

CITY COUNCIL

Finance, Audit & Budget Committee

Monday, June 17, 2012
5:00 pm
City Council Office

- The Budget and Finance Committee's responsibilities and topics include but are not limited to Annual Budget Review, Capital Improvement Programs, Financial Reports, Taxes (Rates, exonerations and exemption appeals), Fee Assessments, Procurement Policies, Review of Budget & Financial Reports, oversight of the City's external auditing, internal controls and any other financial or business practices, and reviewing the work of the City Auditor.

Committee Members: Donna Reed (Chair), Randy Corcoran and Dennis Sterner

Although Council committee meetings are open to the public, public comment is not permitted at Council Committee meetings. However, citizens are encouraged to attend and observe the meetings. Comment from citizens or professionals during the meeting may be solicited on agenda topics via invitation by the Committee Chair.

All electronic recording devices must be at the entry door in all meeting rooms and offices, as per Bill No. 27-2012

I. Review Monthly Reports

- **CDBG – funds expended & un-programmed quarterly starting in July**
- **Review Finance Reports Pages 8 - 47**
 - 2013 Property and Assessment Report
 - Income Statement YTD
 - Income Statement Projection
 - Review Expenditures/Revenues
 - Cash Flow Projection
 - Review Bank Statement Activity
 - Review Transfers
 - Contingency Account/Fund re beginning balance and YTD balance

- Quarterly Budget Review – *starting in August*
- Quarterly Pension Reports – *next report September*
- Quarterly Delinquent Collection Reports – *update in June and report in July*
- Quarterly IT Reports - *starting in August*

II. Update from City Auditor re Internal Audits

- Compliance-transfers
- Update on the status of all capital projects currently underway
- Select audits for 2013

III Legislative Review

- Streetlight assessment PAGES 48 - 49

IV. Act 47 Recovery Plan

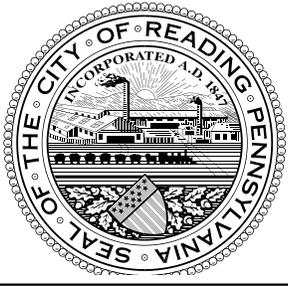
- Analysis
- Amendment

V. Act 73

VI. Budget Process & Summit

VII. Act 47 Recovery Plan Amendment

VIII. Timeline for the Main Library Construction Project



CITY COUNCIL

Finance Committee

Meeting Report Monday, May 20, 2013

Committee Members Attending: D. Reed, Chair; R. Corcoran, D. Sterner

Others Attending: J. Waltman, M. Goodman-Hinnershitz, S. Marmarou, D. Cituk, C. Younger, C. Zale, L. Kelleher, M. Bembenick, B. Rivera, C. Younger, J. Washington

Ms. Reed called the Finance Committee meeting to order at 5:03 pm.

REVIEW FINANCE REPORTS

Mr. Zale reviewed the report on transfers, page 10 of the agenda packet. He stated that there are no abnormalities and that the ordinance to return \$2M from Trash and Recycling and \$400K from Liquid Fuels to the General Fund will be eligible for enactment at the May 28th regular meeting.

Mr. Zale reviewed the report on the General Fund, page 12 of the agenda packet. He stated that on the expenditure side the City has spent 33% of that budgeted. He noted that that percentage is without the MMO payment, which does not occur until November. The estimated MMO amount is \$9.9M.

Mr. Zale stated that on the revenue side, EIT revenue has increased by \$1.2M this year. He noted that the unbudgeted tax collection reimbursement of \$40,963 from Berks EIT will be booked in May. He stated that overall a surplus is expected.

Mr. Zale predicted that a yearend deficit could occur due to the projection for Police and Fire overtime to exceed the budget by approximately \$600K. He stated that legal fees are also over budget by \$295K for 2013 (related to Charter complaints). Overall expenditures are expected to exceed that budgeted by \$1.8M. However, a positive cash balance is expected at year end.

Mr. Waltman noted the need for Council and the Administration to identify an approach that will neutralize Act 73, which limits RAWA's contribution to the City.

Mr. Zale suggested reducing spending now to create a \$2M surplus which can be used to offset the predicted 2015 financial cliff.

Mr. Marmarou stated that annually the City under collects Per Capita revenue. He stated that although bills are mailed, the City collects what comes in but fails to undertake any collection activity. He stated that while we budget under \$100K annually, we should be collecting approximately \$260,000 annually.

Mr. Bembenick stated that he will address this issue with the School District as this is shared revenue. Mr. Zale noted that this \$15 annual tax is split with \$10 going to the School District and \$5 going to the City. He stated that the School District also pays a collection fee.

Ms. Reed questioned the City's ability to increase the amount of this tax. Ms. Kelleher stated that Per Capita is an Act 511 tax.

Ms. Goodman-Hinnershitz noted that this is a topic that is brought up regularly and she suggested prioritizing this issue with a timeline. She suggested evaluating the cost to collect this tax.

Mr. Waltman suggested adding the Per Capita tax collection into the system at various touch points during customer interaction, which should improve collection at no expense.

Mr. Washington stated that as the School District Finance Chair, he would be willing to discuss the collection of this tax.

Mr. Bembenick stated that the City's bond rating has slightly improved to a Baa2, which is the lowest investment grade rating.

Mr. Zale stated that to date, the City's head count is 581 fulltime employees, an increase of 9 employees, and 134 part-time employees, a decrease of 21 employees. He noted that public safety employees use 71% of the budget expenditures annually.

Mr. Zale noted that a local financial cliff is expected in 2015. He stated that the estimated deficit considers many variables such as increases in salaries, health care costs, pension expenses and property taxes. He noted that without a 5% property tax increase per year, the expected deficit grows by \$10M in 2015.

Mr. Waltman agreed that many variables are used to make this projection; however, he noted that a PEL report in 1998 predicted the same cliff which City Council successfully avoided.

The committee discussed Police and Fire overtime. Mr. Bembenick stated that the new firefighters covered by the SAFER Grant are in the six month training period, which started in April. He stated that as these new firefighters will not be out of training until the fall, they will not help to offset Fire overtime in 2013.

QUARTERLY PENSION REPORT

Mr. Bembenick distributed the report. He stated that as of March 31st, the three pension funds have a total of \$163M. He noted that each plan is underfunded as follows: Officers and Employees 26%, Police 35% and Fire 17%. He stated that the City has 717 retirees and makes an average monthly payment of \$1,900 to each retiree.

Mr. Bembenick stated that the pension boards are going through an RFP process for actuarial services. He stated that a new actuarial study could positively or negatively impact the pension projections and impact the City's MMO payment.

Mr. Bembenick stated that all three pension funds underperform with a 5-7% return. He stated that the pension boards are exploring various options to improve the performance of the funds.

Mr. Bembenick stated that the Police Pension Board solicitor is retiring and the board is going through the RFP process to identify a new solicitor and a new financial advisor. He noted that the three pension boards have agreed to fund a new part-time employee to provide back-up and support to the pension administrator.

Mr. Waltman questioned the cost for the three pension boards to employ three solicitors, three actuaries and three financial advisors. He described the private sector defined contribution plan options and suggested that the three pension boards improve the performance of the pension funds.

Mr. Spencer provided an update of the State bill to amend Act 111.

Ms. Goodman-Hinnershitz stated that this is another topic that is brought up on a regular basis and she suggested that Council and the Administration develop a strategy to address this topic. She noted that every municipality in Pennsylvania shares this problem.

LEGISLATIVE REVIEW

Mr. Kersley described the proposed amendment the Fire Escrow Ordinance which will help the City recover some expenses to care for fire damaged properties, after the owner walks away from the property.

LAND VALUE TAX

Mr. Lloyd stated that he is scheduled to make a presentation to the business community at a forum arranged by the Chamber on May 31st from 8-9 am at the Schmidt Center and he has also arranged a presentation to the Reading Berks Association of Realtors on June 6th at 10 am.

Ms. Goodman-Hinnershitz suggested that Mr. Lloyd develop a FAQ sheet covering the talking points of the LVT.

AUDITOR'S REPORT

No update.

The meeting adjourned at approximately 5:55 pm.

*Respectfully submitted by
Linda Kelleher, City Clerk
And Bea Rivera, Legislative Aide*

2013 Finance Committee Topics

January

1. Library Tax Referendum
2. Library Tax Funding
3. Review and Amend Lease Agreements for City owned properties used by outside organizations
4. Create Defined Contribution Plan for new hires

February

1. Land Value Tax – Presentation from Josh Vincent scheduled for Feb Work Session
2. Quarterly Review of External Auditor Findings – Report from Audit Committee
3. Update Delinquent Fee Collection

March

1. Land Value Tax Discussion
2. Quarterly review of 2013 Budget
3. Cost of EMS Services and EMS Transportation

4. Explore outsourcing EMS to other municipalities

April

1. Asset Inventory
2. CIP Committee process

May

1. Street Light or Street Assessment
2. Review and assess use of City, and Authority funds to provide best benefit
3. Procurement Policy Update

**CITY of READING
GENERAL FUND FINANCIAL REVIEW SUMMARY
May 2013**

The attached files are the General Fund results, year to date through **May 2013**. The documents include the statement of activities (income statement), full year projection, year-end cash flow/balance position, revenue by line item and contingency usage. **For comparison purposes, prior year results have been added to the income statement.**

OVERVIEW:

Five months, 42% of the full year, is completed. On a cash basis, the month's year to date surplus/deficit generated a surplus of **\$11,169,819**. This result does not include the City's full year pension MMO (minimum municipal obligation) of \$9,928,999 (General Fund only) nor the State Pension contribution of \$2,800,000. If 42% of these activities are recognized this month, the reported surplus would reduce to **\$8,175,639**. The MMO expense and revenue contribution occur in the 4th quarter.

