CITY COUNCIL

Committee of the Whole

Monday, October 26, 2009
Council Office
5:00 pm
Agenda

I.	**Budget Discussions**	**5:00 pm**
II.	**Update – Waste Water Treatment Plant Project**	**5:30 pm**
III.	**Agenda Review**	**6:30 pm**

COMMITTEE of the WHOLE

CITY COUNCIL

MINUTES
October 12, 2009
5:00 P.M.

COUNCIL MEMBERS PRESENT:

D. Sterner, S. Marmarou, S. Fuhs, V. Spencer, J. Waltman, M. Baez

OTHERS IN ATTENDANCE:

L. Kelleher, S. Katzenmoyer, C. Younger, R. Hottenstein, C. Kanezo, T. McMahon,

Mr. Spencer called the Committee of the Whole meeting to order at 5:10 p.m.

I. BUDGET DISCUSSIONS

Mr. Waltman reviewed the survey results. He noted that his intent was to discuss the responses this evening. He noted that these were not official positions but a starting point for discussions.

Mr. Fuhs noted that he did not respond to the survey questions. He complemented the process but noted his belief that the process was flawed. He stated that these issues need to be discussed openly and publicly.

Mr. Waltman noted that responding to the survey does not deter speaking on the issues publicly. He noted that this was a means for Councilors to consider these issues and was not meant to keep discussions out of the public view. He noted the need to try to avoid last minute changes.

Mr. Waltman noted that there is some interesting consensus on the survey results. He noted his hope that the Administration finds the data helpful. He noted that a possible $700,000 in new revenue was discussed at the Saturday budget workshop. He noted that housing permits would be discussed at the Tuesday budget workshop.

Mr. Fuhs noted that not all Councilors support a property tax increase. He noted that this survey should not preclude the Administration from lobbying individuals. Mr. Waltman noted that this survey is not meant to deter lobbying from the budget process.

Mr. Spencer noted that he responded as undecided on many items. He stated that he will refrain from making firm decisions until the budget has been reviewed and questions are answered. He noted that Councilors will most likely change positions throughout the process as information is learned.

Mr. Waltman noted that there is not full consensus on the property tax increase. Mr. Fuhs requested that Councilors voice their stance at this time. Each Councilor noted their response to the survey question regarding increasing property tax.

Mr. Waltman reminded those present that positions are subject to change.

Mr. Waltman noted that there seemed to be consensus on increasing fees. The fees are non-specific at this time. He noted that there seems to be little interest in increasing the Real Estate Transfer Tax and strong consensus that there are revenue areas that can be improved. He also noted strong support for the County collecting property and school taxes. There is support to pursue additional payments in lieu of taxes (PILOT) from non-profit organizations.

Mr. Spencer noted that he was not familiar with invoicing for PILOTs. Mayor McMahon noted that he added this issue to the survey and stated that some cities invoice non-profits for a percentage of the property tax they would owe.

Mr. Spencer and Mr. Waltman questioned if there was legal authority to collect the full percentage. Mayor McMahon noted that there is not but that the City can send an accompanying letter outlining the costs associated with being located in the City and ask for their consideration.

Mr. Waltman noted that there was no support for pulling all funding from the library. He noted that there was no consensus on the percentage that should remain.

Mr. Fuhs questioned where the revenue would be found for the library. Mr. Waltman

noted that it may become a possibility as discussions continue.

Mr. Sterner questioned if the Administration was in discussions with the school district about the libraries. Mayor McMahon noted that he spoke with Dr. Chapman about the libraries. The school district's only approach was to convert the libraries into school buildings. He noted that the State cut library funding 20% and noted the need to continue discussions with the County.

Mr. Sterner noted that the State cut library funding and the County does not wish to increase library funding. That leaves the City paying more.

Mr. Marmarou noted that a school board candidate stated that the school district will have surplus funding this year. Mayor McMahon noted that the school district is projecting a deficit within the next two years.

Mr. Spencer stated his belief that the City work with the school district to coordinate programming for adults where voids are left by the closing of the libraries.

Mr. Marmarou noted his agreement and stated that while visiting the northeast branch he noticed that it was mostly adults using the facility. He stated that the community is very diverse and this is a great place for people to learn culture and language.

Mayor McMahon noted that students at 13th & Union are meeting with him next week to discuss the closing of the libraries.

Mr. Waltman noted that there is no support for increasing police and fire furloughs to support library funding. There is also no support for pulling all funding from BCTV.

Mr. Sterner stated that he met with representatives from BCTV. They were lobbying to retain their funding. He stated his hope that funding could get to zero but that it be decreased gradually. He noted that he would support funding the libraries before supporting BCTV.

Mr. Spencer noted that all programs offered on BCTV are educational and informational. He noted that the programming is helpful for people who cannot leave their homes to attend meetings. If BCTV goes off the air another way to communicate must be found.

