



CITY COUNCIL

Committee of the Whole

Monday, December 19, 2016

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. ATV Ordinance – T. Coleman, Sgt. Rothermel**
- II. UGI Update**
- III. Code of Ethics – Mediation process**
- IV. Micro-Loan Program**
- V. Agenda Review**
- VI. Other Matters**

2017 Strategic Planning Topics

- **January**

1. Revise Parking Authority Lease Agreement or Consider new model re Easton
2. City Staffing Plan – efficiency, need, etc.
3. Reformulate Main Street program

- **February**

4. Housing Strategy/Plan
5. Maintenance of City Owned Facilities
6. Codes/Property Maintenance Programs – those currently in place and effectiveness
7. Clean City Initiative

- **March**

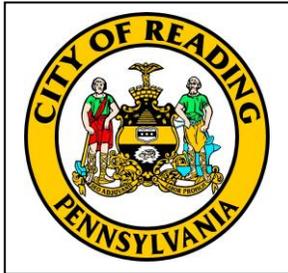
8. Fund Balance Policy re Assignment of Surplus
9. Aggregation of Pension Funding
10. Branding
11. Inclusion of Library in River Road Extension Project
12. BCTV Access Agreement Amendment
13. Parking Authority Lease Agreement

- **April**

14. City/County Relationship & Partnership
15. Technology – Overall review and needs
16. Star Update

- **May**

17. Lease with RRA
18. BCTV – funding, programing, technology, relationship/control



COMMITTEE of the WHOLE
CITY COUNCIL

MINUTES
December 12, 2016
5:00 P.M.

COUNCIL MEMBERS PRESENT:

S. Marmarou, J. Waltman, J. Slifko, B. Twyman, C. Daubert, D. Reed, M. Goodman-Hinnershitz

OTHERS PRESENT:

L. Kelleher, S. Katzenmoyer, P. Edelman, M. Vind, G. Steckman, C. Younger, D. Pottiger, A. Palacios, R. Johnson

The Committee of the Whole meeting was called to order at 5:03 pm by Mr. Waltman.

I. Sewer Bond Refinancing

Mr. Vind distributed a packet showing the financial information. He explained that the refinancing would be through PNC bank.

Mr. Vind explained that the All-In TIC shows the refinanced interest rate of 3.75% and stated that the current rate is 6.101%. He stated that this will result in a savings of approximately \$3.7 million over the life of the Sewer bond and is an 11.52% savings.

Mr. Vind explained that the costs of the bond refinancing are itemized but that this is a conservative estimate and that the actual costs may be lower. He explained that the yield will increase as the years go out due to the timeframe of the bond.

Ms. Castner and Mr. Murray arrived at this time.

Mr. Vind reviewed the difference between the current payment schedule and the future payment schedule after the refinancing.

Mr. Scott arrived at this time.

Mr. Vind stated that the closing on the refinancing would occur at the end of January.

Mr. Steckman stated that the refinancing will benefit both the sewer fund and the system users.

Mr. Waltman questioned if the interest rate was subject to change. Mr. Vind stated that it is subject to change depending on the actual interest rate at the end of January. Mr. Steckman expressed the belief that there would not be a dramatic increase in rates before then.

Mr. Vind stated that historically rates increase in December and then settle down in January. He stated that he will keep Council updated if there are changes.

Mr. Marmarou stated that the stock market is doing well now. Mr. Vind agreed and stated that this results in investors pulling out of the bond market so interest rates are increasing.

Mr. Waltman questioned if timing by the Federal Reserve will change the effect of the refinancing. Mr. Vind expressed the belief that it would not.

Mr. Cituk questioned if the savings will occur annually in the amount of the bond payment or all up front. Mr. Vind stated that the savings will be annually as this approach will stabilize the sewer rates.

Mr. Vind and Mr. Edelman left the meeting at this time.

II. Executive Session

Mr. Waltman announced that an executive session was needed to discuss contract negotiations. Council entered executive session at 5:15 pm. Council, Mr. Scott, Mr. Steckman, Mr. Younger, Mr. Johnson, Ms. Kelleher, and Ms. Katzenmoyer remained in the room.

Mr. Johnson left the executive session after the first topic.

Council exited executive session and 6:14 pm.

Staff returned to the meeting and Ms. Encarnacion arrived at this time.

III. Agenda Review

Ms. Katzenmoyer distributed the two resolutions that the Administration requested be added to this evening's agenda:

- Resolution – authorizing the transfer of money in the amount of \$3,719.10 from the PLGIT #00003258011 City of Reading to Wells Fargo General Savings #2000011218070
- Resolution - authorizing the transfer of money in the amount of \$2,462.91 from the PLGIT #00003258040 Motor License to Wells Fargo General Savings #2000011218070

Mr. Steckman explained that these are housekeeping items. He explained that as these small amounts are located, they are being combined into one account. He stated that Council will receive a presentation on this project in January.

Mr. Waltman stated that these resolutions will be added to the consent agenda.