Revenues:

Continued good returns on EIT through May...**\$5,485,254** compared to plan of **\$4,150,567**. **Because of these positive returns, the full year forecast includes \$750,000 higher than anticipated 2012 EIT filings.**

Source of EIT through May: (2% collection fee not deducted)

	2012 & Prior	2013	Total
Actual	\$5,158,276.16	\$326,977.93	\$5,485,254.09
Budget	<u>3,876,335.74</u>	<u>274,231.67</u>	<u>4,150,567.41</u>
Excess/(Deficit)	\$1,281,940.42	\$52,746.26	\$1,334,686.68
Percent of Budget	33.1%	19.2%	32.2%

Now for the full year revenue outlook:

Property Tax (\$44,000) reduced assessment

Earned Income Tax \$750,000 increase in 2012 returns

Fire SAFER Grant \$850,000 salary & benefit reimbursement for 20 added fire personnel

Act 129 Rebate (\$52,000) lower estimate

OT Reimbursement \$20,000 police reimbursed for assisting DA with drug investigations

Stadium Lease \$292,000 loan refinanced with Phillies; offset with equal debt expense

Derivative Settlement \$45,000 class action award from Wachovia

Berks EIT Refund \$40,000 lower collection expense incurred in 2012

Total \$1,901,000 added revenue

Expenditures:

Through this month, Police and Fire year to date overtime exceeds budget by **\$158,488** and **\$130,057** respectively; **\$288,544** cumulative. At this pace, the full year overtime public safety spending is projected to surpass plan by \$600,000.

Now for the full year expenditure outlook:

Mayor \$5,000 various added expenses

Police \$400,000 increased overtime

Fire \$200,000 increased overtime

Fire \$69,000 unfunded fireman

Fire \$900,000 20 added fire personnel (SAFER grant reimburses \$850,000)

Law \$200,000 added legal fees

Actuarial Fees \$30,000 unbudgeted mandatory retiree medical actuarial study (GASB 45)

EIT Fees	\$15,000 2% fees on increased collections
Charter Board	\$95,000 added legal fees
Debt Service	\$292,000 loan refinanced with Phillies; offset with equal revenue
Total	\$2,206,000 added expenditures

2013 Full Year Projection:

Anticipating \$1,901,000 excess revenue, \$2,206,000 excess spending, and \$41,168 refinancing loan proceeds, the projected 2013 deficit is \$263,832. This is a \$762,168 improvement (less of a deficit) compared to last month's projected deficit of \$1,026,000; all associated with the added earned income tax returns.

Cash Flow:

This month's ending cash position is \$19,929,269 compared to last year's \$18,572,862. With a projected deficit of \$11,433,651 for the balance of the year and reimbursement of \$2,400,000 from enterprise funds (\$2,000,000 from Solid Waste Fund and \$400,000 from Liquid Fuel Fund) the anticipated year-end cash balance is \$10,895,618. As stated last month, a targeted ending balance of an additional \$2,000,000 would help finance the projected cumulative deficit of \$11.9 at the end of 2015. This may be achieved by establishing a \$1.0 million spending reduction initiative among all directors and \$1.0 million in additional revenues through aggressive monitoring and collection techniques. (With the anticipated, added \$750,000 EIT; the \$1.0 million revenue goal should be attained.) Half the year is complete, now is the time to initiate action.

2013 Contingency Usage:

The budget is \$980,615. The use of this budget is strictly prohibited, requiring council's approval. As of this month, there is no usage.

City's Bond Rating by Moody's:

Baa2 (low medium grade) compared to a target of **Aaa** (prime). The lower the rating, the more interest expense the City incurs.

Headcount by Fund:

The general fund full time headcount is 15 above plan, with the added 20 fire SAFER grant the primary reason. The reduced part time employees are associated with the seasonality of crossing guards. The mix of headcount between public safety and non uniform is near plan, with public safety 2 percentage points higher than plan.

	<u>Full Time</u>	<u>Part Time</u>	<u>vs. Plan FT</u>	<u>vs. Plan PT</u>
General	480	116	16 more than plan	32 less than plan
Shade	1	0	1 less than plan	ok to plan
Sewer	72	2	1 less than plan	3 less than plan
Solid Waste	25	3	1 less than plan	1 more than plan
HUD	5	0	2 less than plan	ok to plan
TOTAL	583	121	11 more than plan	34 less than plan

General:	<u>Actual FT</u>	<u>% of Total GF</u>		<u>Plan FT</u>	<u>% of Total of GF</u>
Police		194	40.4 %		194 41.8%
Fire		151	31.5 %		131 28.2%
Public Safety		345	71.9%	325	70.0%
Non Uniform	135	28.1%		139	30.0%
Total	480	100.0%		464	100.0%

FIVE YEAR PROJECTION:

The following are estimated deficits during the next five years per the current 2013 projection and the ensuing years: (Each year assumes the following increases: 5% Property Tax, 2% Salary, 5% Fringe, 5% Pension. The 5% fringe assumption is a high risk...underestimating health cost.)

	<u>Cumulative</u>	<u>Major Drivers (in addition to above increases)</u>
2013 Projection	\$ 263,832	\$ 263,832 Overtime, Legal Fees
2014 Projection	\$1,450,194	\$ 1,714,026 EIT Reduction
2015 Projection	\$10,192,935	\$11,906,961 No Commuter EIT; No RAWA (Act 73) \$6.7 MM
2016 Projection	\$10,961,044	\$22,868,005 Same as 2015
2017 Projection	\$11,408,317	\$34,276,322 Same as 2015

	EIT Rates		Property Tax
	<u>Resident</u>	<u>Non-Resident</u>	<u>Mils</u>
2013	2.1	0.3	15.689
2014	1.9	0.1	16.473
2015	1.9	0.0	17.297
2016	1.9	0.0	18.162
2017	1.9	0.0	19.07 (21.6% increase from 2013)

The impact of not increasing property tax between 2013 and 2017 expands deficit by \$10,358,361; increasing from \$34,276,322 to \$44,634,683.

PEGS: (Programs to Eliminate Gap)

???? Need to define programs????

Urgency needed to define the legal impact of Act 73 on the City's ability to obtain funding from RAWA.

City of Reading, PA
General Fund Income Statement
May 31, 2013

(as of June 7, 2013)

Revenues

Real Estate Taxes

Earned Income Tax

Act 511 Taxes

Licenses, Permits & Fines

Intergovernmental

Charges for Services

Interest and Rent

Other

TOTAL REVENUES

Expenditures

Mayor

City Council

City Auditor

Managing Director

Finance

Public Works

Police

Fire

Community Development

Human Resources

Law

Library

Non-Departmental

Board of Ethics

Charter Board

Human Relations Commission

Debt Service-Principal

Debt Service-Interest

TOTAL EXPENDITURES

Excess (Deficiency) of

Funding Sources of Uses

OTHER FINANCING SOURCES (USES)

Bond Proceeds

Bond Discounts

Payment to Escrow Agent, Bond Refunding

Transfers In

Transfers Out

TOTAL OTHER FINANCING SOURCES

**Excess of Revenues and other Financing
Sources Over (Under) Expenditures and**

Other Financing Uses

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**City of Reading, PA
General Fund Income Statement
May 31, 2013**

Revenues

Real Estate Taxes

Earned Income Tax

Act 511 Taxes

Licenses, Permits & Fines

Intergovernmental

Charges for Services

Interest and Rent

Other

TOTAL REVENUES

Expenditures

Mayor

City Council

City Auditor

Managing Director

Finance

Public Works

Police

Fire

Community Development
Human Resources

Law

Library

Non-Departmental

Board of Ethics

Charter Board

Human Relations Commission

Debt Service-Principal

Debt Service - Interest

TOTAL EXPENDITURES

Excess (Deficiency) of

Funding Sources of Uses

OTHER FINANCING SOURCES (USES)

Bond Proceeds

Bond Discounts

Payment to Escrow Agent, Bond Refunding

Transfers In

Transfers Out

TOTAL OTHER FINANCING SOURCES

**Excess of Revenues and other Financing
Sources Over (Under) Expenditures and**

Other Financing Uses

City of Reading, PA

Cash Flow Projection

May 31, 2013 Cash Balance \$
19,925,69

June 1, 2013 through December 31, 2013 Activity:

Excess of Revenues and other Financing Sources Over (Under) Expenditures and Other Financing Uses \$
(11,435)

December 31, 2013 Cash Balance before Adjustments \$
8,495,8

Adjustments:

Due To / Due From Balances:	Beginning to 12/31/2010	1/1/2011 to 12/31/11
Community Development Sewer	\$ -	\$ -
Recycle/Trash	\$ -	\$ -
Self	\$ -	\$ -

	Insurance	-	-
		\$	\$
	Liquid Fuels	-	-
	Water	\$	\$
	Agency	-	-
		\$	\$
		-	-
			\$
	Total		2,400,000
Other			\$
			-
Net Adjustments			\$ 2,400,000
Estimated Decembr 31, 2013 Cash Balance			\$ 10,895,181