Mr. Marmarou questioned the amount contributed to BCTV by the County. Mayor McMahon noted that it is approximately $30,000.

Mayor McMahon noted the possibility of decreasing branch hours or rotating the days each branch is open.

Mr. Waltman noted that there is a strong belief that expenses can be reduced. He encouraged everyone to review the comments available in the comments section. He noted that comments have been combined.

Mr. Waltman noted the uncertainty regarding reducing police and fire. Mayor McMahon noted that it all comes down to money available.

Mr. Fuhs agreed with Mayor McMahon and noted the need for Council to know of the give-backs agreed to by the unions. He noted that the budget process must proceed as if nothing is changing. Mr. Waltman noted his agreement.

Mayor McMahon noted that the survey is very helpful.

Mr. Waltman noted that the body is split on further consolidations of the fire stations.

Mr. Spencer noted that he was an undecided as he would need clarification regarding response times from the fire professionals.

Mr. Sterner noted the need for Council to learn of the police contingency plans. In regards to fire station consolidations, he questioned if further consolidations would offer additional savings.

Mr. Waltman noted the indecisiveness regarding outsourcing work. He noted that the Administration would need to address the specifics of any outsourcing being considered. He noted that there is also indecisiveness regarding the elimination of departments. He again referred those in attendance to refer to the comments section.

Mr. Waltman noted that there is support for establishing City-County cooperative services. Mayor McMahon noted that this is good to know and that he will be addressing this issue.

Mr. Sterner noted that the cost of government at all levels is out of control.

Mr. Waltman noted the lack of support for a County water/sewer system. Mayor McMahon noted his surprise that no one questioned what the compensation would be.

Mr. Waltman noted that some members believe that there are areas which can be consolidated and others that do not. He noted his belief that some can be.

Mayor McMahon questioned which areas could be consolidated. Mr. Waltman referred the Mayor to the comments section. He suggested that Councilors consider this issue while examining departmental expenses.

Mr. Waltman noted that the response notes no support for cutting Council staff. He noted the need for revenues or trade-offs to retain these positions. Mayor McMahon noted that other cities have only a City Clerk. Mr. Waltman noted the need for careful comparisons.

Mr. Waltman referred all in attendance to refer to the comments relating to core services.

Mr. Waltman noted that results regarding strategic goals show confusion and that further discussion is needed.

Mr. Waltman noted that the water usage for the school district has been discussed.

Mr. Marmarou noted that he requested the school buildings currently being used for City recreation programs. He noted that this information needs review.

Mr. Spencer noted that the tennis program has expanded building usage. He noted that it is not the fault of the district that the City did not use the buildings.

Mr. Sterner noted his belief that the original agreement needed to be reviewed and revised. He noted his hope that the issue would be revisited after the installation of water meters.

Mayor McMahon reported that the new buildings have meters and the district is receiving bills for these buildings. He noted that the rest of the buildings are being estimated. All buildings should have meters installed by January 1, 2010.

Mr. Spencer agreed that this issue should be re-examined after the meters are installed.

Mr. Waltman noted his belief that the gyms throughout the City need to be better utilized.

Mr. Marmarou noted that this would require additional employees. He suggested that

volunteers be utilized as available. He noted that the information he received shows the number of children served.

Mr. Waltman noted Council support for the local option sales tax. He noted that there is a need for further discussion of the land value tax.

Mr. Waltman thanked all for their responses and participation in the survey process.

Mr. Fuhs noted that the process gives the Administration good feedback. He noted the evolution of the process. He questioned if the body now expected the Administration to rework the October 1 budget based on the survey results.

Mr. Marmarou noted that this is a learning and communication process.

Mayor McMahon noted that Council can work on an alternative balanced budget. Mr. Fuhs stated that this approach would put the City in the same position as last year. He noted that the Administration had no obligation to change the October 1 budget and noted the need for the body to discuss specifics and direction.

Mr. Waltman noted his hope that Council would work to increase revenues and decrease expenses when possible. He noted that new ideas can be brought to the table.

Mr. Fuhs questioned further discussions if no alternates are brought forward. He noted the simple need to accept the budget as submitted or reject it.

Mr. Sterner noted that alternatives may be uncovered as discussions continue. He noted that he found the survey helpful. He also noted that tax increases are always contentious.

Mr. Marmarou stated his belief that the process helps everyone and that alternatives may be found later during discussions.

Mayor McMahon noted his belief that this budget process cannot be a repeat of last year's process. He noted that Council can suggest alternatives but that if he feels the alternatives are against the City's best interest, he will exercise his veto power.

Mr. Spencer suggested that expenses be reviewed in relation to core services. He stated that the time frame is known and that the position of members must be clear before the official vote is taken. He noted that he has additional questions to be answered.

Mr. Hottenstein stated that the budget process has become blurred. He noted the Administration's willingness to assist Council in investigating alternatives. He noted that if the body wishes to amend the budget, the body must provide the budget numbers. He requested that there be no options.