Mr. Waltman questioned if PennDOT was given a time limit on their River Road Extension presentation. Ms. Kelleher stated that they were asked to keep their presentation to 15 minutes.

Mr. Steckman stated that the presentation boards will remain in City Hall for public review. He stated that the River Road PennDOT project will affect the Northwest Branch of the library. He stated that he is working with PennDOT to reduce the impact to the library.

Mr. Johnson stated that the library has requested an area to load and unload school buses.

Mr. Steckman stated that the Schuylkill Ave Bridge project had a negative impact on the use of this library. He stated that the library hours would be increasing in 2017. He clarified that this meeting does not require a stenographer.

Council reviewed this evening's agenda including:

- Ordinance amending the Code of Ethics, Campaign Contributions and Reporting Requirements and amending the definition of Individual

Ms. Goodman-Hinnershitz questioned when the ordinance would be in effect. Ms. Kelleher explained that all ordinances are effective 10 days after the Mayor signs them and that it would depend on the date of signature. She gave an example that if the Mayor signs it on December 13, it would be effective on December 23. She explained that ordinances cannot be retroactive.

Mr. Slifko stated that Council requested minor changes during its review of the ordinance. He questioned if an amendment was necessary. Ms. Kelleher stated that the changes were minor and not substantive. She stated that the changes did not require re-advertisement and expressed the belief that an amendment was not necessary as the ordinance attached to the agenda includes the changes.

- Ordinance authorizing a transfer within the Public Works waste water budget Fund 54 for a total of \$150,000

Mr. Johnson stated that there was additional unbudgeted overtime, a malfunction in the odor control system and the replacement of a water meter that were necessary.

Mr. Slifko questioned if Mr. Johnson could explain these items during the public meeting. Mr. Johnson stated that he would.

- Ordinance amending the Code of Ethics creating a mediation process and clarifying the boards and commissions which must file financial interest statements

Ms. Kelleher stated that this version eliminates the filing fee as discussed by Council.

Mr. Slifko questioned if it also changed the statute of limitations to 1 year. Ms. Kelleher agreed.

- Ordinance providing the Police with the authority to seize and dispose of All Terrain Vehicles (ATV) unregistered with the PA DCNR

Mr. Marmarou questioned why this was necessary since the State already doesn't allow them. Ms. Kelleher explained that currently when the ATV is confiscated and unclaimed it goes to auction. He stated that it seems that they are being sold back to the same people. She stated that this regulation would allow the Police to determine alternate methods of disposal.

Mr. Marmarou stated that the City can participate in the State's escheat program.

Ms. Kelleher stated that the Police Chief requested this additional option.

Mr. Steckman stated that an appeal process is included and that this would allow the ATVs to be scrapped. He stated that these are problematic on many City streets.

Ms. Goodman-Hinnershitz agreed that they are problematic in many neighborhoods. She stated that there were many complaints about them at her recent neighborhood meeting.

Mr. Steckman stated that this was an additional tool to control the vehicles and remove them from neighborhoods.

Mr. Marmarou again stated that these regulations are not needed. He suggested that the City hold them after they are confiscated and that they be turned over to the State.

Ms. Goodman-Hinnershitz stated that this is another tool.

Mr. Waltman questioned if this would address motor bikes. Mr. Steckman stated that it only addresses ATVs. He stated that motor bikes are allowed if they are registered with PennDOT.

Mr. Marmarou stated that Albright College uses unregistered golf carts. He stated that Albright has been repeatedly told that they needed to be registered but they have not done so.

Mr. Twyman stated that ATVs and motor bikes are running rampant in the City. He noted the need for the Police to be careful in pursuit and he requested an in-depth discussion of this issue in the near future.

Mr. Waltman agreed and requested that the Police Chief be invited to next week's Committee of the Whole meeting. He agreed that ATVs are a big problem in neighborhoods.

Mr. Marmarou stated that Albright uses the carts all over and around campus during football games and other events.

Mr. Waltman suggested that the vote move forward this evening and further discussion be held.

- Ordinance amending the Position Ordinance by creating a Deputy Police Chief

Mr. Waltman explained that this would amend the 2016 Position Ordinance allowing the Deputy Chief to be hired before the end of 2016.

Mr. Steckman stated that the position has been advertised and that there are several finalists for the position. He stated that the Administration was surprised when the problem

surfaced. He stated that interviews have been held but no candidate has been chosen at this time.

Mr. Daubert suggested that this ordinance and the ordinance setting the salary of the Deputy Chief be tabled this evening.

- Resolution appointing Donna Reed as the Council liaison to the BCTV Board

Mr. Waltman stated that there was conflicting information about the ability for Council to have a liaison to the BCTV Board.

Ms. Reed stated that she attended the most recent meeting. She stated that the Board has allowed her to sit in and that they were very amenable.

Mr. Steckman explained that Mr. Scott is a voting member of this Board and that their meetings are not public. He stated that BCTV is gracious to allow a Council liaison to attend meetings. He stated that the Mayor can send a designee when he is unable to attend and he also co-chairs the meetings. He stated that this is a great courtesy to Council.

