



# ***COMMITTEE of the WHOLE***

## ***CITY COUNCIL***

### **SUMMARY**

**September 19, 2022**  
**5:00 P.M.**  
**Hybrid Meeting**

#### **COUNCIL MEMBERS PRESENT:**

D. Reed, C. Daubert, C. Miller, M. Goodman-Hinnershitz, J. Cepeda-Freytiz, M. Ventura - in person and E. Butler - virtually

#### **OTHERS PRESENT:**

L. Kelleher, J. Stoudt, W. Heim, F. Freytiz, J. Kelly, F. Lachat, M. Oppenheimer, C. Turtell, M. Thompson (in person), S. Smith, K. Zeiber, WFMZ, M. Lynch, BCTV (virtually)

Prior to the start of the COW there were two (2) executive sessions on contracts. The first began at 5:08 with D. Reed, C. Daubert, C. Miller, M. Goodman-Hinnershitz, J. Cepeda-Freytiz, M. Ventura, L. Kelleher, W. Heim, E. Moran - in person and W. Butler and P. Fraga – virtually. The second executive session began at 5:30 pm with D. Reed, C. Daubert, C. Miller, M. Goodman-Hinnershitz, J. Cepeda-Freytiz, M. Ventura, J. Kelly, W. Heim, E. Moran - in person and W. Butler – virtually.

Ms. Cepeda-Freytiz called the COW to order at approximately 6:12 pm and she apologized for beginning the COW meeting late due to the preceding executive sessions.

#### **I. 2021 External Audit**

Mr. Turtell, from Herbein & Co., explained the components of the annual external audit. He stated that the audit shows a surplus in the amount of \$6.4M due to the performance of various revenues:

- Real Estate Tax Revenue - \$1.69M over budget projections
- Other Taxes (*Real Estate Transfer Tax included in this line item*) - \$4.6M over budget projections
- Interest and Rent (Parking Authority payment included) - \$1.5M over budget projections
- Total Revenue collected was \$8M over budget projections

Mr. Moran and Mr. Abodalo arrived in the room.

Mr. Turtell stated that total expenditures came in only \$91K under budget. He stated that the fund balance is now at \$41.3M with \$33.5M unassigned. Funding is assigned to the following:

- \$200K library renovations
- \$2.5M for 2022 budget appropriations
- \$2M for demolition and acquisition
- \$3M for health care reserve

Mr. Turtell explained that the City is required to retain a \$22M fund balance, or 20% of the budgeted General Fund operating expenses. He noted that while the fund balance appears healthy, it is important to work to preserve and protect the fund balance, as mismanagement can change eliminate or drastically reduce that fund balance quickly.

Mr. Turtell highlighted the following balances:

- Sewer Fund - \$18M surplus and \$204M in reserve
- RAWA - \$1.2M surplus and a balance of \$23.4M (\$10.4M lease payment to the City annually)
- Solid Waste - \$6.1M balance with \$2.8M unrestricted

Mr. Turtell stated that the City's pension actuary measured the pension funds as of December 31, 2021 and found that the funding status has increased as follows:

- Officers & Employees 98.5%
- Police 78.86%
- Fire 94.09%

Mr. Turtell stated that only two (2) findings were identified – account reconciliations/material adjustments (material weakness) and CDBG HOME program sub recipient monitoring (significant deficiency). The sub recipient monitoring is the only repeat finding in the 2021 audit.

Mr. Turtell stated that the 2021 audit takeaways are:

- The City had strong financial results from general fund operations with a \$6.4M surplus which increases the unassigned fund balance to \$33.5M.
- The City continued its improved financial reporting in 2021 with only one repeated financial reporting finding related to sub recipient monitoring related to HOME and Section 108 loan continuing disclosure requirements.
- Consistent personnel in key financial positions to allow the City to continue to improve financial processes.

Mr. Turtell made the following suggestions:

- Improve the delinquencies reported by Portnoff with the entries on the ledger

- Interdepartmental communications with grant reporting, especially grants for playgrounds
- The need to obligate the ARPA funding that is not assigned to Lost Revenue by 2024, noting that surpluses reduce the amount assigned to Lost Revenue. Although ARPA money has been allocated by ordinance, only one actual cash transfer was made to the Convention Center for \$3M in 2021.
- The importance of training and setup for the new Munis financial system

Ms. Talbot connected to the meeting virtually at this time.