Mr. Waltman noted his confusion as to the September announcement of pending layoffs and that past Councils have not made further changes. He noted that he feels progress has been made and that one-time fixes break the process.

Mr. Sterner agreed with Mr. Spencer and noted his optimism that budget discussions would continue to be positive.

Mr. Spencer noted the need for the body to be clear.

Mr. Waltman reminded Council that amendments cannot be greater than 5%.

Mr. Spencer announced that the Tuesday budget discussions would focus on expenditures. He noted that this is a good time to have questions answered by the Administration.

II. AGENDA REVIEW

Council reviewed this evening's agenda including the following:

- Amendment regarding appropriations and transfers

Mr. Fuhs requested tabling this amendment. He noted that he will be requesting an advisory opinion from the Charter Board because he feels this may impede the Administration from performing day-to-day operations.

Mr. Spencer noted that he requested Ms. Kelleher research this issue. This amendment is based on practice in Allentown.

Mr. Fuhs questioned the amendment letter E. Ms. Kelleher stated that this item is not being changed. She noted that this item is already part of the Administrative Code.

Mr. Fuhs noted that he would still be requesting an advisory opinion but this answered his question and he no longer noted the need to table the amendment.

Mayor McMahon questioned why Mr. Spencer was interested in this amendment. Mr. Spencer stated that it is based on comments made by the City Auditor. He noted that it may increase paperwork but that Council needed to be vigilant with financial matters.

Mr. Hottenstein noted that it would require much more work by Council as some departments with large budgets do this regularly.

Mr. Sterner questioned how many cities were researched. Ms. Kelleher stated that she researched four similar sized cities and found that their dollar amounts were lower than that suggested by this amendment.

Mayor McMahon noted that if this slows operations it is not a good thing.

Mr. Waltman stated that if there is that much transferring that is not a good thing. Mayor McMahon noted the need to use resources. He questioned how many transfers this would affect.

Mr. Spencer noted his willingness to table the amendment for further review.

Mayor McMahon noted his willingness to supply Council with a list of transfers on a regular basis. He further noted his opposition to Council approval delaying the transfer process.

Mr. Spencer again noted his willingness to table this amendment. He requested the transfers made to date in 2009 to get an idea of the number of approvals this would create.

- Amendment concerning the approval of contracts

Mr. Spencer noted that this amendment clarifies language. He noted that Mr. Fuhs noted the gap and this would address that issue.

- Ordinance authorizing an audit of the Information Technology Department

Mr. Fuhs noted that he had spoken with Ms. Goodman-Hinnershitz who requested that this ordinance be tabled until her return. He noted that there has been little discussion on the ordinance. He further noted the validity of the audit but requested that the ordinance be further reviewed in committee.

Mayor McMahon noted that he will be speaking with Charles Corbit regarding

clarification of the IT issues contained in the Blue Ribbon Panel findings report. He noted that better coordination is needed and that meetings have occurred with Carl Geffken and Henry Tangredi. He requested that this ordinance be tabled pending the outcome of these meetings. He noted that he would report on progress made and that Council would be pleased with work on the issues.

Mr. Sterner noted the appearance that there has been no improvement. Mayor McMahon noted the productive meetings held with the Water Authority and that that function is now improved. He again requested that the ordinance be tabled until issues can be clarified with Charles Corbit. He noted that he would recommend the audit if he felt it were necessary.

Mr. Spencer noted his belief that there was no harm in having a neutral party study the functionality of the department.

Mr. Waltman described a situation in regards to water billing. He noted his frustration when IT issues were cited in the Blue Ribbon Panel report. Mayor McMahon noted that Carl and Henry have a better understanding of the issues. He also noted that the County billing for taxes removes a burden for IT.

Mr. Marmarou questioned the use of the word investigation. Ms. Kelleher stated that it is in the title only because that is the title of the Charter section cited.

Mr. Fuhs noted the need for more specifics in the ordinance. He suggested that clarifying language be sent to Ms. Kelleher for inclusion. He noted that there is currently no dollar amount noted and questioned the line item from which the Council office would be paying for the audit.

III. OTHER BUSINESS

Mr. Spencer noted that the County has been approached regarding additional funding for BARTA. He noted that the County requested that they then name all members to the BARTA Authority. He noted Ms. Goodman-Hinnershitz's concern that those presently serving remain until their term expirations. He noted that this would require action by both the City and County. He noted that Dennis Louwerse would need to know the City's position within the next month due to funding issues. Mayor McMahon stated that he will contact Mr. Louwerse.

Mr. Spencer requested follow up information regarding this issue.

Mr. Waltman noted the need for discussions regarding the PSLC and PDB.

Mr. Spencer suggested addressing this issue tomorrow evening before the budget discussions begin.

The body decided to begin budget discussions at 5 pm.

The meeting adjourned at 6:49 pm.

Respectfully submitted by
Linda A. Kelleher, CMC
City Clerk