Ms. Reed agreed and stated that it was a very positive meeting. She reminded all that she has no voice and no vote at the meetings.

- Resolution – authorizing the Mayor to rescind the agreement to transfer the City's Micro-Loan Program to the Community First Fund, bringing the administration of the program in-house

Mr. Waltman suggested that this resolution be tabled based on discussions held in executive session.

IV. Parking Authority Lease Agreement

Mr. Steckman stated that the Parking Authority has been making contributions in excess of the amount noted in the Agreement. He stated that he has met with Mr. Encarnacion about an updated contribution amount. He stated that the Parking Authority does not wish to continue making unexpected large payments to the City because it has caused them to defer maintenance and capital projects on their properties. He stated that their infrastructure is aging. He noted the need for a real contribution amount that will allow the Parking Authority to maintain its assets.

Mr. Slifko requested that the Parking Authority perform a through capital assessment. Mr. Steckman stated that they are currently compiling this information. He stated that the Parking Authority has been meeting its minimum financial obligations to the City.

Mr. Waltman questioned when the Agreement would be updated. Mr. Steckman stated that after the Water Authority Lease Agreement is complete he will begin working on the Parking Authority Lease agreement and the BCTV Access Manager agreement. He noted his hope that these would be complete in 2017.

Mr. Waltman noted the need for Council to schedule a Strategic Planning session for a Saturday in January. Saturday, January 28 at 8:30 am was chosen.

Mr. Slifko questioned what would be discussed at the Saturday session. Mr. Waltman stated that it would be items that require discussion and solution after the conclusion of the budget discussions. He stated that he will prioritize the issues with the Administration and set the plan for 2017. He noted the need for Council to discuss their current committee structure and to hold quarterly Saturday Strategic Planning meetings. He noted the need to create action items to track progress and move the items forward.

V. Comprehensive Plan Review

Mr. Steckman stated that the Administration requested edits to the last draft. He stated that after the edits are complete, the Plan will be reviewed by the Planning Commission. He requested a delay in bringing the Plan forward to Council in case Council has additional issues based on the Saturday Strategic Planning session.

Mr. Waltman requested that Council be given the updated draft to review. Mr. Steckman stated that he requested language changes to present a more positive light on the City. He stated that he will request that Mr. Peiffer provide the updated draft to Council for preliminary review.

VI. Pension Investments

Mr. Steckman stated that there are many numbers flying around. He stated that complicating the matter further is that there are old interpretations and new interpretations.

Mr. Steckman stated that the Police Pension is currently funded at 53.45%, Fire Pension at 71.36% and O & E at 75.8%. He stated that combined, the pension funds are funded at 63.08% which is distressed level two. He stated that the State is incorrectly currently showing the City's pensions as 72% funded.

Mr. Steckman stated that the City will be receiving its updated actuarial report effective January 1, 2017. He stated that the Administration plans to bring a plan to Council creating

one aggregated pension board. He stated that the value of the funds can decrease quickly and that the Police pension fund will soon be at distress level three.

Mr. Twyman questioned if action taken by the State would change this situation. Mr. Steckman expressed the belief that it would not. He noted the need to set aside general fund reserves to invest in the pension funds. He stated that he must determine when it is the right time to get the best value on the investment. He stated that the City did this in the past and it was not successful. He stated that he is not yet comfortable making this recommendation.

Mr. Waltman stated that municipalities are very vulnerable to pension costs and expressed the belief that the State is failing them in this area. He questioned what tools the City has when the pensions are at distress level three. Mr. Steckman stated that additional tools are not available as the City is already using them. He stated that the Administration does not want to see the City's EIT increase further to cover pension costs.

Mr. Waltman expressed the belief that the City has done everything it could to control pension costs and that it is still failing. He stated that perhaps the City could control the bleeding if the State takes action.

Mr. Slifko questioned the advantages of the aggregate pension board. Mr. Steckman stated that there would be reduced administration costs and fees. He stated that it would also make it easier to make a determination to measure the value of the funds. He stated that when he presents the issue to Council he will be sure to have an accountant present to answer questions. He noted the need to track costs and fees because even the aggregate board could end up paying more than it should.

Mr. Waltman stated that Council is responsible for funding the pension funds but has no oversight. He expressed the belief that the process is broken.

VII. UGI

Mr. Johnson stated that UGI brought a suit against the City to move forward with a project on N. 8th St during the blackout period. He stated that UGI released information to the Court noting that this location had 32 leaks and 1 main break and that these were emergency repairs. He stated that the City allowed the project to move forward without the hearing.

Mr. Johnson stated that future projects during the blackout period must be justified and approved by the City. He alerted Council that the project will be taking place on N 8th St during the winter of 2017.

Mr. Twyman questioned if UGI informed the City about the leaks and main break in this area. Mr. Johnson stated that they did not.

Mr. Waltman requested further discussion at the December 19 Committee of the Whole meeting.

The meeting adjourned at 6:56 pm.

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