



COMMITTEE of the WHOLE

CITY COUNCIL

SUMMARY
August 2, 2021
5:00 P.M.
Hybrid Meeting

COUNCIL MEMBERS PRESENT:

D. Reed, J. Waltman, M. Ventura (all electronically), M. Goodman-Hinnershitz, S. Marmarou (in person)

OTHERS PRESENT:

L. Kelleher (in person), M. Rodriguez, F. Lachat, S. Smith, F. Denbowski, S. Rugis, J. Long, C. Crespo, A. Amoros, T. Kemery, M. Oppenheimer, J. Abodalo, J. Kelly, E. Moran, E. Schlegel, S. Hailstone & S. Calluori from Hailstone Economics (all electronically)

The meeting was called to order at approximately 5:08 pm by Mr. Waltman. Due to COVID-19, the public is prohibited from physically attending the meeting. The meeting is convened via virtual app.

I. Housing Study

Mr. Abodalo introduced the consultants from Hailstone Economic – Ms. Hailstone and Ms. Calluori.

Ms. Hailstone stated that her firm responded to an RFP issued a year ago on the implementation of the 2019 Housing Study that defined a plan to address blight. She explained that her firm is based out of Scranton and has assisted multiple municipalities in eastern Pennsylvania in codes management, economic development, building codes and capacity building, etc. The firm will assist the City with the implementation of problem property inventories and prioritization for intervention, presale inspections, strategic code enforcement, and acquisition methods.

Ms. Calluori stated that in the first implementation phase the City should consider acquiring those properties that have been certified as blighted through purchase/donation, Sheriff or Tax Sale, eminent domain or land bank. The City should develop priority areas on Schuylkill

Avenue, Franklin Street, North 6th Street and North 8th Street where strategic codes enforcement can occur.

The importance of partnering with NHS, Habitat for Humanity and other housing partners was noted. The City should empanel a Blight Team under the mayor's office that will include the Redevelopment Authority representative, two housing partners, the managing director, a community development representative, and the blight coordinator to define blight priority areas, identify funding opportunities and a funding strategy, and track blight work, accomplishments, unmet needs. Ms. Calluori stated that this team can work on blight prevention, blight remediation and redevelopment through the Reading Redevelopment Authority's ability to acquire property.

Ms. Hailstone explained that land banking became law in Pennsylvania in 2012, then in 2018 the law was amended to allow PA Redevelopment Authorities to take on land banking activities. She explained the benefits of land banking and that to enable RRA to become a land bank, an ordinance will need to be enacted and filed with the DCED, along with an amendment to the City's agreement with the RRA.

Ms. Hailstone stated that using Conservatorship is a useful acquisition tool. Under conservatorship, the rehab of a property is overseen through the court system, with various notifications provided to the property owner. At the end of the rehab the property owner is given an opportunity to reimburse the rehab expenses, or lose title to the property.

Ms. Goodman-Hinnershitz noted the complexity of this issue. She noted that the BPRC has done its job since 2008 and she thanked Ms. Kelleher for her work to keep the BPRC moving forward.

Mr. Schlegel, RRA chair, thanked Council for the opportunity to consider this issue. He noted that the 2019 Exit Plan lists the need for the redevelopment of the 5th and Penn properties and the creation of a Blight Remediation Strategy. He noted the importance of State Act 33, enacted in 2018, which provides Redevelopment Authorities with the ability to undertake land bank redevelopment activities and the RRA's interest in undertaking land banking. He suggested providing some seed funding with the \$1M set aside for blight remediation. He described the advantages that land banking will provide. He stated that the RRA members are ready to do the work to turn the City around.

Ms. Reed noted the need for this strategy to include incentives for owner-occupancy and for the de-conversion of multifamily properties to single family homes. She stated that increasing owner-occupancy and decreasing the number of multiunit properties would greatly help to decrease the many problems caused by over density. Mr. Schlegel agreed.

Mr. Abodalo agreed with the need to de-convert multiunit properties and to aggressively apply codes enforcement along with examining the potential owners of properties.

Mr. Moran agreed with the need to do the work to address blighted properties and he agreed that the RRA should lead the initiative. He noted his willingness to dedicate the financial resources to assist.