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Account No	Account Description	Current Year Budget	YTD Actual
01-00-00-3009	Discount and Allowance	300,000.00	316,050.52
01-00-00-3010	Property Tax Current	(19,706,517.00)	(16,071,798.30)
01-00-00-3020	Property Tax Prior	(1,000,000.00)	(338,174.33)

01-00-00-3021	Penalty & Interest	<u>(200,000.00)</u>	<u>(76,755.47)</u>
Total Real Estate Taxes		(20,606,517.00)	(16,170,677.58)
01-00-00-3140	Earned income Tax	(16,271,686.00)	(326,977.93)
01-00-00-3150	Eit Prior Year	=	<u>(5,158,276.17)</u>
Total Earned Income Taxes		(16,271,686.00)	(5,485,254.10)
01-00-00-3110	Per Capita Tax	(60,000.00)	-
01-00-00-3111	Per Capita Tax Prior	(5,000.00)	(4,690.81)
01-00-00-3120	Business Privilege Tax	(1,400,000.00)	(1,263,394.66)
01-00-00-3121	Bus Priv Tax - Prior Year	(150,000.00)	(56,633.02)
01-00-00-3130	Real Estate Transfer Tax	(1,900,000.00)	(878,834.83)
01-00-00-3190	Occupation Tax	(1,000,000.00)	(288,129.76)
01-00-00-3191	Occupation Tax - Prior Year	<u>(200,000.00)</u>	<u>(190,427.34)</u>
Total Act 511 Taxes		(4,715,000.00)	(2,682,110.42)

01-00-00-3161	Curb & Sidewalk Permit	(5,000.00)	(14,810.00)
01-00-00-3210	Food Permits	(141,360.00)	(143,492.00)
01-00-00-3220	Electrical Permits	(100,053.00)	(29,370.50)
01-00-00-3221	New Construction Permits	(596,000.00)	(33,024.25)
01-00-00-3222	Demolition Permits	(20,000.00)	(450.00)
01-00-00-3223	Remodeling Permits	(241,853.00)	(115,738.44)
01-00-00-3226	Trades Licenses	(80,000.00)	(23,590.00)
01-00-00-3227	Examination Fees	(21,966.00)	(5,695.00)
01-00-00-3228	Commercial Parking Permits	(4,852.00)	(2,385.00)
01-00-00-3230	Business Privilege License	(350,000.00)	(240,248.13)
01-00-00-3250	Plumbing Permits	(137,211.00)	(46,374.50)
01-00-00-3251	Heating Permits	(62,405.00)	(8,842.50)
01-00-00-3260	Street Cuts	(100,000.00)	(64,287.00)
01-00-00-3261	Pavements	-	(1,900.00)
01-00-00-3270	Zoning Fees	(198,204.00)	(58,875.00)

01-00-00-3274	Dumpster Fees	(4,666.00)	(1,855.00)
01-00-00-3275	Land Development Fees	(20,000.00)	(9,630.00)
01-00-00-3276	Housing No Show Fee	(45,562.00)	-
01-00-00-3278	Housing Prior Year	(508,437.00)	-
01-00-00-3280	Housing/Rental Permit	(743,576.00)	(707,166.76)
01-00-00-3282	Tax Administration Licenses	(12,000.00)	(8,585.03)
01-00-00-3283	Franchise Fees	(725,000.00)	(180,224.29)
01-00-00-3285	No Parking Signs Revenue	(800.00)	(320.00)
01-00-00-3310	Traffic Fines Motor Codes	(325,000.00)	(131,131.00)
01-00-00-3322	Quality of Life	(390,000.00)	(161,637.62)
01-00-00-3330	District Court Summary offense	(825,000.00)	(363,177.12)
01-00-00-3333	Fines and Penalties P.S.P.	(50,000.00)	(20,402.89)
01-00-00-3334	Fines and Penalties County	(58,000.00)	(15,483.78)
01-04-38-3224	Assessment Fee	-	4.00
01-06-19-3214	Reimb-Collection Expense	(10,000.00)	(9,204.45)

01-06-19-3631	School District Tax Services	(20,000.00)	-
01-07-50-3653	Towing Revenue	(15,000.00)	(7,450.00)
01-08-31-3633	Police Application Fee	-	(3,900.00)
01-09-32-3642	Fire Prevention Permits	(185,000.00)	(50,334.01)
01-10-36-3003	Vacant for Sale Fees	-	(6,500.00)
01-10-36-3004	Vacant for Rehab Fees	(682.00)	(7,863.00)
01-10-36-3205	Vacant Registration Fees	(69,800.00)	-
01-10-36-3206	Certificate of Transfer	(180,000.00)	-
01-10-36-3281	Appeal Fees	(1,258.00)	(275.00)
01-10-37-3201	Zoning Housing Appeals	(100,000.00)	-
01-10-37-3202	Civil Complaint Judgments	(26,727.00)	-
01-10-37-3279	Property Maintenance Fees	-	(5,760.00)
01-10-38-3207	B & T Plan Review Fee	(101,000.00)	(3,000.00)
01-10-38-3224	Assessment Fee	(13,984.00)	(3,929.00)
01-10-38-3281	Appeal Fees	(950.00)	-
01-10-38-3622	Fines	(11,687.00)	(3,834.35)

01-10-38-3689	Revenue Fee	(10,607.00)	(9,875.00)
Total Licenses, Permits, Fines		(6,513,640.00)	(2,500,616.62)
01-00-00-3447	Act 129 Rebates	(90,414.00)	-
01-00-00-3448	RPA Ongoing Program Revenue	(35,000.00)	-
01-00-00-3453	RAWA Act 47	(1,500,000.00)	(625,000.00)
01-00-00-3510	Payment in Lieu of Taxes	(150,000.00)	(11,500.00)
01-00-00-3520	Malt & Liquor Tax Distribution	(50,000.00)	-
01-00-00-3521	Public Utility Tax Distributio	(49,000.00)	-
01-00-00-3525	Act 147 of 1988	(38,000.00)	-
01-00-00-3526	Snow & Ice Control	(50,000.00)	-
01-00-00-3541	Reading Public Library	(620,000.00)	-
01-00-00-3543	School District School Guard	(255,000.00)	-
01-00-00-3550	Police Training Reimbursement	(130,000.00)	(53,596.00)
01-00-00-3560	Pension-State Contributions	(2,800,000.00)	-

		00)
01-00-00-3952	Meter Surcharge	(1,700,000.00) (425,000.01)
01-04-06-3554	Grants and Gifts	(80,000.00) -
01-06-13-3554	Grants and Gifts	(40,000.00) -
01-06-23-3554	Grants and Gifts	(16,087.00) (10,725.00)
01-07-14-3610	Fleet Maint. - Other Juris.	(40,000.00) -
01-08-31-3546	Reimb. Community Policing	(175,000.00) (116,125.12)
01-08-31-3554	Grants and Gifts	(33,876.00) (48,940.40)
01-09-32-3554	Grants and Gifts	(6,000.00) -
01-09-32-3561	Fireman Relief Assoc- Contrib.	(40,000.00) -
01-09-35-3554	Grants and Gifts	- (15.00)
01-16-00-3301	Parking Authority Supplement	(810,000.00) (337,500.00)
01-18-91-3554	Grants and Gifts	<u>(47,000.00)</u> <u>(7,538.36)</u>
Total Intergovernmental		(8,755,377.00) (1,635,939.89)
01-00-00-3290	Public Health & Safety	(262,500.00) (110,822.50)

		0)	0)
01-00-00-3445	Parking Auth Txt Surcharge	(190,000.00)	(79,170.00)
01-00-00-3600	Copies of Books, Ordinanc, Etc	(500.00)	(72.90)
01-00-00-3635	Fire Insurance Certification	(400.00)	(180.00)
01-06-10-3288	Bank Charge Revenue	(100.00)	-
01-06-19-3160	Admissions Fee/Tax	(510,000.00)	(204,278.18)
01-06-21-3634	Certifications	-	(475.00)
01-07-14-3636	Other Department Earnings	-	11,359.45
01-07-24-3636	Other Department Earnings	-	(47.86)
01-07-71-3743	Miscellaneous	(2,000.00)	(3,040.00)
01-07-74-3104	Telephone Reimbursement	-	(941.09)
01-08-29-3710	Checking Account Revenue	(15,000.00)	(8,910.25)
01-08-31-3545	Kenhorst Police Contract	(418,581.00)	(174,408.85)
01-08-31-3636	Other Department Earnings	-	(1,103.88)
01-08-31-3650	Police Services/Copy Service	(170,000.00)	(107,818.00)
01-08-31-3654	Burglary/Robery Alarm Ordinanc	(60,000.00)	(14,622.60)
01-09-32-3620	Fire Incident Reports	(3,500.00)	(1,995.00)
01-09-32-3623	False Fire Alarm Fee	(65,000.00)	(17,550.00)

