



CITY COUNCIL

Strategic Planning Committee

**Monday, October 5, 2015
Penn Room
5:00 pm**

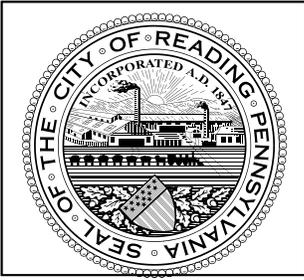
Strategic planning determines where an organization is going, how it's going to get there and measures success over time. It ensures the most effective use of the organization's limited resources by focusing resources on key priorities. The Council Strategic Planning committee will prioritize, in collaboration 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: C. Daubert (Chairs), J. Waltman, M. Goodman-Hinnershitz, D. Sterner, S. Marmarou, D. Reed, J. Slifko

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

- I. DID Renewal – finalize plan**
- II. Review 2016 CDBG Action Plan Budget**
- III. Define 2016 Budget Review Meeting Schedule**
 - CIP Public Hearing scheduled for October 19th at 5 pm
 - Budget Public Hearing scheduled for October 20th at 5 pm
- IV. 2016 Budget Overview**



CITY COUNCIL

Strategic Planning Committee

Monday, August 3, 2015
Meeting Report

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

Others Attending: L. Kelleher, C. Younger, C. Snyder, G. Mann, T. Coleman, R. Johnson

The meeting was called to order by Mr. Waltman at approximately 5:27 pm.

1. Heritage Park Damage

Mr. Johnson explained that the last several severe rain storms caused damage to the area surrounding Heritage Park. He stated that an eight foot storm sewer pipe burst which caused damage to the bank. He noted that the pieces of the pipe and the pipe lid were found both in the river and on the opposite river bank.

Mr. Johnson stated that the DEP came to review the damage and to help develop the permitting for the stabilization and repair of the area.

Mr. Johnson stated that he is unsure when the piping was originally installed but modifications to the piping were recorded in the 1980s.

2. UGI Meters

Mr. Coleman explained that the Street Cut ordinance approved last week goes into effect on August 7th. He stated that to date, UGI has responded favorably to the new requirements. He stated that internally the City is improving the various processes that are used for meter relocations and new installations. For example UGI used to submit applications for a large number of relocations that could take months to complete. The City began rejecting those mass applications and allowing UGI to only submit the number of relocation applications that they can begin within a 15 day period. The

projects approved must be fully completed (with final restoration of the pavement) within four (4) months. (One extension is allowed).

Mr. Coleman stated that UGI will now be prohibited from beginning new projects between November and January because the material for the final restoration of the pavement is only available on the marketplace between March and October. He also stated that the new process prevents the use of No Parking signs for more than two (2) days prior to the start of the project. The new process also adds restrictions on the use of steel plates and fees when steel plates are used.

Mr. Coleman noted that revisions to the application forms are also being made. He explained that the monthly Five City meeting on August 26th will include a discussion on the UGI meter relocations for the Managers and the Historic Specialists. He stated that this discussion will inform Reading about the approaches used to control the location of the meters within historic districts in our sister cities.

Mr. Coleman stressed the need to report complaints to Chris Brown, UGI Operations Manager.

In response to a question from Ms. Goodman-Hinnershitz, Ms. Kelleher stated that complaints regarding No Parking signs should be reported to the Police Chief.

In response to a question from Mr. Daubert, Mr. Coleman stated that UGI is required to provide notice to the public at least 30 days before a meter relocation occurs; however, UGI told the City that it sends the required notification out to residents a year in advance and the City asked UGI to shorten that timeframe.

Mr. Waltman described the miscommunication between UGI and the customer. He stated that the Citizens group will be meeting tomorrow evening, in advance of the meeting with the City scheduled for Wednesday morning.

3. Street Assessment

Ms. Snyder explained that last year the City rejected PFM's recommendation for the implementation of a streetlight assessment for a variety of reasons. The new Recovery Plan contains a recommendation for a Street Assessment that would charge a similar fee charged to all property owners for the repair and maintenance of the City's streets. She stated that the Recovery Plan estimates that the assessment would generate \$1.5M in 2016. A charge of \$0.75 per front footage would generate \$1.4M from all properties, including exempt properties (excluding City owned properties). She explained that this application would generate only \$200K from exempt properties. She explained the

typed of modeling performed. She noted that the City would need to charge the exempt properties \$4 per foot frontage to offset any impact on taxable properties.

