



CITY COUNCIL

Budget Review

Monday, November 3, 2014
5:00pm
Penn Room

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 2015 CDBG Action Plan

II. Define Budget Modifications & Develop Consensus

Topics Parking Lot re Unfinished

Administrative Services

1. Outsourcing of BPT billing, auditing and collection
2. BPT – is BEIT collection past due amounts in 2015 – Adm. Serv. Dir.
3. Admissions Tax – revisit including additional venues
4. Indirect costs to include Community Development – amount to be determined
5. Per Capita Tax – requires new projection based on the increase in the tax and BEIT collection rate
6. DID Budget and amount provided for Main Street Coordinator
7. IT Charge Backs, net effect, formula
8. Cell phone usage review, reduction and modernization of policy
9. Comparison of Police and Fire overtime expenditures in other 3rd Class Cities
10. Compare ADA project debt service vs. completing project over a 20 year period

Public Works

1. Consideration of maintenance of City owned facilities and obtaining assistance from other agencies/municipalities
2. Towing – viability of in-sourcing; towing RFP in 2015
3. Dam remediation – comparison of remediation vs. removal
4. Vehicle costs compare bed prices to CoStar

CD

1. Review PMD Fee Collection and overall performance results
2. Property Maintenance – check on compliance rate of rental inspections – Bus. Analyst
3. Property Maintenance – measure productivity of QoL inspections/violations - Bus. Analyst
4. Property Maintenance – add QoL requirement for address on rear of property, after education period
5. Certificate of Transfer – no revenue reported – Bus. Analyst
6. Vacant Registration Fees – no revenue reported – Adm. Serv. Dir.

Police

Fire

Law

Develop policy regarding use of outside legal counsel

Other

1. Library Funding
2. RPA increased contribution – Oct 22nd RPA board mtg

Mayor/Managing Director

1. Written Agreement with the RRA for use of space within City Hall, etc.
2. Evaluation of take home vehicles Dep Fire Chiefs, Building Trades, etc. re response to emergencies during off-duty hours

Auditor

1. Amount of State Pension contribution – Auditor

Completed Topics

1. Review Housing Authority PILOT Contribution – *contribution directly from Federal Govmt, split between City, County and School District - complete*

2. Loss of I LEAD property tax and DID assessment – *property is not registered as exempt until they apply for exemption with the County Assessment Board and their past due taxes billed to the property are exonerated by the City, County and School District. Also if the entire building is not used for exempt purposes, the assessment will be pro-rated.*
3. Meet with RAWA to require Street Cut permits - *completed*
4. Check to see if County DA and Sheriff are being properly billed – *completed*
5. Restart of PILOT initiative – Mayor’s Office – *completed letters mailed; estimate will be provided for revenue budget*
6. RAWA increased contribution, impact on rate payers - *completed*
7. Continue to sell Fleet Maintenance services to other jurisdictions - *completed*
8. Zoning – backlog not corrected; over two years old – *completed thru meeting with MD*

Budget Review Schedule

1. Review Mtg Mon Nov 3rd at 5 pm
2. Review Mtg Wed Nov 5th at 5 pm
3. Review Mtg Mon Nov 10th from 5-6 pm at COW

Regular Meeting Mon Nov 10th

- opportunity to adopt budget if finalized or last day to make amendments and
 - Introduce new Recovery Plan
 - adopt final CDBG Action Plan
4. Review Mtg Thurs Nov 13th after Act 47 Meeting

Regular Meeting Mon Nov 24

- final day to adopt both budgets and all related ordinances
- Adopt new Recovery Plan (adoption of new plan required prior to court hearing for new commuter EIT)

ESG FY 2015 Recommendations

Based on \$207,105 Estimate

Agency	Funded Amount in 2014	Request for 2015	2015 Recommendation	60% Cap			No Cap		7.5% Cap	# of Persons Served
				Operations & Maintenance	Essential Services	Street Outreach	Homelessness Prevention	HMIS	Admin	
BCEH	\$ 11,000.00	\$ 6,000.00	\$ 6,000.00	\$ -	\$ -	\$ 6,000.00	\$ -	\$ -	\$ -	100
Berks Community Action Program (BCAP)	\$ -	\$ 20,000.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	NA
Berks Connections/Pretrial Services	County Funded	\$ 33,000.00	County Funding	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	County
BWIC	County Funded	\$ 160,000.00	County Funding	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	County
Catholic Charities	\$ -	\$ 38,430.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	NA
ESG Admin.	\$ 15,533.00	\$ 15,533.00	\$ 15,533.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 15,533.00	NA
Family Promise	County Funded	\$ 50,000.00	County Funding	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	County
Human Relations Commission	\$ 15,200.00	\$ 40,000.00	\$ 27,572.00	\$ -	\$ -	\$ -	\$ 27,572.00	\$ -	\$ -	240
Mary's Shelter	\$ 10,000.00	\$ 60,000.00	\$ 25,000.00	\$ 17,500.00	\$ 7,500.00	\$ -	\$ -	\$ -	\$ -	75
MidPenn Legal Services	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	\$ -	\$ -	\$ -	\$ 10,000.00	\$ -	\$ -	80
Opportunity House / RBES	\$ 102,227.00	\$ 250,000.00	\$ 93,000.00	\$ 65,100.00	\$ 27,900.00	\$ -	\$ -	\$ -	\$ -	1000
Salvation Army	\$ 43,145.00	\$ 30,000.00	\$ 30,000.00	\$ -	\$ -	\$ -	\$ 30,000.00	\$ -	\$ -	400
Total	\$ 207,105.00	\$ 712,963.00	\$ 207,105.00	\$ 82,600.00	\$ 35,400.00	\$ 6,000.00	\$ 67,572.00	\$ -	\$ 15,533.00	
				\$ 124,000.00			\$ 67,572.00		\$ 15,533.00	

2015 HOME Program Application Summary

Organization	Location	Project	Total Project	2012 Amount Funded	2013 Amount Funded	2014 Amount requested	2014 Amount recommended*
Administrative Funds	NA	NA	NA	\$ 69,801.00	\$ 75,266.00	\$ 75,266.00	\$75,266
Habitat for Humanity	4th & Elm/ 6th & Bingaman	4 Homeowner rehabs	\$421,573	\$ 95,000.00	\$ 135,000.00	\$ 200,000.00	\$200,000
Our City Reading	City-wide Census 1-29	10 Homeowner rehabs	\$744,188	\$ 428,209.90	\$ 342,401.00	\$ 429,000.00	\$277,400
Neighborhood Housing Services	City-wide	Single-family Development	N/A	\$ 105,000.00	\$ 112,900.00	\$ 160,000.00	\$135,000
	City-wide	Home-ownership assistance (HOP)	\$550,000		\$ 87,100.00	\$ 200,000.00	\$55,000
	City-wide	Loan Loss Support					
	City-wide	CHDO Operating support	\$75,000			\$ 40,000.00	\$5,000
	City-wide	Major System Repair Program	N/A			\$ 200,000.00	\$0
	NHS Total						\$ 600,000.00
Delaware Valley Development Corporation	1001 Weiser Street	47 new home construction	N/A	N/A	N/A	N/A	N/A
Skyline View Apartments (HDC)	50 N. 9th Street	modernizing all units	N/A	N/A	N/A	N/A	N/A
2014 Grand Total			#####	\$ 698,011.00	\$ 752,667.00	\$ 1,229,000.00	\$752,667

ESG FY 2015 Recommendations

Based on \$207,105 Estimate

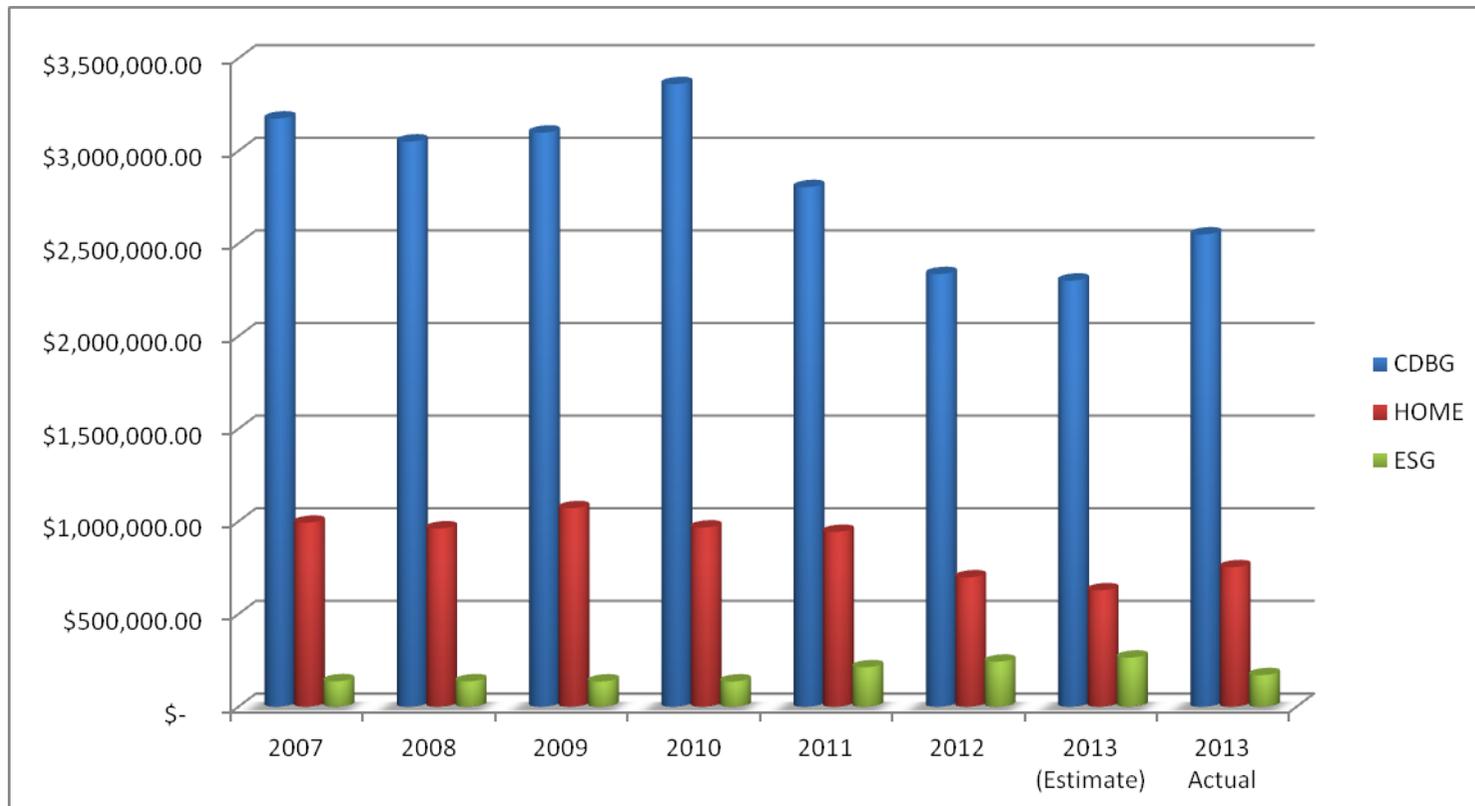
60% Cap	No Cap	7.5% Cap
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Community Development HUD Funding

Entitlement Funding 2007-2014				
Year	CDBG	HOME	ESG	Total
2007	\$ 3,174,833.00	\$ 992,956.00	\$ 137,325.00	\$ 4,305,114.00
2008	\$ 3,050,743.00	\$ 962,215.00	\$ 136,792.00	\$ 4,149,750.00
2009	\$	\$	\$	\$

	3,098,764.00	1,071,352.00	135,829.00	4,305,945.00
2010	\$ 3,360,585.00	\$ 967,214.00	\$ 135,899.00	\$ 4,463,698.00
2011	\$ 2,804,510.00	\$ 943,508.00	\$ 212,764.00	\$ 3,960,782.00
2012	\$ 2,335,462.00	\$ 698,011.00	\$ 242,863.00	\$ 3,276,336.00
2013 (Estimate)	\$ 2,300,000.00	\$ 628,209.90	\$ 265,000.00	\$ 3,193,209.90
2013 Actual	\$ 2,549,335.00	\$ 752,667.00	\$ 170,379.00	\$ 3,472,381.00
2014 (Projected)	\$ 2,500,000.00	\$ 752,667.00	\$ 170,379.00	\$ 3,423,046.00
Changes	9.2%	7.8%	-29.8%	6.0%
	\$ 213,873.00	\$ 54,656.00	\$ (72,484.00)	\$ 196,045.00
<small>2013 figures are estimates & are subject to change based on US Congressional decisions & Presidential elections results.</small>				



Community Development received a substantial boost from the ARRA and subsequent increase in entitlement funding in 2009 and 2010 - the "high-water mark" for our entitlement funds. Subsequently, with the exception of our homelessness assistance program, the City has witnessed steady decrease in both CDBG and HOME funds. Both the NSP program (housing stimulus program) CDBG-R grant (Recovery Block Grant) and HPRP (Homelessness Prevention and Rapid Re-Housing Program) are in the process of closing out

**City of Reading, Pennsylvania
Amended Recovery Plan Initiatives**

Ref	Domain	Initiative Summary	5-Yr Impact
DS01	Debt Service	Refund 2006 Pension Obligation Bonds	1,000,000
DS02	Debt Service	Refund 2003 Redevelopment Authority Bonds	1,000,000
DS03	Debt Service	Refund 2008 GO Notes	184,000
DS04	Debt Service	Avoid Scoop Refunding	
WF01	Work Force	Improve Management Capacity (Public Employment Labor Counsel)	
WF02	Work Force	Ensure CBAs Remain Compliant w/ Recovery Plan	
WF03	Work Force	Health Insurance Cost Control; Apply Cap to Police Hired Before 12/31/2011	877,000
WF04	Work Force	Restructure Health Plans; Avoid ACA Cadillac Tax in 2018	
WF05	Work Force	FOP Aggregate Compensation Limits in 2017, 2018 and 2019	3,640,000
WF06	Work Force	IAFF Aggregate Compensation Limits in 2016, 2017, 2018 and 2019	1,105,785
WF07	Work Force	AFSME 2763 Compensation Limits in 2017, 2018 and 2019	627,749
WF08	Work Force	AFSME 3799 Compensation Limits in 2015, 2016, 2017, 2018 and 2019	356,000
WF09	Work Force	Wage Freezes for Non-Represented Employees in 2015, 2016 and 2017; 1% Increase After	1,992,000
RB01	Pensions	No COLAs for Duration of Recovery Plan	
RB02	Pensions	No Pension Enhancements for Duration of Recovery Plan	
RB03	Pensions	Defined Contribution for New AFSME & Non-Represented Employees	
RB04	Pensions	Raise Retirement Age for Police and Fire Hired After Current CBAs Expire	
RB05	Health Care	Conduct a Retiree Health Care Eligibility Audit	
RB06	Health Care	No Health Benefits Enhancement for Duration of the Recovery Plan	
RB07	Pensions	Restructure Police Pension for Employees Hired Before January 1, 2012	
RB08	Pensions	Eliminate Overtime From Firefighter Pension Benefits Calculation	

RB09	Benefits	Raise Pension Eligibility Retirement Ages	6,712,000
RB10	Benefits	Do Not Provide Health Care Benefits To Those Employed by Berks County	1,409,000
RB11	Benefits Admin	All Current and Future Retirees Offered Least-Expensive Health Plans	3,861,000
AS01	Services Admin	Limit Use of Fund Balance	
AS02	Services Admin	Direct Windfall Proceeds to Recovery Plan Priorities	
AS03	Services Admin	Asset Monetization (RAWA); Reduce Long-Term Debt	
AS04	Services Admin	Resolve Recurring Audit Findings	
AS05	Services Admin	Prepare Annual Budget Document	
AS06	Services Admin	Council to Adopt Policies Regarding Debt Management, Use of Fund Balance	
AS07	Services Admin	Restructure HR; Outsource Payroll; Payroll and Pension Administration Under HR	
AS08	Services Admin	Improve Business Privilege Tax Collection	482,000
AS09	Services Elected	Integrate CSC With Performance Management	
EL01	Officials Elected	Mayor, City Council to Enact Ordinances Implementing Amended Recovery Plan	
EL02	Officials Elected	Eliminate One Special Assistant Position in Mayor's Office	344,000
EL03	Officials Elected	Council to Adopt Policies Regarding Debt Management, Use of Fund Balance	
EL04	Officials Elected	Resolve Recurring Audit Findings	
EL05	Officials	Improve Performance Management Systems -- ReadStat Quarterly Reports (MD)	
PD01	Police	Move Dispatch to Berks County	
PD02	Police	Automate Data Capture Re: Overtime Management	

PD03	Police	Create Special Object Codes for Reimbursable OT	
PD04	Police	Increase Cost Recovery of Special-Duty OT	219,000
PD05	Police	Calculate OT in Minutes Rather Than in Quarter-Hours	270,000
PD06	Police	Minimize Unnecessary Court Appearances on Overtime	751,000
PD08	Police	Reduce Minimum OT Earned for Court Appearances	445,000
PD09	Police	Use Shorter Shifts for OT Replacements	193,000
PD09	Police	Consider Changing Shift Length in CBA to 10 Hours	
FD01	Fire	Establish Part-Time EMT/P Positions	
FD02	Fire	Discontinue Non-Emergency EMS Transport Program	865,000
FD03	Fire	Eliminate Two Positions in Fire Marshal's Office	657,000
FD04	Fire	Suspend Minimum Staffing Requirement When Annual OT Limit is Reached	
FD05	Fire	Admin Service & IT to Building OT Monitoring, Analyze OT Drivers	
FD06	Fire	Deployment and Facility Analysis Study	
FD07	Fire	Bi-Annual Fire Safety Inspections by Field Personnel	336,000
FD08	Fire	Distribute 600 Smoke/CO Alarms Annually	(90,000)
FD09	Fire	Prepare a Five-Year Strategic Plan	
FD10	Fire	Establish Performance Management & Reporting System (ReadiStat)	
FD11	Fire	Incentivize EMS Collections	
FD12	Fire	Require EMT Certification for Employment	
PW01	Public Works	Address Recycling Fee and Service Delivery Issues	
PW02	Public Works	Establish a Street Light Assessment	6,200,000
PW03	Public Works	Replace Yard Waste Pick-Up with Yard Waste Drop-Off	
PW04	Public Works	Increase Financial Independence of the Recreation Commission	443,000
PW05	Public Works	Consolidate Utility Bill Monitoring and Payment	

PW06	Public Works	Consolidate PW Contracts	
PW07	Public Works	Reduce Discretionary Projects; Increase Compliance w/ Service Charges	
PW08	Public Works	Create Public Works Labor Pool	
PW09	Public Works	Improve Public Works Performance Management (ReadiStat)	
CP01	Capital	Perform Asset Condition Assessment; Implement Asset-Management System	
CP02	Capital	Designate a Portion of EIT Income for Capital Project Funding	
CP03	Capital	Consider Increasing Use of CDBG Funds for Capital	
CP04	Capital	Continue Using Portion of Liquid Fuels Funds for Street Resurfacing	
CP05	Capital	Share Facility Responsibilities with Lessors	
CP06	Capital	Coordinate Paving Project w/ Sewer, RAWA and UGI	
CP07	Capital	Document Capital Expenditures in a Capital Budget and Plan	
CD01	CD - Zoning	Develop Plan to Resolve Backlog; Reduce Staff	163,000
CD02	CD	Add Technology Solutions to Strategic Plan	
CD03	CD	Create Point-of-Service Payment Options	
CD04	CD	Develop Consolidated Billing System	
CD05	CD	Improve Service Delivery via Computer-Based Permitting Process	
CD06	CD	Enhance Performance Monitoring & Reporting	
CD07	CD	Monitor Revenue Collection Rates	
CD08	CD	Housing/Rental Inspection Plan; Resolve Data Discrepancies	
ED01	Econ Dvlpmt	Execute Five-Year Plan Associated with Main Street Designation	
ED02	Econ Dvlpmt	Develop the Riverview Industrial Site	
ED03	Econ Dvlpmt	Establish Business Ambassador Program	
ED04	Econ Dvlpmt	Create an Economic Development Investment Application/Map	
RV01	Revenue	Freeze EIT Rates; Designate a Portion for Capital Project Funding	
RV02	Revenue	Raise Property Taxes: 2 mils in 2016, 1 mil each in 2017, 2018, 2019	16,400,000
RV03	Revenue	Generate Revenue via Market Based Revenue Opportunities	1,400,000
			51,842,534