01-09-32-3625	Non Fire Spill/Leaks Fee	-	(210.00)
01-09-32-3636	Other Department Earnings	(3,500.00)	(2,308.75)
01-09-35-3641	User Fees	(2,836,638.00)	(839,325.41)
01-09-35-3643	Standby Revenue	(90,000.00)	(25,567.62)
01-09-35-3671	Membership Fees	(60,000.00)	(19,160.00)
01-10-36-3229	Work Order Fees	(17,303.00)	(5,875.72)
01-10-36-3268	Housing Inspection	(1,311,643.00)	(322,701.99)
01-10-36-3288	Misc Revenue	(500.00)	-
01-10-37-3203	Zoning Inspector No Show	(29,000.00)	-
01-10-38-3219	ROP Inspection	<u>(14,341.00)</u>	<u>(7,600.00)</u>
Total Charges for Services		(6,060,506.00)	(1,936,826.15)
01-00-00-3410	Interest on Investments	-	(744.26)
01-00-00-3420	Rent Other Property Buildings	(65,000.00)	(24,189.40)
01-00-00-3421	Rental on Stadium	(22,000.00)	(300,000.00)
01-00-00-3766	CD Bond Interest	(26,000.00)	-

01-16-00-3300	Rental - Parking Authority	(1,000,000.00)	(416,665.00)
Total Interest and Rent		(1,113,000.00)	(741,598.66)
01-00-00-3272	Storage Pods	-	(50.00)
01-00-00-3284	Other income	(10,000.00)	(5,100.00)
01-00-00-3324	Estate of Samuel Potteiger	(2,200.00)	(2,361.11)
01-00-00-3711	Indirect Cost Reimburse-Trash Sales	(49,004.00)	(31,003.97)
01-00-00-3721	Property/Equipment/Suppl	(5,000.00)	-
01-00-00-3730	Refund Prior Years Expense	(700.00)	(15.85)
01-00-00-3743	Miscellaneous	(30,000.00)	(95,978.04)
01-00-00-3750	Damages Recovered	(30,000.00)	-
01-00-00-3751	Indirect Cost Reim.-Recycling	(254,896.00)	(105,621.66)
01-00-00-3752	Indirect Cost Reimburse-Sewer	(1,066,442.00)	(456,224.60)
01-00-00-3753	Indirect Cost Reimburse-CD	(282,497.00)	(117,707.10)
01-00-00-3756	Direct Cost Reimb Code Service	-	(50,958.93)
01-00-00-3762	Pension Reimbursement	(38,000.00)	(9,499.98)

01-00-00-3904	GOB Series 2012 B Proceeds	-	(3,111,000.00)
01-00-00-3951	Indirect Cost Reim. - Water	(250,000.00)	(167,601.16)
01-07-00-3750	Damages Recovered	-	(514.08)
01-07-14-3750	Damages Recovered	-	(27,386.08)
01-07-14-3977	Direct Reimb Sewer	(35,000.00)	(21,346.16)
01-07-52-3977	Direct Reimb Sewer	(150,000.00)	(16,251.90)
01-08-31-3613	Rdg. Housing Auth.-Reimb.	(265,000.00)	(67,400.37)
01-08-31-3777	Heart and Lung Reimbursement	(50,000.00)	(5,121.67)
01-09-32-3633	Fire Application Fee	-	(1,150.00)
01-09-32-3777	Heart and Lung Reimbursement	(250,000.00)	(82,927.44)
01-09-33-3644	Delinquent Collections	(3,500.00)	(2,151.89)
01-09-35-3619	EMS Record Report	(3,000.00)	(840.00)
01-09-35-3644	Delinquent Collections	(10,000.00)	(3,880.32)
01-10-36-3267	CDBG Revenue to Fund Codes	(500,000.00)	(95,892.64)
01-10-38-3204	Demolition Account Collection	(5,000.00)	-
01-10-38-3756	Direct Cost Reimb Trades	(170,000.00)	(35,663.84)

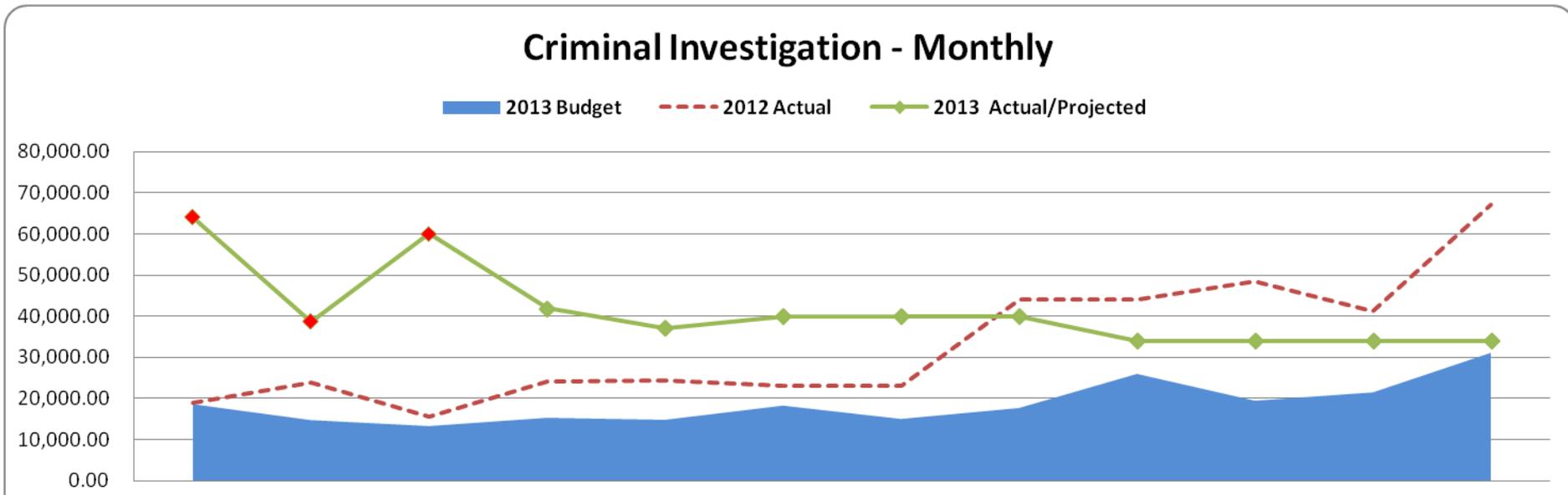
01-11-11-3444	Reimb Drug Testing	(500.00)	-
01-14-91-3905	Employee Contrib to Med insur	<u>(1,465,845.00)</u>	<u>(605,430.12)</u>
Total Other		(4,926,584.00)	(5,119,078.91)
01-09-32-3639	Miscellaneous Revenue- Donation	-	<u>(1.00)</u>
Grants & Gifts		-	(1.00)
01-00-00-3950	Transfer - Water Fund	(4,970,000.00)	(2,070,833.35)
01-00-00-3954	Transfer from Sewer Fund	<u>(3,000,000.00)</u>	<u>(1,250,000.00)</u>
Total Transfers In		(7,970,000.00)	(3,320,833.35)
Total Revenue		(76,932,310.00)	(39,592,936.68)