Ms. Snyder explained her belief that the use of the street assessment would be burdensome for the City and for the public. She noted her agreement with Mr. Waltman's point that switching out the property tax for the street assessment would eliminate an income tax reduction for those who pay property taxes. Ms. Snyder stated that the administration does not recommend using the street assessment.

The group discussed applying the assessment to those nonprofits that choose not to participate in the PILOT program, although that may not be legal. Mr. Mann thanked Ms. Snyder for studying the issue in such great detail and he agreed with not moving forward with the assessment.

Mr. Mann stated that the recommendation was made to offset property tax increases.

A discussion began on the need to improve the City. Ms. Goodman-Hinnershitz suggested meeting with various organizations that serve those who live in poverty to develop a joint plan to address the root causes of poverty.

Ms. Reed expressed the belief that economic development and the creation of jobs would be a viable solution.

Mr. Waltman expressed the belief that the City cannot continue to carry the burden of those who live in poverty. He noted the need for the mayor to drive a solution for this issue.

Mr. Acosta stated that some campaigning for mayor promise reduced taxes and free water; however, those statements are both misleading and impossible. He suggested that candidates who make those promises are misleading the public.

Ms. Snyder described the educational conference organized by the mayor for the mayoral candidates.

4. Policy re Fund Balance and Sale of Assets and Land

Ms. Snyder explained that the need for these policies began in 2011 when they were requested by PFM in the original Recovery Plan. She explained the basics of governmental accounting. She stated that the GFOA recommends keeping a fund balance reserve to cover two (2) months of expenses. She noted that Mr. Zale prefers keeping three (3) months. She stated that the value of two (2) months is approximately \$15M and the value of three (3) months is approximately \$21M.

Ms. Snyder asked Council to make a recommendation on the amount of the reserve and the policy. She noted that over the coming five (5) years the City will need some financial assistance from the fund balance. However, she noted the need to find some balance between growing the fund balance and beginning to make capital repairs.

Ms. Kelleher was asked to research how other cities approach fund balance and prepare a recommendation.

5. Curbside Waste

Ms. Snyder stated that a meeting was held with RAWA and Dallas Data. She reported that RAWA would like to discontinue the practice of terminating water service for delinquent trash and recycling accounts. Although she noted that less than 4% of those with terminated water service were caused by trash and recycling delinquencies. She stated that RAWA also no longer wishes to purchase the trash and recycling receivable. RAWA will continue to bill and collect for these services.

Mr. Acosta questioned why the City would stop a practice that has improved the collection rate to 95%. He expressed the belief that if using the threat of terminated water service is an incentive to paying on time then that approach should continue.

6. Administrative Manual Review

Ms. Snyder stated that Mr. Lloyd is unavailable this evening. Ms. Kelleher distributed copied of the manual sent electronically by Mr. Lloyd. Ms. Snyder noted that Ms. Katzenmoyer submitted a list of necessary corrections and that the Administrative Manual group will reconvene shortly to begin working on the next draft that will be completed before the end of 2015.

As no other issues were brought forward, the Strategic Planning Committee meeting concluded at 7 pm.

Respectfully Submitted by Linda A. Kelleher CMC, City Clerk

DID Renewal Workshop
Monday, September 14, 2015
Council Office
4:30 pm

Attending: D. Reed, M. Goodman-Hinnershitz, C. Daubert, J. Slifko, D. Sterner, S. Marmarou, L. Kelleher, C. Broad, J. London, M. Zielinski, R. Burkey

Mr. Broad distributed a sheet covering three (3) funding options along with the 2015 adopted budget and the 2015 and 2016 renewal budgets.

Ms. Goodman-Hinnershitz inquired why the numbers in the two 2015 budgets are different. Mr. Broad explained that the adopted budget contains additional grant funding for the various programs that are included in the budget. The renewal budget does not include plans or funding for additional functions or programs. The renewal budget covers only the basic services.

Mr. Broad stated that the 2015 adopted budget shows the reduction of one (1) ambassador, which was necessitated by the loss of the assessment at the CNA building after the property was conveyed to I LEAD. The 2015 renewal replaces that ambassador.

