 47 Plan and it is important to understand how to move forward.

Mr. Waltman agreed that Council has been asked to approve many salary adjustments. He noted the need to understand the long-term impacts these adjustments will have. He noted the need for balance between losing employees and the cost of recruitment versus the cost of increased salaries. He noted the need for an overall Act 47 update.

Ms. Cepeda-Freytiz questioned if this salary increase was already allocated for this position. Mr. Amoros stated that it was. He confirmed that Mr. Mann will be attending the March 1 Committee of the Whole meeting to discuss the salary increase issue. He noted the need for transparency and stated that he is happy to provide information to Council when it is requested.

- Five ordinances for introduction authorizing accounting write offs for "due to/due from" transfers within City funds

Mr. Kelly stated that over time these "due to/due froms" have accumulated and are all inter-fund transfers. He stated that the most responsible thing is to write them off. He stated that the net effect on the budget is a \$594,000 increase to the fund balance. He stated that there is extensive detail in the agenda memo.

Mr. Waltman stated that this generally happens all the time. He recommended not reading the ordinances individually now. He suggested that Council review the information and provide questions to Jamar before the March 8 meeting. He stated that Council's understanding is necessary but that this is fairly routine.

Mr. Kelly expressed the belief that some of the items were unavoidable. He stated that due to staff turnover items were not completed. He stated that these items are generally discovered during the external audit. He stated that these write-offs will clear the general ledger and should result in a cleaner audit.

Mr. Waltman questioned if the new software would assist with these items. Mr. Kelly stated that it would and that a deadline for clean-up can be integrated. He stated that he will work closely with the Auditor.

Ms. Cepeda-Freytiz questioned how these items were found as some are rather old. She questioned if the new software would alert accounting to make the transfers to avoid this in the future. Mr. Kelly stated that the new software will be more automated and less reliant on human memory. He stated that the items were found by the Controller in the audit statements.

Ms. Cepeda-Freytiz questioned the impact on the current budget. Mr. Kelly stated that there is no effect on the operating budget. The net effect is a \$594,000 increase to the fund balance.

Ms. Goodman-Hinnershitz recommended that Council ask their questions after a closer review. She noted the need to understand the process because others will likely be addressed in the future. Mr. Kelly stated that more will be needed but that he didn't want to bring too many forward at one time.

Mr. Oppenheimer stated that these items were discovered during the 2019 external audit. He stated that he researched each item but that all details cannot be determined due to the age of the transactions.

Mr. Waltman stated that all funding has been accounted for and the result is a net gain to the fund balance. He noted the need to age all transactions in the new software.

Ms. Rodriguez stated that she has been working with Mr. Oppenheimer. She agreed that the write-offs are appropriate and will help clean the general ledger when the information is entered into the new software. She commended Mr. Oppenheimer for his great work.

Mr. Oppenheimer stated that these are not cash transfers.

- Resolution authorizing a promotion salary for the Codes Manager from \$61,398 to \$69,000 which is a greater than 3% increase, retroactive to January 1, 2021

Mr. Waltman noted his assumption that this increase has been approved by PFM.

- Award of Contract for the municipal ERP project to Tyler Technologies at a cost of \$1,100,468 with \$700,000 available in FY 2021 and the remaining costs covered in FY 2022 (continued)

Ms. Reed stated that this is a large expenditure. She questioned if there was a way to get out of the contract if the transition does not go smoothly. Mr. Kelly stated that the current

programs were reviewed with Tyler Technologies and this recourse will be included in the contract.

Ms. Cepeda-Freytiz stated that she agreed with Ms. Ventura and Ms. Reed. She suggested the purchase be tabled to ensure it is the best option.

Ms. Ventura questioned if feedback was received by current users. Mr. Kelly stated that feedback has been positive and all the t's were crossed and i's dotted. He questioned why this would be tabled.

Ms. Goodman-Hinnershitz suggested that this item be moved off the consent agenda due to the high cost. She stated that this will also enable discussion at the table before the vote is taken.

Mr. Waltman stated that many kinks in the software will have been worked out because the company works with many other municipalities. He stated that there will be improved workflows and hand-offs. He noted the need to keep the City's data accurate and many benefits will be reaped.

Ms. Cepeda-Freytiz voiced concern and noted that Council must understand the need for the software. She noted the need to ensure that Council is comfortable with the purchase. She questioned if each department head was provided time to review and give feedback.

Mr. Cochran stated that Reading already uses a Tyler Technology program – Open Gov.

Mr. Waltman questioned if the review process was followed. Mr. Kelly stated that all department heads were provided the opportunity to view a demo and provide feedback. He stated that not all chose to participate. He stated that he understands that change can be difficult. He stated that the initial accounting program would be built out over six months and will have user buy-in. He stated that the team did good work and chose the best product.

Mr. Waltman noted the need to address identifiable gaps. He stated that there will be synergy across all workflows. He stated that Council does not choose vendors or products. He stated that Council ensures that due diligence is done. He expressed the belief that most municipal operations are similar.

Mr. Rugis stated that he has reviewed the demo. He stated that he worked with Mr. Cochran and Ms. DeFranco-Culp. He expressed the belief that this will be a large benefit to Public Works. He stated that inputting purchase orders in the current system is very time consuming.

Mr. Waltman questioned the number of municipalities that Tyler Technology services. Mr. Rugis stated that it is hundreds.

Mr. Waltman noted the need for strong support. He stated that if the program is not used properly or is changed to customize to Reading it will become corrupt.

Mr. Kelly stated that the system will be built to include the entire organization by the end of the 18 months.

Ms. Cepeda-Freytiz requested that this contract award be tabled.

Mr. Waltman stated that the award will be moved to the resolution section. He noted the need for Council to take action on the award.

The meeting adjourned at 6:43 pm.

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