City of Reading, PA

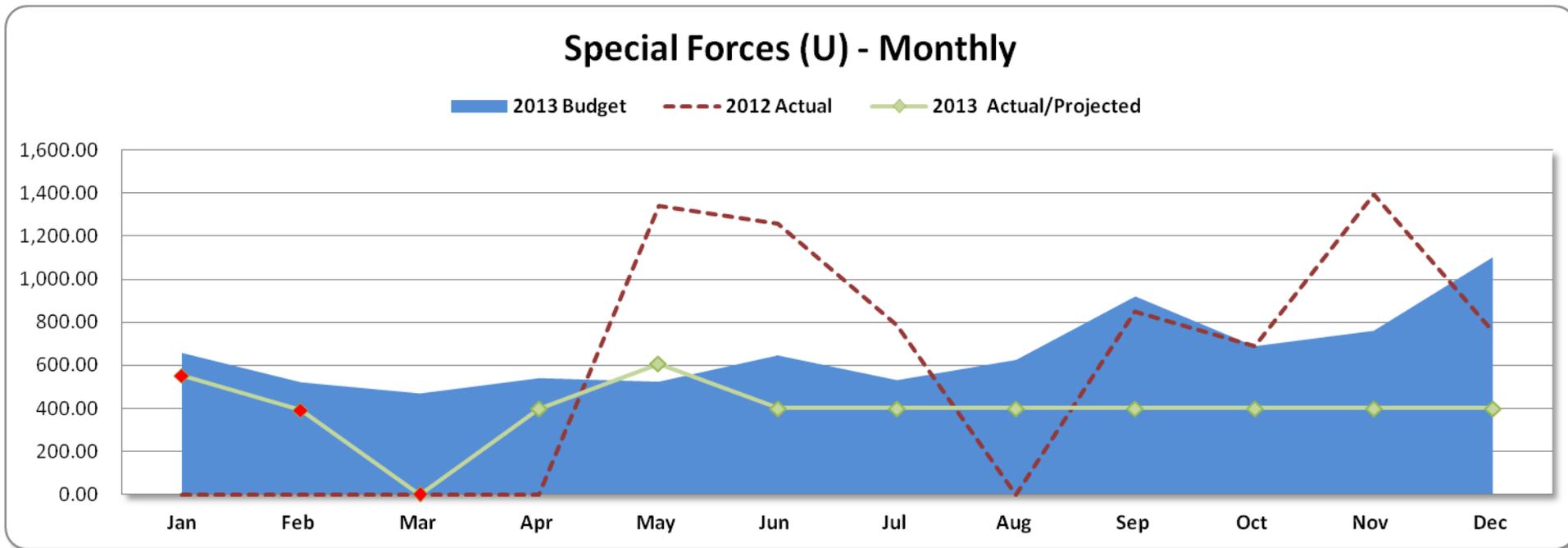
2013 Contingency

Budget	980,615
Added savings:	
Open	0

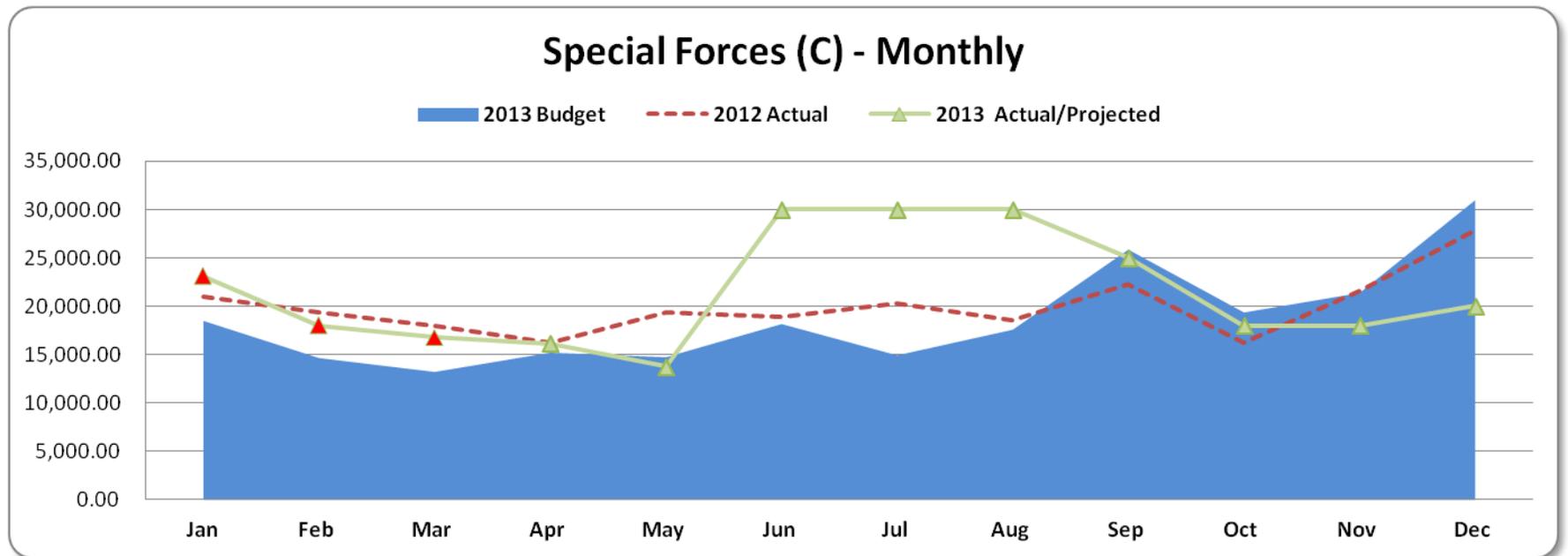
Open	0
Total added savings	0
Adjusted Contingency	980,615
Usage:	
Human Relations-Rental Assistance	787
Open	0
Total usage	787
Remaining	979,828



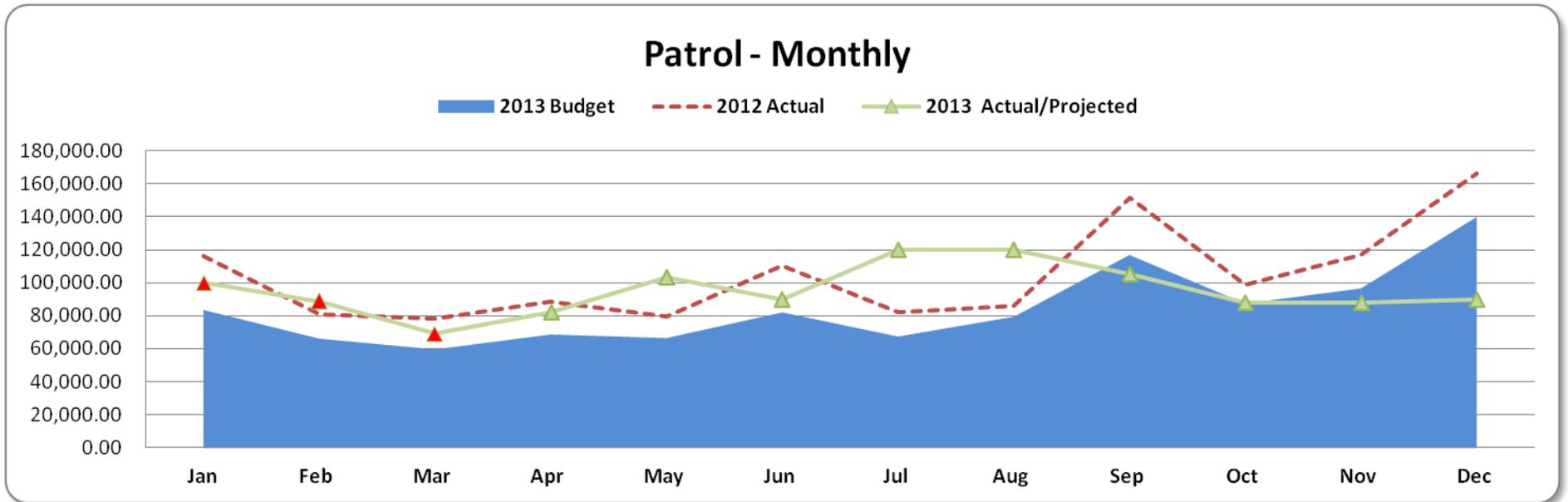
Criminal Investigation	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug
2013 Budget	18,533.38	14,684.02	13,239.56	15,238.38	14,765.02	18,204.98	14,967.77	17,613.32
2012 Actual	19,044.00	23,743.00	15,614.00	24,077.00	24,441.00	23,071.00	23,049.00	44,194.00
2013 Projection	64,107.00	38,635.00	34,000.00	34,000.00	34,000.00	40,000.00	40,000.00	40,000.00
2013 Actual/Projected	64,107.00	38,635.00	60,104.00	41,973.00	37,172.00	40,000.00	40,000.00	40,000.00
	<i>Actual</i>	<i>Actual</i>	<i>Actual</i>	<i>Actual</i>	<i>Actual</i>	<i>Projected</i>	<i>Projected</i>	<i>Projected</i>



Special Forces (U)	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug
2013 Budget	658.96	522.10	470.74	541.81	524.98	647.29	532.19	626.25
2012 Actual	0.00	0.00	0.00	0.00	1,341.00	1,260.00	785.00	0.00
2013 Projection	553.00	392.00	400.00	400.00	400.00	400.00	400.00	400.00
2013 Actual/Projected	553.00 <i>Actual</i>	392.00 <i>Actual</i>	0.00 <i>Actual</i>	399.00 <i>Actual</i>	606.00 <i>Actual</i>	400.00 <i>Projected</i>	400.00 <i>Projected</i>	400.00 <i>Projected</i>

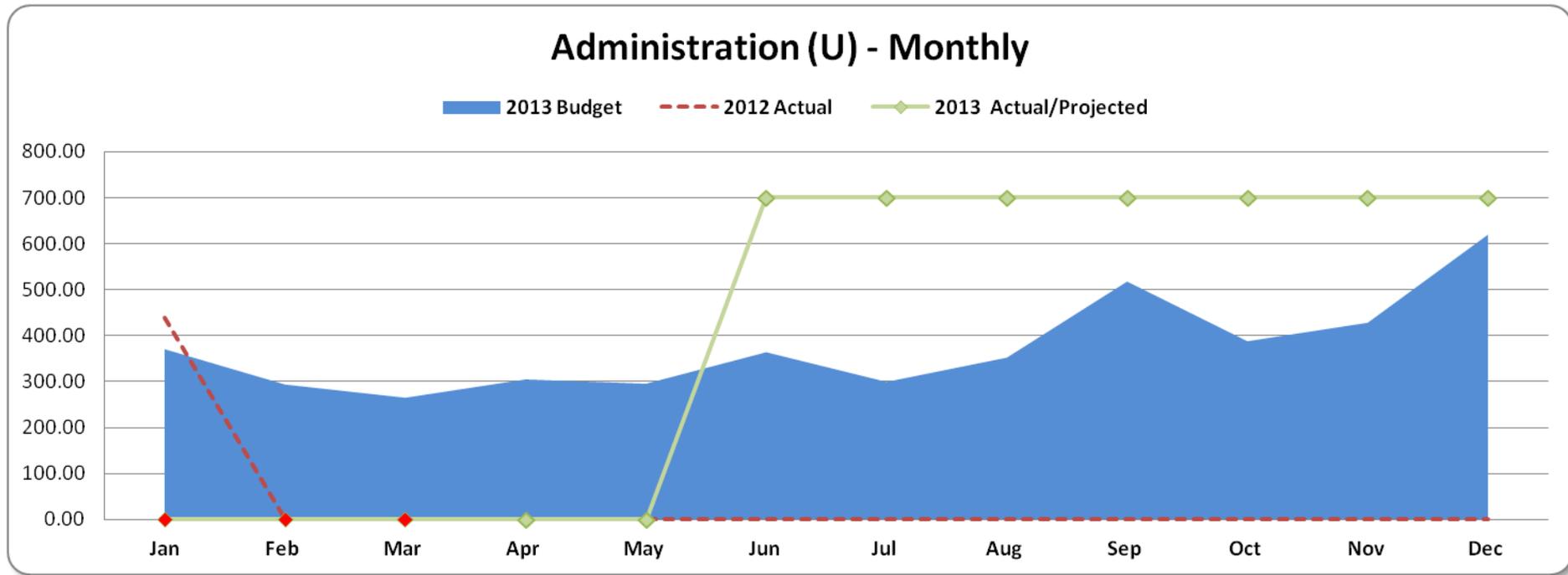


Special Forces (C)	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug
2013 Budget	18,533.38	14,684.02	13,239.56	15,238.38	14,765.02	18,204.98	14,967.77	17,613.32
2012 Actual	20,983.00	19,297.00	17,958.00	16,199.00	19,354.00	18,854.00	20,264.00	18,586.00
2013 Projection	23,129.00	18,004.00	18,000.00	18,000.00	18,000.00	30,000.00	30,000.00	30,000.00
2013 Actual/Projected	23,129.00 <i>Actual</i>	18,004.00 <i>Actual</i>	16,766.00 <i>Actual</i>	16,136.00 <i>Actual</i>	13,770.00 <i>Actual</i>	30,000.00 <i>Project ed</i>	30,000.00 <i>Project ed</i>	30,000.00 <i>Project ed</i>



