



COMMITTEE of the WHOLE

CITY COUNCIL

SUMMARY

March 1, 2021
5:00 P.M.
Virtual Meeting

COUNCIL MEMBERS PRESENT:

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

OTHERS PRESENT:

L. Kelleher, W. Stoudt, A. LaMano, F. Lachat, P. Harvey (Campbell Durrant), G. Mann, VJ Kapoor (both from PFM), S. Smith, M. Rodriguez, A. Amoros, F. Denbowski, C. Jones, S. Rugis, R. Torielli, J. Kelly, J. Long, E. Moran

The meeting was called to order at approximately 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. Act 47 Exit Plan re Salary Caps

Ms. Goodman-Hinnershitz stated that the need for this topic was raised as the administration made several recommendations for various salary increases across AFSCME 3799 and 2763 and management, primarily in the CD Department. She noted that the salary ranges for City employees are not in line with the market place due to the wage freezes that occurred over the City's Act 47 status over the past 12 years. She stated that Council became concerned about raising some salaries but not others and concerned about how these increases fit under the Act 47 salary caps that are required by the Exit Plan.

Mr. Mann introduced VJ Kapoor who specializes in personnel and was formerly an attorney with Campbell Durrant. Mr. Mann stated that the Exit Plan defines the maximum salary expense across the five workgroups - AFSCME 2763 & 3799, IAFF, FOP and management. The expense in the Exit Plan is a hard cap that cannot be increased; however, changes can be negotiated. The City may reallocate employee salaries by either reducing current salaries or eliminating budgeted positions so long as the total amount allocated to employee compensation, including the cost of employee health insurance, remains under the cap. This

includes eliminating vacant, budgeted positions and reallocating the salary to existing employees.

Mr. Mann stated that the salary caps are checked against personnel expenditures for each workgroup to make sure they fall in line with the Exit Plan at least four (4) times per year in the Quarterly Report prepared by PFM and the administration makes inquiries about increasing certain salaries or adding positions throughout the year. He noted that the cap applies equally to each work group supported by all City funds, not only the General Fund. However, the cap does not apply to part-time employees or contractors.

Mr. Mann stated that if things go as planned the City will leave Act 47 in 2022 and he noted the need for the City to prepare for post Act 47 life when PFM oversight is no longer available. Mr. Kapoor agreed noting that post Act 47, the collective bargaining arbitrators will no longer be held to Recovery Plan compliance and he explained the arbitration process for the collective bargaining units.

Mr. Mann stressed the importance of considering personnel issues such as salary increases and adding/eliminating positions during the annual budget process as that forces Council and the administration to prioritize these financial decisions along with the other City needs. He noted that when considering these issues outside of the budget process, it is difficult to consider how these expenses will impact the sustainability of the position and the City in the long term.

Mr. Oppenheimer connected to the meeting at this time.

Mr. Moran stated that the administration regularly meets with PFM and he recognized Mr. Kelly for his assistance in managing the salary caps.

Mr. Mann suggested that Council and the administration avoid considering salary increases and requests for new positions in isolation and he noted the importance of considering the sustainability of increases and positions over time and how these changes work with the City's overall priorities. He also stressed the need for position descriptions for all positions, new and existing, that define the City's expectation for each position.

Mr. Kapoor noted the importance of bringing existing salaries back to the market place level, as all salaries have been compressed by salary freezes over the City's 12 years in Act 47. He noted that without Act 47 protection, arbitrators can set the collective bargaining salaries to any level, without considering the City's ability to pay. He added that arbitrators' decisions on salary increases often causes a domino effect through the other collective bargaining agreements. *(Note when this happens the City often needs to freeze management salaries to pay for the increases awarded by arbitrators)*

Mr. Amoros and Mr. Abodalo connected to the meeting at this time.

Ms. Cepeda-Freytiz inquired how Council and the administration should manage this issue outside of Act 47. Ms. Goodman-Hinnershitz noted the importance of that question, noting that the City has become dependent on PFM oversight and the City needs to prepare for losing that oversight.

