



CITY COUNCIL

Committee of the Whole

Monday, September 28, 2015

5:00 pm

Agenda

Although Council committee meetings are open to the public, public comment is not permitted at Council Committee of the Whole 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 President of Council.

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.

- I. Episcopal House Pilot (Skyview Apartments)**
- II. WWTP Update**
- III. River Road Extension**
- IV. Agenda Review**
- V. 2014 External Audit Final Draft**
- VI. Adjourn**



COMMITTEE of the WHOLE
CITY COUNCIL

MINUTES
September 14, 2015
5:30 P.M.

COUNCIL MEMBERS PRESENT:

S. Marmarou, D. Sterner, D. Reed, M. Goodman-Hinnershitz, C. Daubert, J. Slifko

OTHERS PRESENT:

L. Kelleher, S. Katzenmoyer, C. Younger, D. Cituk, R. Johnson, C. Snyder, V. Spencer, J. Kromer

The Committee of the Whole meeting was called to order at 5:50 pm by Ms. Reed.

I. United Way

This presentation has been rescheduled to a later date.

II. Land Bank Briefing

Mr. Kromer provided a briefing to Council on the progress made. He stated that Philadelphia and Pittsburgh have created land bank agencies with staff and budgets. He stated that he does not recommend this approach for Reading. He stated that this is the wrong direction for Reading to take.

Mr. Kromer stated that Reading should focus on acquiring properties at tax sale. He stated that the County has had to increase the space available at tax sales and that many properties are purchased by out of state speculators and end up returning to tax sale in a few years. He explained that the County does not have the means to pre-qualify purchasers at tax sale but that they have been cooperative with the City in the past.

Mr. Kromer explained that a land bank agency would allow pre-qualification of purchasers and would encourage these purchasers to obtain the properties outside the tax sale process. He stated that the land bank would be authorized by Council ordinance and would also set the parameters for membership of the board.

Mr. Kromer suggested that the board membership be mostly comprised of City staff and other housing partners that are already involved in redevelopment initiatives. He stated that Council would need to approve each transaction. He stated that this would give Reading a very focused mission and would bring the right kind of investment to the City.

Mr. Sterner questioned if the process is entirely a Council initiative. Mr. Kromer stated that Council would create a new public entity. He stated that Council would enact the ordinance which would require the Mayor's signature.

Mr. Sterner suggested that the land bank board would be similar to the Blighted Property Review Committee. Mr. Kromer stated that they are very related.

Ms. Goodman-Hinnershitz questioned if the board would be an authority governed by the Authorities Act. Mr. Kromer stated that it would be a public body but not an authority.

Ms. Goodman-Hinnershitz suggested that this be further reviewed in Council committee.

Ms. Reed suggested that it be discussed by Finance and then before the entire body at a Committee of the Whole.

Mr. Slifko questioned if there was sample legislation. Mr. Kromer stated that there is sample legislation along with sample bylaws and procedures.

Ms. Snyder questioned how the new board would interact with the Administration. Mr. Kromer stated that there is no Administrative role but that it would operate consistently with current Redevelopment Authority procedures.

Ms. Reed stated that it would allow the City to do strategic urban planning. She noted her support of the initiative.

Mr. Sterner stated that there are already many entities focused in this area. Ms. Reed stated that if this is well coordinated this will not be an issue.

Mr. Daubert, Mr. Marmarou, Ms. Goodman-Hinnershitz and Mr. Slifko noted their support to move this initiative forward.

Mr. Slifko suggested that the work be performed in-house.

Mr. Cituk questioned the funding stream for the board's work. Mr. Kromer explained that the pre-qualified developers would pay a development fee which would cover the costs of the board's operating expenses. He stated that most of the costs will be incurred during start up.

Ms. Kelleher expressed the belief that Mr. Kromer's proposal would work well for Reading. She described the problems Our City Reading and Habitat for Humanity have when trying to obtain properties at tax sales. She stated that the board's work will be manageable at low cost with in-house staff. She suggested that the realtor's association may also be willing to assist.