Patrol	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug
2013 Budget	83,734.87	66,343.25	59,817.12	68,847.87	66,709.23	82,251.14	67,625.26	79,577.98

2012 Actual	116,029.00	80,952.00	78,223.00	88,397.00	79,540.00	110,538.00	82,290.00	85,947.00
2013 Projection	99,950.00	88,580.00	88,000.00	88,000.00	85,000.00	90,000.00	120,000.00	120,000.00
2013 Actual/Projected	99,950.00	88,580.00	69,049.00	82,023.00	103,405.00	90,000.00	120,000.00	120,000.00
	<i>Actual</i>	<i>Actual</i>	<i>Actual</i>	<i>Actual</i>	<i>Actual</i>	<i>Project ed</i>	<i>Project ed</i>	<i>Projected</i>



Administration (U)	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug
2013 Budget	370.67	293.68	264.79	304.77	295.30	364.10	299.36	352.27

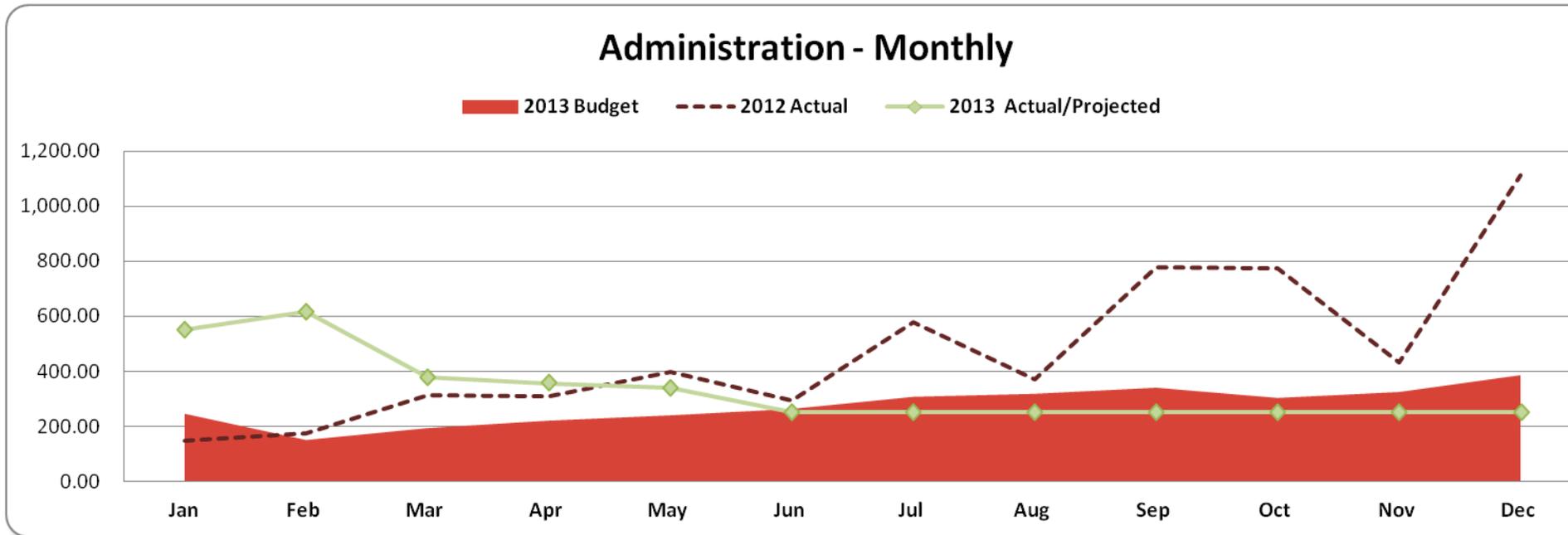
2012 Actual	440.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2013 Projection	0.00	0.00	0.00	700.00	700.00	700.00	700.00	700.00
2013 Actual/Projected	0.00 <i>Actual</i>	0.00 <i>Actual</i>	0.00 <i>Actual</i>	0.00 <i>Actual</i>	0.00 <i>Actual</i>	700.00 <i>Project ed</i>	700.00 <i>Project ed</i>	700.00 <i>Projected</i>

Administration (C)	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug
2013 Budgeted	0	0	0	0	0	0	0	0
2012 Monthly	0	0	0	0	0	0	0	0
2013 Monthly	0	0	0	0	0	0	0	0

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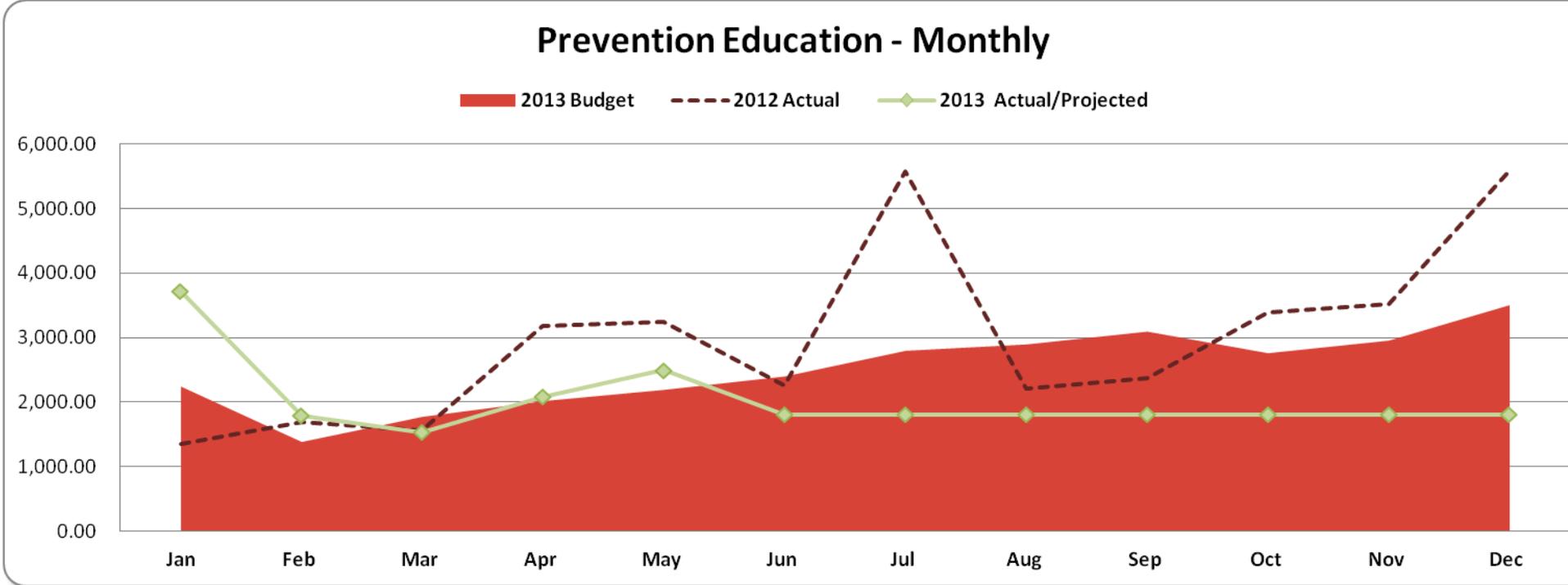
	Mont hly \$'s	<i>PLEASE FILL INPUT MONTHLY OVERTIME: JUNE THROUGH DECEMBER IN BLUE</i>											Ov er/ (U nd er)	
P O L I C	J a n	F e b	M a r	A p r	M a y	J u n	J u l	A u g	S e p	O c t	N o v	D e c	T o t a l	B u d g e t