Mr. Broad explained that the cost of the ambassador service contract also includes equipment, supplies, etc.

Mr. Broad noted that DID does provide additional assistance when requested by Public Works such as clearing the snow/ice from bridges, etc. He noted that DID also maintains the courtyards behind the Outside Inn building and the courtyards in the 400 block of Penn that provide a cartway to the parking garages. He stated that these properties are owned by the Redevelopment Authority. He stated that the Redevelopment Authority does not make a PILOT payment to reimburse DID for the costs associated with the maintenance of the courtyards.

Several members of Council questioned why the Redevelopment Authority would make a generous contribution to the CDC that provides no tangible service when compared with the services provided by DID.

Mr. Broad stated that when he met with Mr. Agudo to discuss the City contribution, Mr. Agudo encouraged him to request more funding, resulting in Option 2 (\$210K). He explained that he met with Council President Acosta in June and Mr. Acosta supported

the proposal. He explained that Option 1 requests \$150K in City funding which reduces the assessment from 22.74% to 12.03%. The 2nd and 3rd Options for \$210K in City funding eliminates the need for an increase in the assessment.

Mr. Broad and Ms. London explained that those who choose not to pay their assessments are aggressively pursued through liens. Ms. London noted that they recently added the assessment liens to the Tax Sales and Sheriff Sales.

During the discussion on the function of the Main Street Manager, Mr. Burkey and Mr. Zielinski explained that the DCED requires the Main Street Manager to devote 65% of his time to Main Street activities. As this detracts from the time Mr. Broad has to spend on DID issues, they are seeking a new employee to handle the Main Street Manager role.

In response to a question, Mr. Broad stated that the last increase in the assessment was in 2000 (15 years ago).

Mr. Zielinski inquired about how the DID funding would be split between the City's General Fund and CDBG.

Ms. Snyder stated that the split is dependent on the program and the CDBG regulations. She expressed the belief that the Main Street program or manager could be funded through CDBG.

Mr. Sterner suggested that the work group meet again to define a new Option 4.

Mr. Daubert stated that he prefers Option 3 which negates the need for an increase in the assessment.

Ms. Kelleher inquired about the timeline that includes the 45 day objection period. It was determined that the DID ordinance would need to be enacted no later than the 1st Council meeting in November. Ms. London explained that after the 1st public hearing, a 2nd hearing can be held no earlier than 15 days after the 1st public hearing with a 10 day notice period.

The meeting adjourned at 5:05 pm. A meeting to further discuss a new Option 4 and the funding split will be scheduled.