Mr. Sterner suggested that there be assurances in the agreements with the developers to ensure that the projects move forward. Mr. Kromer stated that the agreements can include timelines and deposits. Ms. Kelleher suggested that there also be a reversion clause.

Ms. Goodman-Hinnershitz suggested including land and property.

Ms. Kelleher stated that draft legislation can be before Council for review in 2-4 weeks.

Ms. Reed thanked Mr. Kromer and Ms. Kelleher for their work on this initiative.

Mr. Kromer left the meeting at this time.

III. Committee Reorganization

Council reviewed the current committee assignments. The new assignments are as follows:

1. Finance Committee – Goodman-Hinnershitz, Reed, Slifko
2. Standards of Living – Marmarou, Sterner, Daubert
3. Nominations & Appointments – Marmarou, Sterner, Goodman-Hinnershitz
4. Act 47 Implementation Work Group – Council Pres & Chairs of Finance
5. Code and License Appeals Board – Councilor in affected District
6. Strategic Planning – body of Council, Councilor Daubert will chair

7. EAC – Slifko
8. Diversity Board – Waltman
9. LRA – Daubert, Marmarou, Waltman
10. BPRC – Slifko
11. Rec Commission – Goodman-Hinnershitz, Daubert
12. Audit Committee– Reed, Goodman-Hinnershitz (Finance Chair)
13. Capital Planning Committee – Reed, Goodman-Hinnershitz (Finance Chair)
14. Revenue Committee – Reed, Goodman-Hinnershitz (Finance Chair)
15. RATS – Waltman-Reed
16. BCAP – Goodman-Hinnershitz
17. Main St – liaison – Reed
18. BCCJAB – Goodman-Hinnershitz, Marmarou, Reed
19. School District Work Group – Waltman, Reed (Pres and VP), Goodman-Hinnershitz
20. Reading Eagle Public Safety Group – Goodman-Hinnershitz, Reed

Ms. Reed explained that committees will be reviewed again in January.

IV. Agenda Review

Council reviewed this evening's agenda including:

- Conditional use 549 N 10th St

Mr. Spencer questioned the number of onsite parking spaces. Ms. Reed stated that there are three spaces onsite and two more spaces two blocks away.

Mr. Spencer questioned the ingress and egress of the onsite parking area. Ms. Katzenmoyer stated that she believes that this information is included in the case report provided by the Zoning Administrator.

- Resolution synchronizing the traffic signal at 2nd & Washington Sts

Mr. Johnson stated that there will be changes made to the area which require PennDOT approval. He stated that the changes will be more compatible with the complete streets initiative and more pedestrian friendly.

Ms. Goodman-Hinnershitz questioned if the time for pedestrians to cross the street would be increasing. Mr. Johnson stated that it would not but that the lane reduction and the bump outs would increase safety and give pedestrians more time.

- Ordinance aligning the police pension plan

Ms. Snyder stated that these changes bring the latest pension items from the Police Collective Bargaining Agreement into the Code of Ordinances.

- Ordinance amending street cuts

Mr. Johnson stated that the City has stated that there will be no street cuts during the cold weather months. He stated that this is due to restoration work during the bad weather but that there may need to be exceptions for emergencies. He stated that all exceptions will be reviewed by the City Engineer. He stated that any street cuts during the cold months will need to use flowable fill to prevent street degradation.

Mr. Marmarou noted the horrendous condition of N. 13th St from UGI. Mr. Johnson stated that he will check on the situation and report back.

Mr. Marmarou stated that large trucks parking on S. 2nd Street are still problematic. Ms. Goodman-Hinnershitz stated that this issue is being addressed at the Standards of Living Committee meetings.

Ms. Reed suggested that all Councilors look at their districts to determine where this is problematic City-wide.

Ms. Kelleher stated that all efforts to reduce this issue seems to simply relocate the problem. She noted the need to prohibit large trucks from parking on streets City-wide. She stated that she has sample legislation.

Mr. Johnson stated that he will also do some research on the issue.