E													et		
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	Criminal	1	6	1	9	1	0	0	0	0	0	0	9	0	27
2	Investigati	0	3	0	7	7	0	0	0	0	0	0	9	0	2,9
8	on	7	5	4	3	2	0	0	0	0	0	0	1	0	91
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2	Force	5	9		9	0	0	0	0	0	0	0	5	0	25
9	s (U)	3	2	0	9	6	0	0	0	0	0	0	0	0	0)
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	Speci	2	1	1	1	1	3	3	3	2	1	1	2	5	2
	al	3,	8,	6,	6,	3,	0,	0,	0,	5,	8,	8,	0,	8,	5,
	Force	1	0	7	1	7	0	0	0	0	0	0	8	0	33,
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	ro	9	5	0	0	4	0	0	0	0	0	0	0	5	12
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	Admin						7	7	7	7	7	7	9	5	
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1	on (U)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Admin														
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1	on (C)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
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	L	8	4	4	4	5	6	9	9	6	4	4	1	7	
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		3	1	1	3	5	0	0	0	0	0	0	5	6	1,3
		9	1	9	1	3	0	0	0	0	0	0	3	3	90
	A	A	A	A	A	Pr									
	ct	ct	ct	ct	ct	oj									
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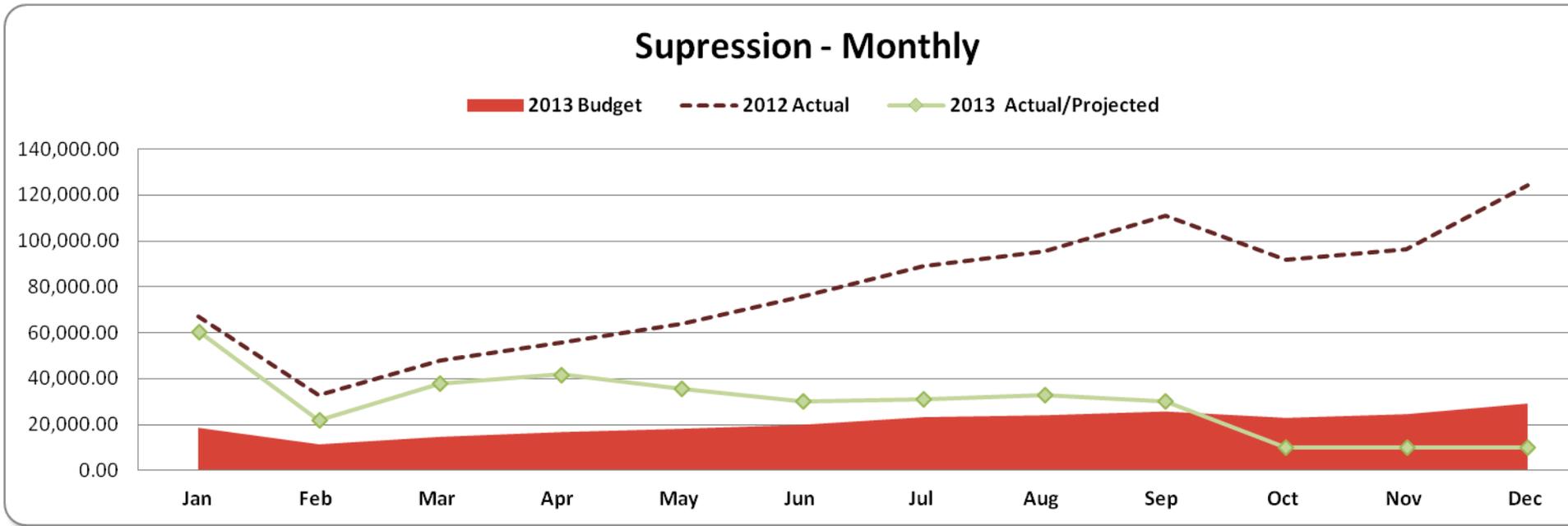
Administration	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug
2013 Budget	246.51	151.71	194.72	221.63	240.82	263.82	307.61	307.61
2012 Actual	148.00	176.00	315.00	308.00	397.00	295.00	577.00	577.00
2013 Projection	550.00	617.00	250.00	250.00	250.00	250.00	250.00	250.00

2013 Actual/Projected	550.00 <i>Actual</i>	617.00 <i>Actual</i>	378.00 <i>Actual</i>	357.00 <i>Actual</i>	340.00 <i>Actual</i>	250.00 <i>Projected</i>	250.00 <i>Projected</i>	250.00 <i>Projected</i>	250.00 <i>Projected</i>



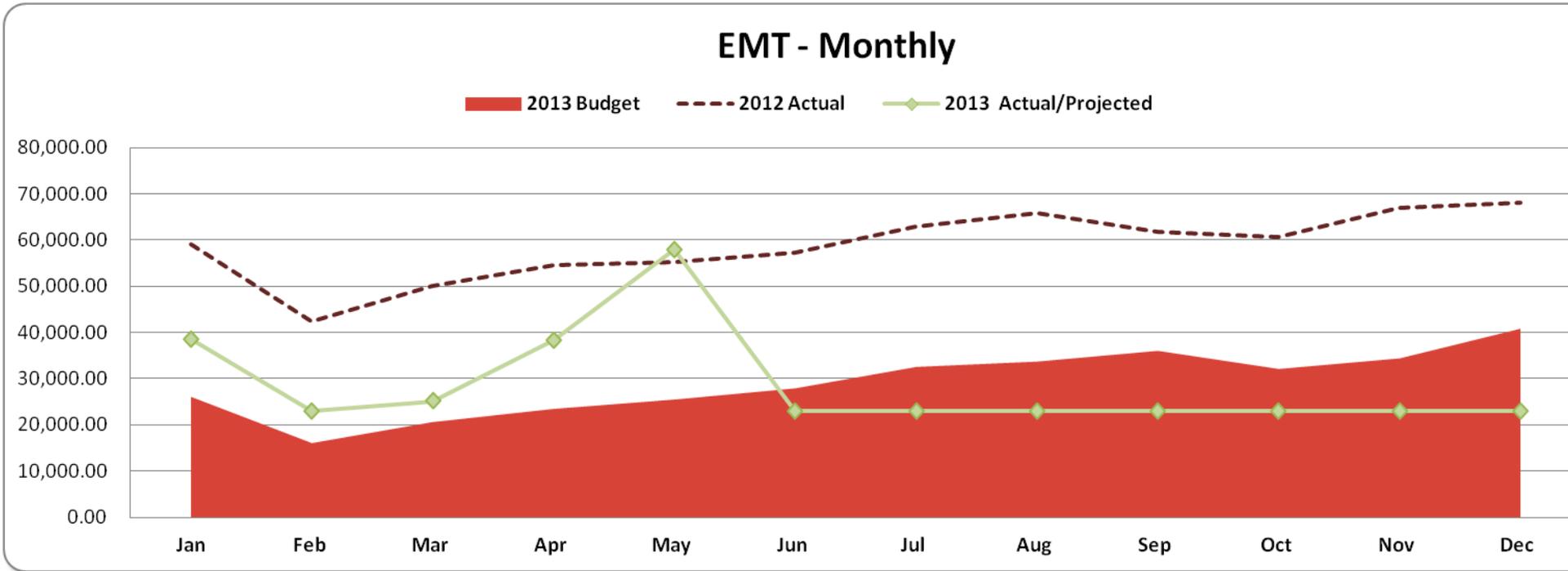
Prevention Education	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug
2013 Budget	2,240.96	1,379.20	1,770.14	2,014.85	2,189.28	2,398.33	2,796.46	2,800.00
2012 Actual	1,353.00	1,694.00	1,557.00	3,186.00	3,239.00	2,261.00	5,576.00	2,200.00

2013 Projection	3,718.00	1,791.00	1,800.00	1,800.00	1,800.00	1,800.00	1,800.00	1,800.00
2013 Actual/Projected	3,718.00 <i>Actual</i>	1,791.00 <i>Actual</i>	1,529.00 <i>Actual</i>	2,086.00 <i>Actual</i>	2,492.00 <i>Actual</i>	1,800.00 <i>Projected</i>	1,800.00 <i>Projected</i>	1,800.00 <i>Projected</i>



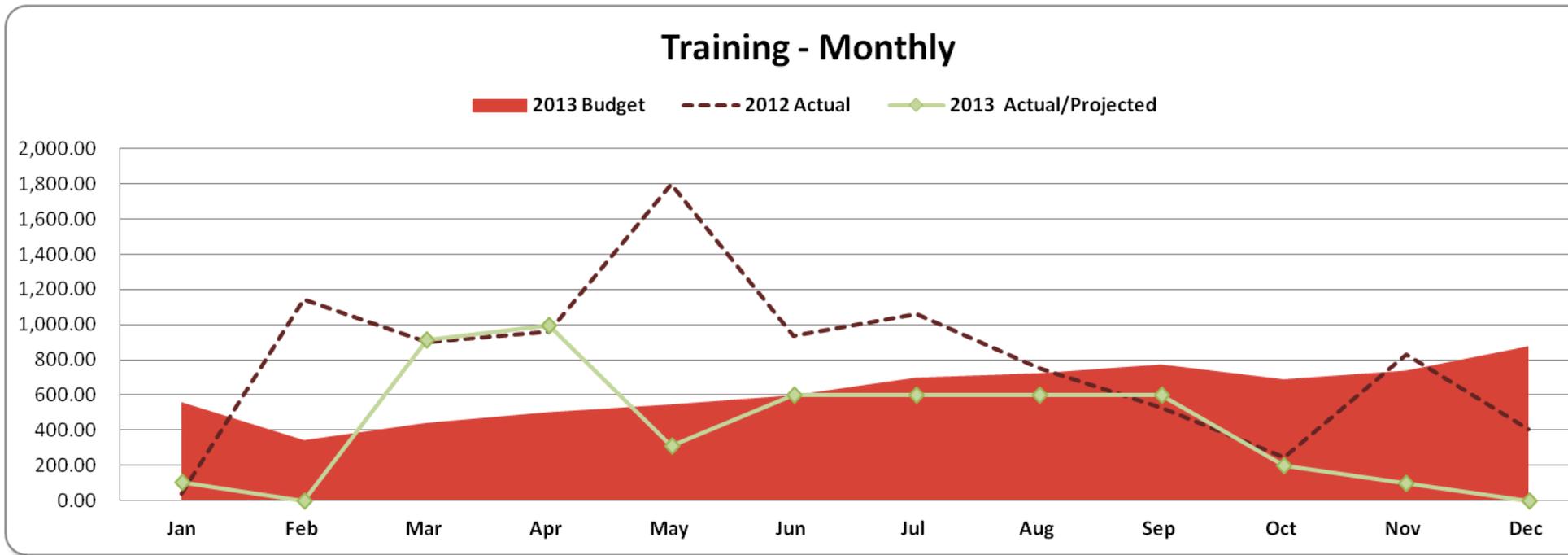
Supression	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug
2013 Budget	18,614.89	11,456.56	14,703.99	16,736.72	18,185.66	19,922.12	23,229.24	24,000.00
2012 Actual	67,039.00	33,026.00	47,921.00	55,568.00	63,894.00	75,781.00	89,168.00	95,000.00