Ms. Cepeda-Freytiz thanked Mr. Turtell for the presentation, noting that the City appears to be headed in the right direction. She noted that former Council President Waltman would be very pleased with the City's improved performance, noting his tireless work to shore up financial procedures and processes.

Ms. Goodman-Hinnershitz agreed, and she questioned what the City can do to monitor CDBG and ARPA reporting compliance during the fiscal year. Mr. Turtell stated that with ARPA the City's consultant will help ensure compliance, noting the need to identify the beneficiary of each recipient and sub recipient and having a City point person to ensure compliance. He suggested having a compliance officer to ensure compliance with all programs, in addition to the consultant. He noted that this officer does not need to be a new employee and could be someone that gets reassigned to this task until the need is completed.

Mr. Moran thanked Mr. Turtell for the work of his team and for the acknowledgement of the City's work.

Ms. Reed thanked the elected auditor for her work and oversight to improve the City's financial health. Mr. Turtell agreed noting that Ms. Rodriguez has taken the auditor's office to a whole new level, including beginning internal audits on an operational level.

Mr. Turtell, Ms. Thompson, and Mr. Oppenheimer left the meeting at this time.

## **II. Human Relations COVID Funding**

Mr. Heim stated that the Human Relations Commission received COVID funding to assist with serious rental and utility relief for qualified individuals. He stated that post-pandemic more individuals are finding themselves at risk of losing their current homes due to rising rental rates. The goal is to add CARES funding to continue to provide relief. There are currently 30 cases in the system that qualify for assistance and funding needs to be transferred to provide that relief. There are more cases pending. The initial drawdown of \$45K was spent within two (2) weeks. He noted that the recent challenge to transfer additional funds was created due to the resignation of the fiscal officer in the CD Department and the training of the new individual who was assigned to that position. The existing cases require \$110K in funding.

Ms. Talbot stated that \$110K is required for the cases currently in the queue. There is \$500K left that needs to be spent by September 2023 and Ms. Talbot stated that her office foresees no problem in meeting that deadline.

Ms. Goodman-Hinnershitz inquired about inconsistencies with outstanding water bills charged to the tenants and resulting evictions. Ms. Talbot stated that she is unaware of any evictions resulting from unpaid water bills. There was only one case where the tenant chose to move. She noted that her office has paid thousands of dollars to assist those with qualified utility delinquencies.

### **III. BAC Appointments and Reappointments**

Ms. Goodman-Hinnershitz explained that applications for those seeking appointment and reappointments are sent to the mayor's office. Those receiving the mayor's nomination are forwarded to the Deputy City Clerk and an interview with the Nominations Committee is scheduled. She noted the need to ensure expediency with reappointment applications.

Ms. Goodman-Hinnershitz stated that many applications were forwarded to the mayor's office months ago without moving forward. She stated that the Deputy Clerk follows up with the mayor's office on a regular basis about the applications waiting for the mayor's consideration and she asked the mayor and his staff to communicate with the Deputy Clerk to let her know if the applications are being rejected so other applicants can be considered for the open positions.

Ms. Talbot disconnected from the meeting.

Ms. Goodman-Hinnershitz noted the problem created when the mayor approves more appointment applications than the available vacancies. She stated that this recently happened with the Planning Commission appointments. The Planning Commission is currently a board of seven (7) with a minimum of five (5) must be City residents and two (2) serving who are not City residents. There are currently two term expirations, three applications received the mayor's nomination and two receiving the mayor's nomination are not City residents. As there is currently one non-City resident appointed, Council cannot appoint both nominated candidates who are not City residents.

Ms. Goodman-Hinnershitz stated that the appointment resolutions for the two (2) non-City residents nominated by the mayor have been repeatedly tabled due to this quandary. She questioned how Council would like to settle this matter.

Ms. Cepeda-Freytiz suggested scheduling interviews before the body of Council.

Ms. Reed stated that it is unfortunate that the situation has reached this point, as there will be bad feelings no matter what decision is made. She suggested an executive session conversation about the applicants qualifications.

Mr. Abodalo stated that he is seeking institutional knowledge for the Planning Commission appointments, noting that one applicant has an understanding of CollegeTowne and the need to expand that movement and development. He stated that this applicant has a strong financial background and a strong relationship with developers that can assist in providing benefits to the City's future. He noted that another applicant understands the code and other technical aspects. He agreed with the need for an executive session conversation. He reiterated the words of the Planning Commission chair last week about the increase in the Planning Commission's plan review.

Ms. Cepeda-Freytiz inquired if Mr. Abodalo is seeking an expansion of the Planning Commission's membership and questioned increasing the membership to 10.

Mr. Abodalo agreed with the need to expand the membership of the Planning Commission and seeking female applicants. He stated that there are currently five (5) Planning Commission members and suggested increasing the membership to seven (7).

Ms. Kelleher stated that the PA MPC (Municipalities Planning Code) limits the Planning Commission membership to nine (9).

Mr. Abodalo corrected his error, noting that the Planning Commission is currently set at seven (7) members.

Ms. Reed cautioned against increasing the membership to nine (9) due to the detailed review of the applications, as a larger board with more discussion will increase the length of the meetings.

Ms. Goodman-Hinnershitz noted the need to first consider the two (2) non-City resident resolutions and she asked Mr. Lachat if a discussion could occur in executive session.

Mr. Lachat stated that there may be some opportunity to hold a discussion about Planning Commission appointments in executive session, as these appointments differ from appointing a member of Council. However, he questioned if Board appointees qualify as personnel.

Mr. Abodalo stated that the qualifications of those appointed to the Planning Commission are more important than the number of members. He stressed the need to have applicants with construction knowledge along with executive and banking experience to help the City economic development move forward. He explained the process used to manage the Commission's workload. He suggested increasing the membership to nine (9) as that would help to increase the diversity of the members.

Ms. Cepeda-Freytiz asked Mr. Lachat if the City can add qualification requirements to advertisements for Planning Commission members. Mr. Lachat stated that he needs to research that issue.

Ms. Goodman-Hinnershitz, noting the limitation for appointments of non-City residents, inquired if there is any requirement for an appointee to reside within the County. She noted that there are boards that require specific qualifications, certifications, etc. and Council often needs to look outside the City to meet those needs.

Ms. Cepeda-Freytiz stated that there are approximately 325 volunteers serving on City boards and approximately 40 are non-City residents, a minimal amount. She stated that Council will wait to hear back from Mr. Lachat about an executive session discussion on the non-resident nominees.

Mr. Abodalo noted the importance of having Planning Commission members attend planning and zoning classes at the CELG.

Ms. Cepeda-Freytiz questioned if attending classes can be required for sitting members.

Ms. Reed stated that the only existing mandate is meeting attendance; if a member is not excused from three (3) meetings, the member can be removed. Mr. Lachat stated that he is unsure about the removal mandate. He stated that there may be issues with removal process from appointed seats regarding who removes the person and how the person is removed. He expressed the belief someone is not automatically removed if they miss three meetings.

#### **IV. Budget Calendar Review**

Mr. Kelly stated that he and the mayor are unavailable for the October 5<sup>th</sup> budget review meeting due to their expected attendance at a conference. Ms. Reed stated that she is also unavailable on October 5<sup>th</sup>.

Ms. Reed suggested moving the October 31<sup>st</sup> meeting to Tuesday, November 1<sup>st</sup>. All present agreed.

Mr. Daubert noted the need to be mindful of the 5-7 pm timeframe as some have personal commitments after 7 pm.

Ms. Goodman-Hinnershitz inquired if Council would like her to continue as chair of the budget review meetings. No one objected.

Ms. Cepeda-Freytiz asked that the October 5<sup>th</sup> topics be scheduled for November 16<sup>th</sup> and adding the Finance Department to October 26<sup>th</sup>.

Mr. Moran left the meeting.

Mr. Daubert left the meeting.

### III. Reports

- Community & Economic Development

Mr. Abodalo stated that the department is approximately \$892K under the \$1.5M threshold. Finishing up on existing projects should reduce that amount to approximately \$500K by the end of October. He stated that there is \$143K available in un-programmed funds as the Department transferred \$500K from un-programmed funds to other projects. *(Note: The transfer of CDBG funding must be authorized by the adoption of a resolution, which did not occur.)*

- Public Works

Mr. Zeiber stated that Public Works is currently managing over 50 projects, such as:

- Groundbreaking for the City Park playground improvement project
- Bids for 6<sup>th</sup> and Amity playground are being reviewed
- The City Hall roof is being replaced
- Improvements to 3<sup>rd</sup> & Spruce rec center
- Improvements to Egelman's pavilion
- The Canal Street Skateboard Park is again moving forward
- Bernhart's has been dewatered
- 90% of the Design work for Centre Park has been completed
- Fire Station upgrades

Mr. Miller moved, seconded by Ms. Ventura, to adjourn at approximately 7:18 pm.

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