Respectfully submitted by Linda A. Kelleher CMC, City Clerk

**DOWNTOWN IMPROVEMENT DISTRICT AUTHORITY
RENEWAL BUDGET**

	2015	2016	2017	2018	2019	2020
INCOME						
Assessment Income	504,776.00	504,776.00	504,776.00	504,776.00	504,776.00	504,776.00
Total Assessment Income	\$ 504,776.00					
Payments In Lieu of Assessment	\$ 43,000.00	\$ 43,000.00	\$ 43,000.00	\$ 43,000.00	\$ 43,000.00	\$ 43,000.00
Contract Income						
City Contract	48,000.00	100,000.00	100,000.00	100,000.00	100,000.00	100,000.00
Main Street Program	12,000.00	50,000.00	50,000.00	50,000.00	50,000.00	50,000.00
Safety Services	6,757.50	6,750.00	6,750.00	6,750.00	6,750.00	6,750.00
Total Contract Income	\$ 66,757.50	\$ 156,750.00				
Miscellaneous Income						
Recovery of Bad Debt	600.00	600.00	600.00	600.00	600.00	600.00
Total Miscellaneous Income	\$ 600.00					
Total Income	\$ 615,133.50	\$ 705,126.00				
EXPENSES						
Contract Services						
Accounting Services/Audit	6,800.00	6,800.00	6,800.00	6,800.00	6,800.00	6,800.00
Legal Fees	7,900.00	7,900.00	7,900.00	7,900.00	7,900.00	7,900.00
IT Service	6,060.00	6,060.00	6,060.00	6,060.00	6,060.00	6,060.00
Events Coordinator	9,000.00	9,000.00	9,000.00	9,000.00	9,000.00	9,000.00
Operations Service Contract	420,070.80	473,619.00	478,356.00	483,139.00	487,970.00	492,850.00
Total Contract Services	\$ 449,830.80	\$ 503,379.00	\$ 508,116.00	\$ 512,899.00	\$ 517,730.00	\$ 522,610.00
Personnel Expenses						
Benefits	3,521.28	3,626.92	3,735.73	3,847.80	3,963.23	4,082.13
Payroll Tax Expense	14,045.00	14,466.35	14,900.34	15,347.35	15,807.77	16,282.00
Director	75,000.00	77,250.00	79,567.50	81,954.53	84,413.16	86,945.56
Special Project Coordinator	50,000.00	51,500.00	53,045.00	54,636.35	56,275.44	57,963.70
Administrative Assistant	34,320.00	35,349.60	36,410.09	37,502.39	38,627.46	39,786.29
Total Personnel Expenses	\$ 176,886.28	\$ 182,192.87	\$ 187,658.65	\$ 193,288.41	\$ 199,087.07	\$ 205,059.68
Equipment						
Equipment Lease - Copier	1,884.00	1,921.68	1,921.68	1,921.68	1,921.68	1,921.68
Equipment Lease - Postage	2,364.00	2,411.28	2,411.28	2,411.28	2,411.28	2,411.28
Equipment Lease - Two Way Radio	4,116.00	4,116.00	4,116.00	4,116.00	4,116.00	4,116.00
Vehicle Lease - Ford	7,908.00	0.00	0.00	0.00	0.00	0.00
Total Equipment/Lease	\$ 16,272.00	\$ 8,448.96				
General Expenses						
Advertising	1,303.00	1,303.00	1,303.00	1,303.00	1,303.00	1,303.00
Bank Charges	390.00	390.00	390.00	390.00	390.00	390.00
Insurance	5,686.00	5,686.00	5,686.00	5,686.00	5,686.00	5,686.00
Licence/Permits	150.00	150.00	150.00	150.00	150.00	150.00
Lien/Deed Expense	1,600.00	1,600.00	1,600.00	1,600.00	1,600.00	1,600.00
Maintenance & Repair	820.00	820.00	820.00	820.00	820.00	820.00
Meetings & Meals - Internal	1,430.00	1,430.00	1,430.00	1,430.00	1,430.00	1,430.00
Meetings & Meals-External	200.00	200.00	200.00	200.00	200.00	200.00
Memberships/Subsription	670.00	670.00	670.00	670.00	670.00	670.00
Mileage, Parking & Expense	747.00	747.00	747.00	747.00	747.00	747.00
Office Supplies	6,100.00	6,100.00	6,100.00	6,100.00	6,100.00	6,100.00
Phone - Comcast	2,712.00	2,712.00	2,712.00	2,712.00	2,712.00	2,712.00
Phone Cell - Sprint	1,948.00	1,948.00	1,948.00	1,948.00	1,948.00	1,948.00
Postage & Shipping	700.00	700.00	700.00	700.00	700.00	700.00
Quickbooks On-line & Payroll	1,001.00	1,001.00	1,001.00	1,001.00	1,001.00	1,001.00
Rent Expense	20,232.00	20,636.64	21,049.37	21,470.36	21,899.77	22,337.76
Software & Technology	1,431.00	1,431.00	1,431.00	1,431.00	1,431.00	1,431.00
Spring Water	936.00	936.00	936.00	936.00	936.00	936.00
Subscriptions	650.00	650.00	650.00	650.00	650.00	650.00
Travel/Conferences	1,061.00	1,061.00	1,061.00	1,061.00	1,061.00	1,061.00
Total General Expenses	\$ 49,767.00	\$ 50,171.64	\$ 50,584.37	\$ 51,005.36	\$ 51,434.77	\$ 51,872.76
Total Expenses	\$ 692,756.08	\$ 744,192.47	\$ 754,807.99	\$ 765,641.73	\$ 776,700.79	\$ 787,991.40
NET INCOME	\$ (77,622.58)	\$ (39,066.47)	\$ (49,681.99)	\$ (60,515.73)	\$ (71,574.79)	\$ (82,865.40)
5-year Loss	\$ (303,704.39)					
5-year average Loss	\$ (60,740.88)					
5-year expenses	\$ 3,829,334.39					
5-year average expense	\$ 765,866.88					

Enhanced City Contribution