2013 Projection	60,502.00	21,797.00	31,000.00	21,000.00	28,000.00	30,000.00	31,000.00	33,000.00
2013 Actual/Projected	60,502.00	21,797.00	38,019.00	41,796.00	35,547.00	30,000.00	31,000.00	33,000.00
	<i>Actual</i>	<i>Actual</i>	<i>Actual</i>	<i>Actual</i>	<i>Actual</i>	<i>Projected</i>	<i>Projected</i>	<i>Projected</i>



EMT	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug
2013 Budget	26,144.50	16,090.67	20,651.67	23,506.62	25,541.66	27,980.50	32,625.33	33,000.00

2012 Actual	58,966.00	42,460.00	50,059.00	54,656.00	55,279.00	57,228.00	62,782.00	65,100.00
2013 Projection	38,476.00	23,003.00	23,000.00	23,000.00	23,000.00	23,000.00	23,000.00	23,000.00
2013 Actual/Projected	38,476.00	23,003.00	25,140.00	38,301.00	57,953.00	23,000.00	23,000.00	23,000.00
	<i>Actual</i>	<i>Actual</i>	<i>Actual</i>	<i>Actual</i>	<i>Actual</i>	<i>Projected</i>	<i>Projected</i>	<i>Projected</i>



Training	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug
2013 Budget	560.24	344.80	442.54	503.71	547.32	599.58	699.11	720.00
2012 Actual	41.00	1,143.00	898.00	960.00	1,797.00	939.00	1,061.00	750.00
2013 Projection	101.00	0.00	200.00	0.00	600.00	600.00	600.00	600.00
2013 Actual/Projected	101.00 <i>Actual</i>	0.00 <i>Actual</i>	915.00 <i>Actual</i>	998.00 <i>Actual</i>	312.00 <i>Actual</i>	600.00 <i>Projected</i>	600.00 <i>Projected</i>	600.00 <i>Projected</i>

PLEASE FILL INPUT MONTHLY OVERTIME: JUNE THROUGH DECEMBER IN BLUE

FIRE	Monthly \$'s											
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
32 Administration	550	617	378	357	340	250	250	250	250	250	250	250
33 Prevention Education	3,718	1,791	1529	2086	2492	1800	1800	1800	1800	1800	1800	1800
34 Supression	60,502	21,797	38019	41796	35547	30000	31000	33000	30000	10000	10000	10000
35 EMT	38,476	23,003	25140	38301	57953	23000	23000	23000	23000	23000	23000	23000
40 Training	101	0	915	998	312	600	600	600	600	200	100	
TOTAL FIRE	103,347	47,208	65,981	83,538	96,644	55,650	56,650	58,650	55,650	35,250	35,150	35,050
	<i>Actual</i>	<i>Actual</i>	<i>Actual</i>	<i>Actual</i>	<i>Actual</i>	<i>Projected</i>						



TO: City Council, David Cituk
FROM: Christian F. Zale, City Controller
DATE: May 23, 2013
SUBJECT: Schedule of Transfers -May 2013

The following transfers occurred in May 2013 as specified in the 2013 council approved budget:

To General Fund (01):

Indirect Cost: CD (32) \$23,541.42; **Sewer (54) \$100,743.92; Recycling (56) \$20,656.34; Trash (56) \$14,669.29; Water (50) \$84,267.84** The sewer, recycle, trash and water transfers changed per the Maximus study.

Transfers: Sewer (54) \$250,000.00; Water (50) \$414,166.67

Water RAWA Act 47: \$125,000.00

Meter Surcharges: Water (50) \$141,666.67 **This transfer will occur in June.**

To Water Fund (50):

Meter Reading Cost: Sewer (54) \$15,000.00; Billing Cost: Sewer (54) \$25,000.00

RAWA Lease Agreement: From RAWA \$724,789.00

To Self Insurance (52):

Sewer (54) \$47,630.67; Water (50) \$8,200.67; General (01) \$219,665.33; Recycle \$7,008.67

Corrections:

None

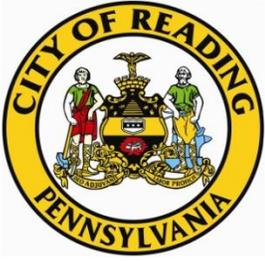
Additional Transfers:

None

Other Transfers:

None

These transfers are reflected in May trial balance. Also, the related cash has been transferred among the various funds; thus, no impact in the DT/DF accounts. This activity has been confirmed by the City Auditor.



OFFICE OF THE MANAGING DIRECTOR

Carole B. Snyder
Managing Director

To: City Council

Date: Monday, June 03, 2013

Re: Street Light Assessment

The Administration is proposing that the City levy an assessment for all non-City owned properties in our municipality which benefit from street lighting.

Street lighting is clearly a public safety issue that benefits all property owners, businesses, citizens and visitors in our community.

We are proposing the following:

- Council authorizes the formation of a new Street Lighting Enterprise Fund.
- The City would engage an engineering firm to independently determine which parcels would be assessed based on a minimum level of light derived from street lights.
- Properties will be sent an assessment based on linear street frontage that is lit by street lights. We are proposing an initial assessment of \$1 per eligible linear foot.
- There is 1,826,880 in front footage throughout the City. We currently estimate that 80% of that front footage would be billable. Based on these estimates, the initial annual assessment would generate \$1,461,500 in receivables and we are exploring options on the mechanics of the billing.
- We are looking at the August-September timeframe for billing.

Eligible expenses to be paid from the Street Lighting Enterprise Fund include:

- Electricity for street lights (estimated at \$550,000 annually).
- Street lamp replacement (estimated at \$60-\$80,000).
- Reimbursement to Public Works for tree trimming to improve street light penetration.
- Street light repairs.
- Street light replacement.
- Phased conversion to high-efficiency LED lighting, reducing electrical consumption.
- Reimbursement for the engineering firm to independently determine parcels eligible for the assessment.

Our Solicitor has determined the City of Reading derives authority for the proposed assessment by virtue of our Home Rule Charter.

Our IT department Geographic Information System team can calculate parcel-by-parcel front footages.

In our view, the benefits of this program include:

- This diversifies the revenue stream to include parcels owned by non-profits.
- The vast majority of parcels will be minimally impacted.
- It will free up Liquid Fuels funds for additional street paving this year, instead of being used to pay for street light electricity.
- Establishes a capital fund for street light and street lamp replacement and conversion to LED (potentially making the City eligible for utility rebates).
- Provides General Fund relief of an estimated \$400,000 in 2013 and beyond.

We are looking forward to discussing this concept with City Council.

ORDINANCE ____-2013

**AN ORDINANCE ESTABLISHING AN ANNUAL
STREET LIGHT ASSESSMENT IN THE CITY OF READING**

PURSUANT TO ITS AUTHORITY as a Pennsylvania Home Rule Municipality, the Council of the City of Reading hereby ordains as follows:

1. That the Administration establish a Street Light enterprise fund.
2. That the Administration shall establish specifications pursuant to which a parcel of property within the City shall be eligible for an annual street light assessment.
3. That the Fee Schedule of the City of Reading is hereby amended to add a Street Light Assessment Fee based on street-front footage; the fee shall be uniform for all properties or portions thereof deemed to be eligible for the assessment.
4. The Fee Schedule shall be amended to reflect an initial Street Light Assessment of \$1.00 per linear front foot per parcel (or portion thereof determined to be eligible for the assessment) and shall be assessable in 2013 and each year thereafter until such time this Ordinance may be rescinded or modified.
5. The Street Light Assessment shall apply to every non-City owned property, including properties owned by governmental, educational and non-profit entities.
6. Funds collected from the Street Light Assessment shall be credited to the Street Light enterprise fund. Only funds expended to provide street lighting in the City of Reading may be paid by the Street Light enterprise fund; such expenses shall include but not be limited to electricity, maintenance, lamp replacement and retrofitting, tree trimming to improve light penetration, equipment, manpower, and engineering, consulting and contracted services. The administration may, from time to time, establish a capital reserve within the Fund for future projects.
7. This Ordinance shall become effective 10 days after approval by the Mayor.

Enacted _____

Council President

ATTEST:

