



# **CITY COUNCIL**

## **Meeting Agenda**

**SPECIAL MEETING**  
**2013**

**COUNCIL CHAMBERS**  
**Hearing**

**MONDAY, NOV 4,**

**Following the Public**

*The Regular Meetings of City Council are filmed and can be viewed LIVE while the meeting is taking place or at your convenience at any time after the meeting on the City's website at [www.ReadingPa.gov](http://www.ReadingPa.gov), under Info and Downloads/Meetings and Agenda.*

*All electronic recording devices must be located behind the podium area in Council Chambers and located at the entry door in all other meeting rooms and offices, as per Bill No. 27-2012*

### **1. Opening Matters**

**A. Call to Order**

**B. Roll Call**

### **2. Public Comment – Agenda Matters:**

***Citizens have the opportunity to address the Council only on the legislation listed on this agenda, by registering with the City Clerk by 5 pm on the day of the scheduled Council meeting. All remarks must be directed to Council as a body and not to any individual Council member or public or elected official in attendance. Any person making personally offensive or impertinent remarks or any person becoming unruly while addressing Council may be called to order by the Presiding Officer and may be barred from speaking before Council, unless permission to continue speaking is granted by the majority vote of Council. All comments by the public shall be made from the speaker's podium. Citizens attending the meeting may not cross into the area beyond the podium. Any materials to be distributed to Council must be given to the City Clerk before the meeting is called to order.***

*Those commenting on shall speak at the beginning of the meeting and shall limit their*

*remarks to 5 minutes. No comments shall be made from any other location except the podium, and anyone making "out of order" comments may be subject to removal. There will be no demonstration at the conclusion of anyone's remarks. Citizens may not ask questions of Council members or other elected or public officials in attendance.*

### **3. Approval Of Agenda**

**A. Agenda:** Special Meeting of November 4, 2013

### **4. Consent Agenda Legislation**

**A. Resolution** – appointing Donna Reed to the Blighted Property Review Committee  
**(Council Staff)**

**B. Resolution** – appointing Donna Reed to the Charter Review Commission **(Council Staff)**

**C. Resolution** – appointing Marcia Goodman-Hinnershitz to the Nominations and Appointments Committee **(Council Staff)**

**D. Resolution** – authorizing the Solicitor to petition the Court of Common Pleas seeking a Non-resident EIT rate of 1.2% **(Law) Tabled at the 10-28 Regular Meeting**

### **5. Ordinances for Final Passage**

**Bill No. 54-2013** – Amending the Act 47 Recovery Plan by reducing the Commuter and Home Rule Resident EIT by 0.1%. **(PFM/Council Staff/Law) Introduced at the Oct 14 regular meeting; Tabled at the 10-28 Regular Meeting**

### **6. Adjourn**



**R E S O L U T I O N N O.**\_\_\_\_\_

THE COUNCIL OF THE CITY OF READING HEREBY RESOLVES AS  
FOLLOWS:

That Donna Reed is appointed to the Blighted Property Review Committee  
replacing Randy Corcoran

Adopted by Council\_\_\_\_\_, 2013

\_\_\_\_\_  
Francis G. Acosta  
President of Council

Attest:

\_\_\_\_\_  
Linda A. Kelleher  
City Clerk

**R E S O L U T I O N N O.**\_\_\_\_\_

THE COUNCIL OF THE CITY OF READING HEREBY RESOLVES AS  
FOLLOWS:

That Donna Reed is appointed to the Charter Review Commission  
replacing Randy Corcoran

Adopted by Council\_\_\_\_\_, 2013

\_\_\_\_\_  
Francis G. Acosta  
President of Council

Attest:

\_\_\_\_\_  
Linda A. Kelleher  
City Clerk

**R E S O L U T I O N N O.**\_\_\_\_\_

THE COUNCIL OF THE CITY OF READING HEREBY RESOLVES AS  
FOLLOWS:

That Marcia Goodman-Hinnershitz is appointed to the City Council  
Nominations and Appointments Committee replacing Randy Corcoran

Adopted by Council\_\_\_\_\_, 2013

\_\_\_\_\_  
Francis G. Acosta  
President of Council

Attest:

\_\_\_\_\_  
Linda A. Kelleher  
City Clerk

CITY OF READING  
BERKS COUNTY, PENNSYLVANIA

RESOLUTION

NO. \_\_\_\_\_

A RESOLUTION OF THE COUNCIL OF THE CITY OF READING, BERKS COUNTY, PENNSYLVANIA AUTHORIZING THE PROPER OFFICERS OF THE CITY TO PETITION THE COURT OF COMMON PLEAS OF BERKS COUNTY, PENNSYLVANIA, FOR PERMISSION TO IMPOSE A NONRESIDENT EARNED INCOME TAX IN THE AMOUNT NOT TO EXCEED ONE AND TWO TENTHS PERCENT (1.2%); AUTHORIZING INCIDENTAL ACTION; AND REPEALING INCONSISTENT RESOLUTIONS.

WHEREAS, the City of Reading, Berks County, Pennsylvania (the "City"), has begun its 2014 budget process through Mayor Vaughn D. Spencer's submittal of his proposed budget to City Council; and

WHEREAS, the City of Reading is currently in Act 47 status and subject to a certain Municipalities Financial Recovery Act Recovery Plan; and

WHEREAS, the proposed budget includes projected revenue from a nonresident earned income tax which is currently imposed by the City of Reading; and

WHEREAS, the City has determined to apply by Petition to the Court of Common Pleas of Berks County, Pennsylvania, for the purpose of obtaining permission to impose a nonresident earned income tax through an appropriate ordinance.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY AS FOLLOWS:

The City hereby approves the form of Petition presented to this meeting (which shall be filed with the records of the City), requesting authority from the Court of Common Pleas of Berks County, Pennsylvania, to implement and/or impose a nonresident earned income tax (EIT) in the amount not to exceed one and two tenths percent (1.2%) by an appropriate ordinance. A copy of the form of the Petition is attached hereto and incorporated herein as Exhibit "A".

The City hereby authorizes Charles D. Younger, Esquire, or his designee to represent the City for the nonresident EIT proceedings.

The proper officers of the City are authorized to sign and acknowledge the Petition in substantially the form approved in Section 1.

The proper officers of the City are hereby authorized and directed to execute and deliver such other documents and to take such other action as may be necessary or appropriate in

order to effectuate the imposition of the nonresident EIT.

All prior resolutions or parts thereof inconsistent herewith are hereby repealed.

IN WITNESS WHEREOF, we, officers of the City of Reading, Berks County, Pennsylvania, have hereunto set our hands and seal of the City, duly attested this 28th day of October, 2013.

CITY OF READING  
Berks County, Pennsylvania

\_\_\_\_\_  
Francis Acosta, President of Council

ATTEST:

By: \_\_\_\_\_  
Linda A. Kelleher CMC, City Clerk

(SEAL)

Exhibit "A"

Form of Petition

IN RE:	:	<b>IN THE COURT OF COMMON</b>
	:	<b>PLEAS OF BERKS COUNTY</b>
IMPOSITION OF NONRESIDENT	:	COMMONWEALTH OF PENNSYLVANIA
EARNED INCOME TAX OF THE CITY	:	NO. _____ OF 2013
OF READING, BERKS COUNTY,	:	
PENNSYLVANIA	:	

PETITION FOR PERMISSION  
TO IMPOSE A NONRESIDENT INCOME TAX

TO THE HONORABLE, THE JUDGES OF SAID COURT:

The Petitioner is the City of Reading, Berks County, Pennsylvania (the "Petitioner"), with offices at 815 Washington Street, Reading, Pennsylvania 19601. This Petition is authorized by a Resolution of the Petitioner, duly adopted on October 28, 2013, a copy of which is attached hereto and incorporated herein as Exhibit "A".

The Petitioner avers that the proposed 2014 budget includes revenue from a nonresident earned income tax not to exceed one and two tenths percent (1.2%) which is less than currently imposed and needs to be imposed to achieve budget goals.

The City is under Act 47 and subject to the Municipalities Financial Recovery Act Recovery Plan ("Recovery Plan") adopted by the Petitioner which includes imposition or increase in the nonresident earned income tax to obtain revenue and achieve plan goals.

The Petitioner has determined that imposition of the nonresident earned income tax will provide the Petitioner with a means for increasing its revenue and assist in its conforming with the Recovery Plan.

WHEREFORE, the Petitioner prays your Honorable Court to issue an order granting permission to impose a nonresident earned income tax not to exceed one and two tenths percent (1.2%) upon earned income of nonresidents who work within the Petitioner's

geographical limits.

CITY OF READING  
Berks County, Pennsylvania

---

Mayor

**BILL NO. \_\_\_\_\_**  
**AN ORDINANCE**

**AN ORDINANCE AMENDING THE MUNICIPALITIES FINANCIAL RECOVERY ACT RECOVERY PLAN FOR THE CITY OF READING, BERKS COUNTY, PENNSYLVANIA (AS FILED WITH THE CITY CLERK ON MAY 28, 2010, AND ENACTED INTO LAW UNDER BILL NO. 26 OF 2010 ON JUNE 11, 2010 AND BILL NO 126 OF 2012, ON NOVEMBER 20, 2012).**

**THE CITY OF READING HEREBY ORDAINS AS FOLLOWS:**

**SECTION 1.** The Municipalities Financial Recovery Act Plan for the City of Reading, Berks County, Pennsylvania, enacted into law under Bill No. 26 of 2010 on June 11, 2010 and Bill No. 126 of 2012 (aka "Plan"), shall be and is hereby ***amended to provide for a non-resident income tax of a 1.2% (a reduction of 0.1%) in the calendar year 2014 and to provide a resident Home Rule earned income tax of 1.5% (a reduction of 0.1%) in the calendar year 2014.***

**SECTION 2.** All other items, parts, sections, etc. of the Municipalities Financial Recovery Act Plan for the City of Reading, Berks County, Pennsylvania, enacted under Bill No. 26 of 2010 on June 11, 2010, shall remain in effect unchanged and likewise are ratified.

**SECTION 3.** This ordinance shall be effective ten (10) days after its passage and approval by the Mayor, or repassage by City Council over the Mayor's veto, in accordance with Section 219 of the City of Reading Home Rule Charter, or as set forth in Section 221 of the City of Reading Home Rule Charter.

Enacted \_\_\_\_\_, 2013

\_\_\_\_\_  
President of Council

Attest:

\_\_\_\_\_  
City Clerk

Submitted to Mayor: \_\_\_\_\_

Date: \_\_\_\_\_

Received by the Mayor's Office: \_\_\_\_\_

Date: \_\_\_\_\_

Approved by Mayor: \_\_\_\_\_

Date: \_\_\_\_\_

Vetoed by Mayor: \_\_\_\_\_

Date: \_\_\_\_\_

Act 47 Recovery Plan October 2, 2013  
City of Reading

**Plan Amendment**

With the exception of the amendment noted below, the Recovery Plan as filed May 28, 2010 shall continue in full force and effect.

**RE08. Temporarily expand earned income tax**

**Target outcome:** Increased revenue

**Responsible party:** Finance Department

To assist in addressing the structural imbalance, the City shall enact a temporary increase in the Earned Income Tax (EIT) rate for residents and a temporary earned income tax on non-residents who work in the City (i.e. “commuters”).

For residents the City shall increase its earned income tax rate by 0.4 percent in 2011, bringing the City’s levy to 2.10 percent. In 2012 the City shall reduce its EIT rate on residents to 1.9 percent.

In 2013 the City shall increase its EIT rate on residents by 0.20 percent to 2.10 percent with the associated revenue from the 0.20 percent increase restricted to helping the City make its annual required contributions to the employee pension funds. In 2014 the City shall reduce the EIT rate on residents to 2.00 percent including 0.10 percent to support the City’s pension contribution. The additional amount of tax revenue associated with this initiative shall not be subject to sharing with the Reading School District or any other governmental entity. The table below summarizes these changes and shows the total earned income tax rate for residents based on the current School District levy of 1.5 percent.

**Earned Income Tax Rate - Residents**

2010	1.70%	1.50%	3.20%
2011	2.10%	1.50%	3.60%
2012	1.90%	1.50%	3.40%
2013	2.10%	1.50%	3.60%
2014	2.00%	1.50%	3.50%

For non-residents, the City shall petition the Court of Common Pleas of Berks County, pursuant to Section 141 of Act 47, to increase the rate of earned income taxation upon non-residents by 0.3 percent in 2011. The crediting provisions of Act 511 provide for the home jurisdiction of nonresidents to have first preference on the tax imposed on their residents up to their amount so imposed. The additional amount of tax revenue resulting from the City’s non-resident EIT rate shall not be subject to sharing with the Reading School District or any other governmental entity. In 2012 the City shall reduce its EIT rate on non-residents to 0.1 percent. In 2013 the City shall increase its EIT rate on non-residents by 0.20 percent with the associated revenue from the 0.20 percent increase restricted to helping the City make its annual required contributions to the employee pension funds.

While the City intended to eliminate the non-resident EIT rate by 2014, the rising pension contributions necessitate that it be extended through December 31, 2014. In 2014 the City’s EIT rate on non-residents shall be 0.20 percent with the associated revenue restricted to helping the City make its annual required contribution to the employee pension funds. The table below summarizes these changes assuming that the non-resident’s home jurisdiction has an earned income tax rate of 1.0 percent.

**Earned Income Tax Rate – Non-Residents**

2010	0.00%	1.00%	1.00%
2011	0.30%	1.00%	1.30%
2012	0.10%	1.00%	1.10%
2013	0.30%	1.00%	1.30%
2014	0.20%	1.00%	1.20%

Every other provision from the Recovery Plan as filed on May 28, 2010 remains in full force and effect.