Mr. Mann stated that PFM currently submits quarterly reports showing expenditures against budget in each department. The administration could prepare their own quarterly reports for Council to review. He noted the importance of considering the cost of salaries and overtime together. For example reduced staffing in Fire and Police will reduce the salary expenditure but correspondingly increase the overtime expense. He noted that when Pittsburgh left Act 47, the Pittsburgh City Council enacted ordinances to require the Pittsburgh administration to prepare and submit financial reports and create a debt policy. He stated that Reading has already started that post Act 47 prep work by creating the Audit Committee, defining a policy for the fund balance, etc.

Mr. Mann stated that defining a debt policy for Reading is important, as it has been 20+ years since the City could consider obtaining bonds or other funding for projects other than the WWTP, due to the Consent Decree.

Mr. Waltman thanked Mr. Mann and Mr. Kapoor for their help and guidance.

Mr. Mann and Mr. Kapoor disconnected from the meeting.

Ms. Keppen and Mr. Talarico connected to the meeting.

II. Housing Authority Project re Vacation of Liggett Ave

Ms. Keppen and Mr. Talarico introduced themselves. Ms. Keppen is Executive Director of the Housing Authority and Mr. Talarico is Director of Capital Improvements.

Ms. Keppen explained that the current administration building began as a community/recreation center in the 1970s and was repurposed as an administrative building in the 1980s. The building was not designed for office use, it is not ADA accessible and has many flaws.

Mr. Talarico stated that the Housing Authority is working to gut/rehab this 7,500 sq. ft. building and add an additional 3,200 sq. ft. which will allow the realignment of the space for administrative purposes including adding an elevator to the 2nd floor to provide ADA accessibility and allowing the voucher program personnel to relocate to this building. This project will also expand the availability of off-street parking for staff and visitors. The new parking lot will add 44 new spaces and the vacation of Liggett Ave and subsequent reconfiguration of the area will add 10 new parking spaces on the street.

Mr. Talarico stated that when he began discussions with the City about the project, he learned that the City was interested in realigning the intersection in the Hancock/Liggett area to resolve the serious storm water runoff and traffic problems at this intersection.

Mr. Jones stated that he became aware of the storm water problem at this intersection when he was working for an engineering company in the 1970s. He explained how this Housing Authority project will assist the City in curing this decades old problem. He stated that the reconfiguration of this overly wide intersection will relieve the storm water problems and channelize the traffic to make the intersection safer for vehicles and pedestrians.

Ms. Goodman-Hinnershitz questioned if the Housing Authority has obtained input from Housing Authority residents about this plan. Ms. Keppen stated that this project was reviewed in the annual planning process that includes the resident council. She stated that the resident council will be holding a public hearing about capital plans.

Mr. Talarico stated that over time all Housing Authority facilities have been upgraded and this building is the only remaining facility that was not upgraded. He stated that the project cost of approximately \$3.5M will be covered by HUD and the income received through the rental program.

Mr. Talarico inquired about the enactment of the street vacation ordinance. Ms. Kelleher stated that the ordinance will be introduced at the March 8th regular meeting. The ordinance must then layover for a 30 day public comment period, as per State statute. Enactment can be considered on April 12th.

IV. Other

Ms. Cepeda-Freytiz stated that she has received complaints from a constituent about being unable to exit from their rear yard parking area due to vehicles parked in the alley.

Ms. Goodman-Hinnershitz and Ms. Reed agreed that this is a city-wide problem that needs to be addressed, along with the city-wide parking stress.

Mr. Rugis stated that Public Works is working to address this problem and will have a recommendation in late March.

Ms. Kelleher noted that there is an ordinance prohibiting parking in an alley less than 18 feet wide.

§ 576-403. Parking prohibited in specific areas.

C. Park a vehicle:

(3) In an alley less than 18 feet wide.

Mr. Waltman called for an executive session on personnel matters for only the seven members of Council, Mr. Amoros, Mr. Moran, Mr. Lachat, Ms. LaMano (City attorneys) and Mr. Harvey

(attorney from Campbell Durrant). The session was convened at approximately 6:10 in a virtual meeting organized by Mr. Amoros. It is unknown when the session concluded.

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