Ms. Goodman-Hinnershitz agreed with the need to include a de-conversion initiative in the Housing Strategy and to build a strong partnership with NHS, Habitat for Humanity and other housing agencies. She stated that NHS rehabilitated two homes in her neighborhood, which prevented the block from further decay. She agreed with performing the tasks in the presentation and stressed the need for an implementation timeline and quarterly review to monitor progress. She stated that the City has spent many years going in circles and that needs to stop.

Mr. Amoros stated that he recently had comprehensive conversation with Habitat for Humanity about this issue.

Mr. Waltman stated that his conversation with a former managing director caused Council to set aside \$1M for blight remediation 4-5 years ago. He stressed the need to undertake a blight remediation strategy and execute all points, not some points. He agreed with the need to set aside funding annually to continue this effort.

Ms. Hailstone, Ms. Calluori and Mr. Schlegel left the meeting at this time.

II. Blight Remediation Funding

Ms. Kelleher explained that this topic was selected as follow-up to the presentation of the Housing Strategy, as a plan for the funding was never developed.

Ms. Reed agreed that some of this funding should be set aside for the de-conversion of multi-unit properties. She described her initial meeting on this topic with Mr. Lachat, Mr. Denbowski and Ms. Kelleher. Mr. Lachat was asked to provide follow-up on some legal issues.

III. Proposed Hybrid Project for Council Chambers

Mr. Kelly stated that there are three (3) options. The first retains the current tables and layout. A 4th camera is added to the stained glass wall. The current microphones are replaced with wireless microphones that include push-button voting. Six of the eight speakers located within the walls will be replaced. There are 4 monitors – two facing the council tables and two facing the public. The cost for the 1st option is approximately \$72K.

The second option replaces the current council tables with a new dais that is semi-circular and includes the 4th camera, new microphones, etc. contained in the 1st option. This option applies two larger monitors that are installed on the walls on each side of the room. The cost of this option is approximately \$82K, not including the cost of the new furniture.

The third option was not covered.

Mr. Kelly stated that the City received pricing from the CoStars vendor that did the hybrid upgrade in the 3rd floor conference room and Penn Room. He stated that other quotes were received for the first two projects and this vendor submitted a better price with better quality equipment.

Mr. Waltman questioned the need to replace the Council tables, noting that they are nearly 100 years old and provide a historical ambience in the room. He noted the importance of the room's long history and importance of remembering how many people made decisions for the City in this room and at these tables. He strongly expressed the belief that there is no need to disturb the ambience by replacing the tables. He noted that this is to be a technology upgrade,, not a furniture upgrade.

Mr. Marmarou agreed that the Council tables should not be replaced. He inquired why the project was not put out to bid. Mr. Kelly explained that different quotes were received for the first project and he was pleased with the pricing submitted and quality of the work performed. For this project several quotes were provided by the vendor HSI. He stated that his preference is the \$82K bid with the new tables. He stated that the cost for the 2nd option is higher due to the cost of the two large monitors.

Ms. Goodman-Hinnershitz thanked Mr. Kelly for presenting different options. She stated that that the current chairs in Council Chambers need to be repaired, as they are quite uncomfortable. She questioned the cost of the new dais and a breakdown of the technology cost and the furniture cost. She noted that the appearance of the new dais may not suit the ambience of the room. Mr. Kelly stated that a new dais to seat 8 people is approximately \$40K.

There was discussion on the pros/cons. The need to explore a slightly reduced cost was recommended.

Mr. Kelly noted that the upgrade will also benefit other Boards that use the space.

Ms. Reed suggested considering the furniture upgrade. She questioned if the current tables can be reuse elsewhere.

Mr. Waltman noted that the technology in Options 1 and 2 are the same, except for the size of the monitors. The biggest change is the suggestion to change the tables, which is unrelated to technology.

IV. Pagoda Capital Needs

Mr. Waltman noted the need for Council to consider the overall capital needs for the Pagoda and surrounding area for a one, three, five and ten year period to make the required corrections to the building.

Mr. Rugis stated that the immediate needs are repairs to the wall, the foundation and the stairs to the area where the cistern is located. He noted that the Pagoda is secured by 16 tons of bolts that are implanted into the bedrock. He stated that an RFP was advertised on Penn Bid for a geotechnical study of the foundation and stairs. Submissions are expected shortly after Labor Day. Some security repairs were made to the railings and the rebar repairs will be made when the project to shift the flow of traffic occurs after Labor Day. There will be public education about the upcoming project. In 2022 an architectural RFP will go out to determine the best use for the building moving forward. The Planning Commission and the Fire Marshall will be consulted about the use of the building.

Ms. Goodman-Hinnershitz thanked the administration for their work on this issue. She noted the need for work on the grounds as well. She noted that this 110 year old wooden building has been a victim of deferred maintenance for decades and that needs to end.

Ms. Reed agreed that the maintenance of this building was short changed over many years, which has increased the need for detailed maintenance at this time.

Mr. Rugis stated that to bolster the security, new cameras will be added to the Pagoda and linked to the Police Department's VSC Unit. An attempt will be made to link these cameras with the Fire Tower cameras.

Mr. Moran expressed his willingness to dedicate the resources required to stabilize this building and other public buildings and infrastructure.

V. Credit Card Audit

Ms. Rodriguez stated that credit cards are assigned to 25 individuals and credit card spending is approximately 1% of the annual expenditures - \$258K. This audit covers 2020. She noted that the audit uncovered the improper payment of sales tax, improper overnight stays at hotels in Harrisburg and Lancaster which are not located over 50 miles away from Reading as per the policy and improper payment of the occupancy and/or hotel tax for other overnight stays. She added that there has also been insufficient documentation for some credit card purchases, purchase of office furniture (considered an asset that can be depreciated) and the purchase of gift cards.

Ms. Rodriguez suggested updating the policy located within the administrative manual and adding policy on the purchase of gift cards and overnight hotel stays. This will ensure the proper use of the credit cards. She noted that credit card purchasing limitations were increased from \$5K to \$10K when the pandemic began to permit the purchase of PPE and other essential supplies. Mr. Kelly noted that that limitation was decreased for all users but the Fire Marshal.

Mr. Kelly requested additional information on the purchases made without proper documentation.

Mr. Amoros commended the Auditor for performing the audit, noting that the Recommendation in the audit will be used to make the required policy updates.

Ms. Reed suggested researching credit card policies in other cities and drawing in more safeguards against misuse.

Ms. Goodman-Hinnershitz suggested utilizing software to safeguard credit card purchases.

Mr. Waltman noted that no policy can be totally safeguarded and that mistakes will at times occur.

Mr. Abodalo and Mr. Rugis explained the policies used in their departments to manage the use of credit card purchases.

Ms. Kelleher inquired how often the cardholders re-sign the Card Holder Statement. Mr. Rugis and Mr. Kelly stated that the statement is signed by each card holder prior to the issuance of new cards every two (2) years.

Mr. Moran thanked the Auditor for performing this audit and uncovering some issues.

Ms. Reed inquired about reimbursement if an employee expends personal funds for work needs. Mr. Kelly explained that reimbursements under \$50 are made from petty cash and over \$50 go through the AP process. Mr. Rugis described how some employees need to seek reimbursement for specialized equipment for work purposes and obtain reimbursement.

Mr. Amoros described the review and approval processes used to safeguard credit card payments.

Ms. Reed inquired about the use of City gas cards and how the need for gas is handled when a City car travels outside the area covered by the City's Penn Pride pumps. Mr. Rugis explained how Public Works manages the use of their gas cards.

Ms. Reed inquired about how City vehicles are approved and assigned. She requested this information in writing.

Mr. Moran questioned why the use and assignment of vehicles has become an issue. Ms. Reed noted that as we exit Act 47 the City needs to shore up spending on all levels. Mr. Kelly stated that he and Mr. Rugis will provide the listing within the next two months.

VI. Charter Amendment to Eliminate the Engineer Requirement for the PW Director

Ms. Goodman-Hinnershitz questioned if the mayor is on board with this amendment. Mr. Moran stated that this change will make it easier to attract a qualified candidate and expand the pool of candidates.

VII. Other

Ms. Kelleher noted that the August 7th Priorities Summit has been rescheduled. Mr. Amoros inquired if the Summit could be moved to August 14th, as the mayor is not available on August 7th. He noted that if August 14th does not work the Summit will need to be held in September.

Ms. Goodman-Hinnershitz expressed condolences to the family on Muhlenberg Street who experienced the devastating fire. She thanked Fire, Police and Public Works employees for their heroic efforts. Mr. Moran agreed and described his difficult conversations with the father of this family.

The COW concluded at approximately 7:10pm.

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