Ms. Reed suggested that a work group be formed.

- Ordinance amending the Diversity Board

Ms. Snyder stated that this amends the possibility for removal to missing two consecutive unexcused meetings and also removes the reference to the PSLC which is no longer functional.

Ms. Snyder noted the need to add an ordinance for introduction for the Hillside lease agreement. She stated that Mr. Coleman has been working on this project but that the "Christmas on the Mountain" group has not responded to him. She stated that further

delays will cause problems when set up needs to begin. She stated that there will be changes before final passage.

Ms. Goodman-Hinnershitz cautioned that the group should not be called "Christmas on the Mountain" as that has religious connotations. Mr. Daubert stated that the group established their own name.

Ms. Reed stated that the agenda will be amended to introduce the lease agreement with the understanding that the terms of the lease will change before final passage. She suggested that the lease be reviewed at the next Standards of Living Committee meeting.

V. Executive Session

Ms. Reed announced the need for an executive session to discuss litigation. Council entered executive session at 6:40 pm and exited at 7 pm.

VI. Meeting with RAWA on Curbside Waste Billing

Ms. Kelleher stated that Mr. Waltman requested that Council choose a day to schedule the meeting. The group suggested Wednesday, September 23 at 4:30 pm.

The meeting adjourned at 7:03 pm.

*Respectfully Submitted by
Linda A. Kelleher, CMC, City Clerk*



COMMITTEE of the WHOLE
CITY COUNCIL

MINUTES
September 21, 2015
5:00 P.M.

COUNCIL MEMBERS PRESENT:

S. Marmarou, D. Sterner, C Daubert, J. Slifko, J. Waltman

OTHERS PRESENT:

L. Kelleher, S. Katzenmoyer, T. Butler, D. Cituk, C. Snyder, C. Turtell, L. Heimback, E. Santamoor, V. Leung, D. Pottiger, C. Zale

The Committee of the Whole meeting was called to order at 5:02 pm by Mr. Waltman.

I. 2014 External Audit

Mr. Cituk introduced the representatives from Herbein and from PFM.

Mr. Turtell stated that the City will receive a clean opinion.

Ms. Reed and Ms. Goodman-Hinnershitz arrived at this time.

Mr. Turtell stated that EIT tax collection continues to be strong. He stated that this has been the trend for the last three years. He stated that there is also a positive trend in the collection of real estate taxes. He stated that working with the County has been successful.

Mr. Waltman questioned the EIT tax trend. Mr. Turtell stated that it is partly due to the new collection regulations requiring one tax collector and requiring the employer to withhold the municipal tax rate and partly due to people getting back to work after the recession.

Mr. Turtell stated that EMS was under budget by \$500,000. Mr. Cituk explained that this loss was created by the wheelchair transport service which was discontinued in June 2015.

Ms. Snyder stated that the 4th ambulance is not generating revenue as expected. Mr. Marmarou expressed the belief that the ambulance service never generated revenue. Mr. Cituk stated that it did in year one.

Ms. Goodman-Hinnershitz requested that discussion stay on topic.

Mr. Turtell stated that the addition of the Penn Street property expenses were unexpected in 2014.

Mr. Turtell stated that the City ended 2014 with a surplus of \$2,986,149 and a fund balance of \$23,161,000. He stated that \$2.5 million of the fund balance was used to balance the 2015 budget. He noted the need for the City to adopt a fund balance policy.

Ms. Heimback noted the need for the City to refer to the Act 47 Plan for guidance.

Ms. Goodman-Hinnershitz noted the need for the City to ensure that there is no misuse of the fund balance and that policies are followed.

Mr. Johnson arrived at this time.

Mr. Turtell stated that the water fund finished 2014 with a \$2 million deficit, the sewer fund with an \$11.5 million surplus and the recycling/trash fund with just over \$1 million. He stated that there is no deficit in the recycling/trash fund due to the changes in the MOU with the Water Authority for collection.

Mr. Waltman noted his concern with the deficit in the water fund. He noted the need to address this with the Water Authority.

