



CITY COUNCIL

Strategic Planning Committee

Tuesday, September 2, 2014
City Council Office

Strategic planning determines where an organization is going, how it's going to get there and measures success over time. It ensures the most effective use of the organization's limited resources by focusing resources on key priorities. The Council Strategic Planning committee will prioritize, in collaboration with the City's administration, the City's goals, objectives and strategies and determine which initiatives take precedence for implementation, under three main objectives: Finance, Standards of Living and Economic Development

Committee Members: J. Waltman, C. Daubert (Co Chairs), F. Acosta, M. Goodman-Hinnershitz, D. Sterner, S. Marmarou, D. Reed

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

Meeting Facilitated by the Managing Director's Office

- 1. Zoning Amendment re Parking in the CC (Parking Authority)**
- 2. Amendment to the Amusement/Admissions Tax (Managing Director)**
- 3. Recovery Plan Amendment – Define Action Items**
- 4. Liberty Fire Museum – Position Paper by Managing Director to be submitted for discussion at the September meeting**

Low Hanging Fruit

1. **Pagoda Foundation** – completed, strategic planning sessions are being scheduled
2. **Fire Fighters Museum**
3. **Library Funding**

Priorities

1. Recycling Litigation – update following Sept Hearing
2. Recovery Plan Amendment
3. BPRC Acquisition & Demolition
4. Act 111 Amendment
5. Capital Improvements re streets and street lights
6. Main Street initiative
7. UGI Gas Meters
8. Egelman's Park

6. Future Council and Committee Agenda Topics

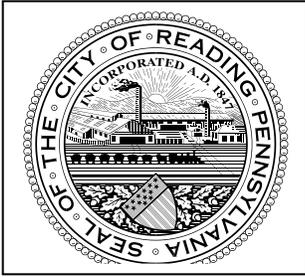
- a. Alignment with Administration goals
- b. Leadership meetings
- c. Other ???

7. Current Outstanding Issues & Management (Methods & Implementation timeline)

- a. UGI re gas meters
- b. Act 73
- c. Zoning Backlog
- d. PLA Ordinance

8. Reports from Board Liaisons

- Environmental Advisory Council
- Diversity Board
- Housing Board of Appeals
- Business License Appeals Board
- Blighted Property Review Committee
- Recreation Commission
- Audit Committee
- Reading Area Transportation Study (RATS) Coordinating Committee
- Berks County Criminal Justice Advisory Board
- Capital Improvement Program (CIP) Committee
- Berks Community Action Program (BCAP)
- Pagoda Foundation



CITY COUNCIL

Strategic Planning Committee

Monday, August 4, 2014
Meeting Report

Attending: J. Waltman & C. Daubert (Co Chairs), M. Goodman-Hinnershitz, D. Sterner, D. Reed, S. Marmarou

Others Attending: L. Kelleher, C. Snyder, D. Kersley, C. Younger, R. Johnson, J. Kromer, V. Spencer, F. Denbowski

The meeting was called to order by Mr. Waltman at approximately 5:07 pm.

2. Recycling Update

Mr. Younger reported that all court actions regarding the latest recycling lawsuit were deferred until September by Judge Fudeman.

Mr. Johnson and Mr. Denbowski left the meeting.

3. Water Lease Amendment

Mr. Waltman explained that the new articles in the Eagle claiming that Council approved a five (5) year lease deal with RAWA are incorrect. Council approved an amendment to the original 99 year lease agreement that originated in 1994. The confusion about the "five (5) years" may stem from the fact that the CPI increases do not begin for a five (5) year period.

Ms. Snyder explained that she was told that the meter surcharge attached to water bills will be eliminated and replaced by a rate increase to counter balance the revenue loss.

Mr. Waltman explained that the \$8M lease payment, justified by the valuation, is a base payment that can be adjusted moving forward. He explained that during meetings,

RAWA was asked what lease payment they could make without a rate increase and the RAWA Solicitor agreed to an initial \$8M payment. Mr. Waltman explained that this rate can be adjusted moving forward, as the valuation allows for a lease payment up to \$34M.

Mr. Marmarou noted the need for RAWA customers to be educated about changes in the water rates.

Mr. Spencer distributed a memo with a list of questions as follows:

1. On what grounds did Council have the authority to negotiate an agreement and exclude the administration
2. On what grounds did Council have to use outside legal counsel during the negotiations, as a conflict with the administration did not exist
3. How did Stevens and Lee obtain the valuation prepared by Municipal & Financial Services, which was not provided to them by the administration

In response to question number one (1) Mr. Waltman explained that the language in the Charter does not prohibit Council from negotiating contracts or agreements. He explained that before the mayor walked away from the process, Council had repeatedly asked RAWA to prepare a two (2) year deal that would have allowed the RFP of the system to occur. Mr. Waltman also explained that under the Municipalities Authorities Act the governing body is authorized to create and dissolve authorities. As Council enacted an ordinance to dissolve RAWA, Council could also meet with them to discuss resolving the matter, which could include a lease amendment.

Mr. Spencer questioned if he should execute a lease agreement that is improperly negotiated by Council.

Mr. Spencer questioned the grounds by which Council retained outside legal counsel to assist with the negotiation process, as a conflict did not exist. He stated that Mr. Miravich was available to assist.

Mr. Waltman stated that Mr. Miravich told Council he could not assist Council as a conflict existed between the positions of the mayor and Council and he stated that as the administration pays his retainer, he is unable to aide Council. He stated that Council then asked the Solicitor to assist Council with the issue but the Solicitor stated that he also could not assist Council with this issue due to the conflict between the positions of the mayor and Council. The Solicitor then authorized Council to retain the services of Stevens and Lee.

Mr. Spencer again asked Mr. Waltman to define the conflict. Mr. Waltman stated that he already answered the question. He noted the need for the mayor to move on, as the issue is now resolved and concluded. Mr. Sterner and Ms. Goodman-Hinnershitz agreed that continuing to make inquiries about the matter is pointless.

Mr. Spencer questioned how the copy of the valuation was obtained. Mr. Waltman stated that Council used its own channels to obtain the valuation. He noted that how the document was obtained is irrelevant as it is a public document prepared for the City.

Mr. Spencer questioned why an \$8M lease payment was agreed to as the valuation permits a lease payment up to \$34M. Mr. Waltman explained again that Council wanted to avoid a high annual payment that would require an increase in the water rates.

Mr. Spencer continued to repeat the same questions and ignore the responses provided. Mr. Waltman again told him that the matter is concluded and that Council will only revisit the water issue if the administration finds during the budget process, now or in the future that additional revenue is needed from RAWA.

1. Penn Square Properties

Mr. Waltman stated that at the last regular meeting, he requested the tabling of the resolution for the Penn Square properties to allow review of the analysis prepared by PFM. He stated that the analysis does not favor either of the two proposals submitted.

Mr. Waltman inquired if the BEDI and Section 108 money can be used elsewhere. Ms. Snyder stated that she is unsure given the requirement for the \$3M to be spent by September 2015. She noted that Mr. Boscov recently got HUD approval to use the money on Penn Street. The money was originally designated to the Ricktown area.

Mr. Waltman expressed concern with the number of vacant buildings in the downtown and the lack of vision for recreating the downtown. He stated that the administration keeps citing the unused HUD funding as the biggest reason to naming Our City Reading as the developer. He expressed the belief that the City should not use federal funding in the downtown before a proper vision for the downtown is adopted. He expressed the belief that the administration continues to execute plans for the downtown in an uncoordinated and scattered fashion.

Mr. Daubert noted that Council's approval of the resolution would allow the administration to negotiate an agreement with the developer and that agreement

requires Council approval. However, Mr. Waltman countered that if Council adopts the resolution naming the developer, Council will have virtually no control over the outcome of the agreement.

Ms. Snyder stated that the City paid \$2.5M for the Penn Square buildings and now the City must stabilize the buildings to avoid losing the existing tenants. She stated that using the \$3M in federal money to stabilize the buildings will allow additional tenants to move into the vacant spaces. She stated that next Monday Council needs to either vote the resolution up or down. If the vote is negative the administration needs to go back to square one and send out a new RFP. She explained that the original RFP was not “cookie cutter” and that it invited new ideas.

Ms. Snyder explained that the original resolution was edited to include language Council requested such as requiring market rate housing, if housing is used in the upper floors of the buildings and language requiring the administration to include other developers in the negotiation of the agreement.

Ms. Snyder asked Mr. Kromer to weigh in on the discussion. Mr. Kromer suggested that Council approve the resolution and allow the use of the \$3M to stabilize the buildings and seek retailers to occupy the ground floor spaces without naming a developer.

Ms. Goodman-Hinnershitz expressed that both proposals have shortcomings; however, she noted that Our City Reading has owned the Elks Building/Trexler Mansion at 5th and Franklin for many years and it remains in deteriorated condition. She suggested inserting completion timelines in the resolution and agreement that would prevent the same situation at 5th and Penn.

Ms. Reed agreed noting the empty retail spaces on the first floor of the new parking garage at 2nd and Washington Streets. She suggested requiring the submission of a marketing plan for the properties. Ms. Snyder stated that a preliminary marketing plan can be requested.

Mr. Waltman questioned spending \$3M in federal tax dollars before completing a development plan and vision for the downtown. He expressed the belief that the resolution contains too many “what ifs” and he agreed that adding timelines may be helpful.

Mr. Spatz from the Reading Eagle noted that the Eagle analysis of the vacant downtown buildings considered only the first floor spaces.

Mr. Waltman left the meeting at this time.

Ms. Goodman-Hinnershitz noted that this issue is faulted by disconnection as the administration continues to describe a plan that Council has not seen.

Mr. Sterner agreed that timelines are needed.

Mr. Spencer expressed the belief that other developers are interested in the downtown but they want to see how the City handles this initial issue. He suggested adding a reversion clause.

Mr. Daubert questioned the cost of waiting. Mr. Spencer stated that the temporary facades are at risk, which is why the fencing was installed and the stability of the roof is unknown; however, he noted that the roofing did withhold the large amount of snowfall during the past winter.

Ms. Snyder stated that she will add the reversion clause, marketing plan requirement and timelines.

Ms. Goodman-Hinnershitz noted the need to make the right decisions for the downtown and the need for synergy in good redevelopment projects.

The Strategic Planning Committee Meeting concluded at approximately 6:10 pm.

Respectfully Submitted by Linda A. Kelleher CMC, City Clerk

Follow Up Topics

Finance Committee

- *Act 111 Review – in progress*
- *RAWA Audit Review – assigned to Auditor*
- *Recovery Plan Amendment - July*

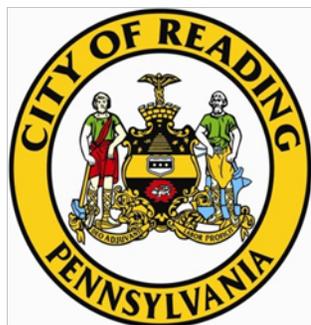
Standards of Living

- *BPRC Acquisition & Demolition – completed*
- *Capital Improvements re streets and street lights*

Strategic Planning or COW

- *CDC Manager - completed*
- *Library Tax – completed*
- *Firefighters Museum – in progress*
- *Pagoda Foundation – MOU approved, awaiting mayor's signature*

- *Main Street initiative*
- *UGI Gas Meters*
- *Egelman's Park – scheduled for 8-25 COW*



Act 47 Financial Recovery Plan Summary of Implementation Initiatives

Ref.	Domain	Initiative Summary	Timeline	R
PI01	Plan Implementation	Implementation Committees Established	June, 2010	C
PI02	Plan Implementation	Deploy Implementation Action Teams		C
PI03	Plan Implementation	Establish a Citizens Advisory Committee	July, 2010	M
PI04	Plan Implementation	Establish a Loaned Executive Program		C
PI05	Plan Implementation	Publish a Performance Measurement Report	August, 2010	M
PI06	Plan Implementation	Increase Participation in Regional Organizations		A
PI07	Plan Implementation	Create Teams to Study Authority and Joint Working Options	August, 2010	A
DS01	Debt Service	Unfunded Debt Transaction		Fi
DS02	Debt Service	Terminate Swap Agreement on 2002 CABs		Fi
DS03	Debt Service	Terminate the 2008 Swap Agreement		Fi
DS04	Debt Service	Discontinue Use of Swoop Funding		Fi
DS05	Debt Service	Continue Efforts to Find Alternatives to Wastewater Capital Funding		Fi
DS06	Debt Service	Adopt, Comply With, Debt Policies		Fi

WF01	Work Force	Use Professional Assistance for Labor Negotiations		M
WF02	Work Force	Establish Labor-Management Committee for All Employee Groups		M
WF03	Work Force	Limit New Contract Enhancements		M
WF04	Work Force	Eliminate FOP Expenditure Reduction Bonus		M
WF05	Work Force	Eliminate Free Employee Parking		M
WF06	Work Force	Ensure Collective Bargaining Agreements Comply with Recovery Plan		M
WF07	Work Force	Implement Three-Year Wage and Step Freeze	Immediate	M
WF08	Work Force	Implement Three-Year Wage and Step Freeze for First Level Supervisors	Immediate	M
WF09	Work Force	Reduce Management Salaries by 2.5% in 2011	January, 2011	M
WF10	Work Force	New Pay Scale for New Police Officers	January, 2012	M
WF11	Work Force	New Pay Scale for New Firefighters	January, 2011	M
WF12	Work Force	Freeze Longevity Pay and Eligibility		M
WF13	Work Force	Reduce Holidays from 14 to 10		M
WF14	Work Force	Retain the Right to Use Furlough Days		M
WF15	Work Force	Adjust OT Eligibility Thresholds to Reflect Hours Actually Worked		M
WF16	Work Force	Reduce Vacation Leave	January, 2011	M
WF17	Work Force	Reduce Sick Leave Allotments	January, 2011	M
WF18	Work Force	Amend Sick Leave Incentive Program	January, 2011	M
WF19	Work Force	Improve Sick Leave Monitoring		M
WF20	Work Force	Court-Related Overtime Reduction Strategy	January, 2012	M
WF21	Work Force	Amend IAFF Overtime Calculation to Reflect Shift Change	January, 2011	M
WF22	Work Force	Amend IAFF Minimum Overtime Provision	January, 2011	M
WF23	Work Force	Remove Disincentive for Mutual Aid in IAFF Contract	January, 2011	M

WF24	Work Force	Redesign Employee Health Care	January, 2011	M
WF25	Work Force	Contain Post-Retirement Healthcare Costs	June, 2010	M
WF26	Work Force	Other Health Care Cost Containment Measures		M
WF27	Work Force	Enhance Light Duty Program		M
WF28	Work Force	Retain Flexibility to Replace Employees After 6 Months		M
WF29	Work Force	Retain Flexibility to Assign Firefighters to Other Duties as Needed	January, 2011	M
WF30	Work Force	Review and Restructure Fire Academy Training	January, 2011	M
WF31	Work Force	Change First Step in IAFF Grievance Procedure	January, 2011	M
PN01	Pension/Post-Employment	Take Advantage of Act 47 Remedies	January, 2011	Fi
PN02	Pension/Post-Employment	Deposit 2007 Unpaid MMO Balances	September, 2010	Fi
PN03	Pension/Post-Employment	Do Not Provide Benefits Above Minimums for Third Class Cities		Fi
PN04	Pension/Post-Employment	Comply with the Internal Revenue Code	January, 2011	Pe
PN05	Pension/Post-Employment	Eliminate Firefighters OT from Pension Calculations for New Firefighters	January, 2011	Fi
PN06	Pension/Post-Employment	Eliminate the DROP Program		Fi
PN07	Pension/Post-Employment	Explore Defined Benefit Program for New Employees	December, 2010	Fi
PN08	Pension/Post-Employment	Make Partial Pension Payment Earlier in the Year	January, 2011	Fi
PN09	Pension/Post-Employment	Explore Defined Contribution Plan for Retiree Medical Costs		Fi
PN10	Pension/Post-Employment	Eliminate Post-Retirement Life Insurance for New Hires	January, 2011	Fi
OM01	Office of the Mayor	Work With Council on Ordinances Required to Enact Recovery Plan	Ongoing	M
CC01	City Council	Enact Ordinances Required Under Act 47 Recovery Plan	Ongoing	C
CC02	City Council	Hold Annual Town Hall Meeting on the City's Progress	Ongoing	C
CA01	City Auditor	Support Recovery Plan Implementation, External Audits	Ongoing	C
CA02	City Auditor	Establish Process for Responding to External Audits	Ongoing	C
CA03	City Auditor	Complete Post-Completion Audits on Capital Projects	Ongoing	C

FI01	Finance Department	Cash Flow Reporting and Monitoring		FI
FI02	Finance Department	Develop Annual Budget Document		FI
FI03	Finance Department	Create a System to Charge Back Expenses to Departments		FI
FI04	Finance Department	Quarterly Financial Reporting		FI
FI05	Finance Department	Strengthen Procurement Controls	July, 2010	FI
FI06	Finance Department	Establish Process for Coordinating, Responding to External Audits		FI
FI07	Finance Department	Fund Balance Policies		FI
FI08	Finance Department	Transfer Tax Collection to Other Entities		FI
FI09	Finance Department	Eliminate the Call Center or Equivalent Costs (\$160,000)		FI
FI10	Finance Department	Centralize Billing and Other Administrative Functions		FI
FI11	Finance Department	Reduce Manual Processes		FI
FI12	Finance Department	City-Wide Reduction of Non-Personnel Expense by 12.5%		FI
FI13	Finance Department	Monitor and Manage Utility Services		FI
FI14	Finance Department	Develop a Performance Management System		FI
IT01	Information Technology	Move IT Support for the Police to Berks County	December, 2010	FI
IT02	Information Technology	Help Other Departments Improve Their Use of Technology		M
IT03	Information Technology	Pursue Shared Services for IT, Other Services, with Berks County		M
CB01	Capital Improvement	Create an Annual Capital Improvements Plan		M
CB02	Capital Improvement	Increase Involvement in CIP Process By Other Departments		M
CB03	Capital Improvement	Enhance Communication Between City, Utilities		M
CB04	Capital Improvement	Capital Budget Financing		M
HR01	Human Resources	Establish a First Source Employment Referral System		H
HR02	Human Resources	Complete a City-Wide Job Study; Update Job Descriptions		H
HR03	Human Resources	Establish a Performance Review Process		H

HR04	Human Resources	Strengthen Employee Training	H
HR05	Human Resources	Continue to Create Internship and Apprenticeship Opportunities	H
HR06	Human Resources	Study Span of Control	H
HR07	Human Resources	Outsource Payroll Processing	H
HR08	Human Resources	Develop a Performance Management System	H
RM01	Risk Management	Develop Policies to Review Employees' Driving Records	H
RM02	Risk Management	Obtain Damage Estimates to Improve Cost Recovery	H
RM03	Risk Management	Review Excess Liability Coverage	H
RM04	Risk Management	Update Insurance Specifications	S
HC01	Human Relations	Evaluate HRC Staffing	H
LW01	Law	Manage and Reduce the Use of Outside Council	S
LW02	Law	Review All Statutes, Ordinance & Charter to ID Outside Counsel Needs	S
LW03	Law	Implement a Time Tracking System	S
LW04	Law	Use Professional Assistance for Labor Negotiations	S
RL01	Library	Participate in Restructuring of Library	M
FD01	Fire Department	Change Shift Schedule	M
FD02	Fire Department	Restructure EMS Basic Life Support Staffing Plan	Fi
FD03	Fire Department	Establish Part-Time EMS Positions for Vacancies, Stand-By Events	Fi
FD04	Fire Department	Implement Engine Company Inspection Program	Fi
FD05	Fire Department	Evaluate Further Consolidations of Fire Stations	M
FD06	Fire Department	Adjust Alarm Ordinances to Reflect Costs	Fi
FD07	Fire Department	Institute an Incident Response Fee	Fi
FD08	Fire Department	Improve Department Use of Technology	M
FD09	Fire Department	Pursue Joint Purchase of Ladder Truck; Intergovernmental Initiatives	Fi

FD10	Fire Department	Develop a Performance Management System		M
PD01	Police Department	Continue Discussions Re: Moving Dispatch to County		M
PD02	Police Department	Reduce Headcount in 2012		FI
PD03	Police Department	Explore Regional Bomb Squad		Pe
PD04	Police Department	Intergovernmental Cooperation Initiatives		FI
PD05	Police Department	Discontinue Leasing of Patrol Cars		FI
PD06	Police Department	Improve Cost Recovery for Private Duty Overtime		FI
PD07	Police Department	Full Cost Recovery for Coverage of Reading Housing Authority		FI
PD08	Police Department	Resume Billing for Burglar Alarms		FI
PD09	Police Department	Establish Arson Investigation Unit with Fire Department		FI
PD10	Police Department	Track Overtime by Category		FI
PD11	Police Department	Establish a Performance Management System		M
PW01	Public Works	Review City Fleet Policies, Practices and Needs		D
PW02	Public Works	Develop Comprehensive List of City Vehicles	July, 2010	D
PW03	Public Works	Explore Fleet Maintenance Contracts with Other Entities		D
PW04	Public Works	Initiate E-Bay Sales of Surplus Vehicles and Equipment		D
PW05	Public Works	Develop Multijurisdictional Vehicle and Equipment Organization		D
PW06	Public Works	Initiate Second Shift at Garage for Routine Maintenance		D
PW07	Public Works	Purchase and Implement Use of Fleet Management Software		D
PW08	Public Works	Charge Back Expenses to Departments		M
PW09	Public Works	Explore Public Works Apprentice Program (Fleet Maintenance)		H
PW10	Public Works	Explore Contract Maintenance of All Parks		D
PW11	Public Works	Evaluate Parks; Close, Dispose of Under-Used Parks		M
PW12	Public Works	Combine Parks and Property Maintenance Divisions		D

PW13	Public Works	Transfer Engineering Division to Administration Division	D
PW14	Public Works	Maintain Transfers from the Sewer Fund	Fi
PW15	Public Works	Establish and Maintain a Utility Cut Permit Program	D
PW16	Public Works	Improve Department Use of Technology	M
PW17	Public Works	Continue to Explore Establishing Reading Recreation Commission	M
PW18	Public Works	Develop a Performance Management System	D
PW19	Public Works	Create a Stormwater Utility	M
PW20	Public Works	Evaluate Special Assessment to Recover Street Expenditures	M
PW21	Public Works	Resolve Public/Private Ownership of Street Lighting	D
PA01	Authorities	Negotiate Additional Annual Payments from RAWA	M
PA02	Authorities	Negotiate Additional Annual Payments from RPA	M
PA03	Authorities	Explore Options for Additional Authorities to Provide Services	Fi
PA04	Authorities	Explore Transfer of City Employees to RAWA	H
CD01	Community Development	Establish Additional ZHB Meetings to Resolve Backlog	C
CD02	Community Development	Close Out Upaid CD Loans	C
CD03	Community Development	Improve Department Use of Technology	C
CD04	Community Development	Update Comprehensive Plan	C
CD05	Community Development	Develop a Performance Management System	C
CE01	Property Maintenance	Clear Rental Housing Inspection Backlog	B
CE02	Property Maintenance	Institute Two-Year Permitting and Inspection for Rental Housing	C
CE03	Property Maintenance	Consider Expanding Shift Coverage to Include Evenings, Weekends	M
CE04	Property Maintenance	Improve Department Use of Technology	B
CE05	Property Maintenance	Cross-Train Fire and Building Inspectors	C
CE06	Property Maintenance	Assemble and Systematically Deploy Codes Enforcement Teams	C

CE07	Property Maintenance	Increase 'No Show' Fees for Codes Inspections		
CE08	Property Maintenance	Consider Adding Pre-Sale Inspections		
CE09	Property Maintenance	Develop a Performance Management System		
HS01	Housing	Designate a Housing Manager	August, 2010	
HS02	Housing	Develop a Comprehensive Housing Strategy		
HS03	Housing	Evaluate Use of CD Funds		
ED01	Economic Development	Develop Local ED Partnership and Strategy		