Mr. Turtell stated that a new GASB regulation went into effect in 2014 and that the City's pension obligations must now appear as a liability on financial statements. He stated that this is explained in Note 10 of the draft audit. He stated that the goal is to increase transparency.

Mr. Slifko questioned the effect of changing the pension projections. Mr. Turtell stated that this is also addressed in the draft audit on page 71.

Mr. Waltman stated that pension is a large and important topic. He stated that it will be discussed at length at a future meeting.

Mr. Turtell called Council's attention to the repeat findings. He stated that those listed in yellow have been repeat findings since 2007.

Ms. Goodman-Hinnershitz thanked Herbein for providing this list. She stated that it is painful for her to review and that systemic changes are needed.

Mr. Turtell stated that Mr. Pottiger and Mr. Zale have worked to complete standard operating procedures to address these items. He stated that it will help with future audits and that several items have been addressed in 2015 and will come off the list.

Mr. Turtell stated that the monitoring of State grants is a new finding. He noted the need to closely monitor and draw down the H20 and PennVest funds. He noted the need for procedures and that not addressing the funds consistently could lead to cash flow problems.

Ms. Goodman-Hinnershitz questioned if the City would be impacted by the State budget impasse. Mr. Turtell and Mr. Cituk stated that it should not be affected.

Mr. Turtell stated that he is concerned about the timeliness of bank reconciliations. Mr. Pottiger explained that he was caught up with the reconciliations until Mr. Bembenick left the City. He stated that this caused delays but that a temp was hired to complete the reconciliations.

Mr. Turtell stated that the reconciliations are much better than they were in the past. Mr. Waltman suggested automating the process.

Mr. Turtell stated that there was also an issue with the receipt of payments for delinquent taxes when Portnoff was no longer the City's agent. He stated that this has been rectified.

Mr. Turtell stated that several findings have been removed. He stated that there is increased coordination and communication between accounting and community development on expenses and draw downs. He stated that this is the first year that Herbein has completed the audit that there are no findings in Community Development. He thanked Ms. Kelleher for her work to remove the time card finding.

Mr. Turtell stated that the charts were provided for quick reference on revenue sources and expenses.

Mr. Turtell reviewed the management letter. He stated that the turnover issue needs to be addressed. He stated that there have also been several leaves of absences which affected Administrative Services.

Ms. Goodman-Hinnershitz noted her concern with the upcoming transition. She stated that recommendations are needed along with standard operating procedures.

Mr. Waltman suggested that the City's intranet be used as a resource to house the City's standard operating procedures. He also noted the need to utilize the internal auditor.

Mr. Turtell stated that an accounting manual is needed along with better cross training. He agreed that the internal auditor needed to become more involved in a variety of areas covered in the management letter.

Mr. Waltman suggested that several key employees be trained to perform audits.

Mr. Heimback stated that Herbein would be providing several training sessions and that City representatives would be welcome to attend.

Ms. Goodman-Hinnershitz noted the importance of the oversight of sole source procurement.

Mr. Pottiger stated that there were 12 findings in 2013. He stated that five have been removed in 2014 and that two more have been addressed in 2015. He stated that two others seem simple to correct and that he hopes to address the rest of the findings by the end of 2015. He stated that much progress has been made.

Mr. Waltman thanked all for their work. He stated that the legal bills continue to be an issue but that this would be addressed at the Finance Committee later this evening. He noted the need for controls.

Ms. Goodman-Hinnershitz stated that the Federal government has developed sole source policies. She suggested that the City review them.

Mr. Coleman arrived at this time.

Mr. Waltman stated that misappropriations can be pursued by the City.

Mr. Pottiger thanked Herbein for their work.

The Herbein and PFM representatives left the meeting at this time.

II. Executive Session

Mr. Waltman announced that Council would be entering executive session to discuss potential litigation and to deliberate on several legal decisions.

Council entered executive session at 5:51 pm and exited at 6:41 pm.

The meeting adjourned at 6:41 pm.