



CITY COUNCIL

Finance, Audit & Budget Committee

Monday, May 16, 2016
City Council Office
5:00 pm

The Budget and Finance Committee's responsibilities include Annual Budget Review, Capital Improvement Programs, Financial Reports, Taxes (Rates, exonerations and exemption appeals), Fee Assessments, Review of Budget & Financial Reports, oversight of the City's external auditing, internal controls and any other financial or business practices, and reviewing the work of the City Auditor.

Committee Members: Ms. Goodman-Hinnershitz, Mr. Slifko and Mr. Twyman

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. Legislation Review –

Ordinance 17-2016 – authorizing Berks EIT, as the City's tax collector, to engage one or more third-party collection agencies to pursue and collect delinquent Tax and apply a fee for the use of a third-party collection agency provided that the fee does not exceed twenty-five percent (25%) of the amount of Tax collected from any such Taxpayer ***Introduced at the April 25 regular meeting***

II. Baker Tilly Report

- 1. Q/A with Baker Tilly Reps**
- 2. Administration's response to the report**

III. Parking Authority 2016 Contribution – RPA reps

IV. Assigning Committee members to address:

- BPT collection
- Pension Reform

- Healthcare costs and coverage for retirees who currently are reemployed

WRITTEN REPORTS REQUESTED FOR THE FOLLOWING ITEMS:

V. Timelines to Correct 2014 External Audit Findings (attached)

- Set Audit Committee meeting
- PFM Recommendations:
 - 1st **priority:** Reconciling the General Disbursement Account 2007-2014
 - 2nd **priority:** Account reconciliations 2012-2014
 - 3rd **priority:** Monitoring State Grants 2010-2014

VI. Review Finance Reports

- Review Expenditures/Revenues
- Review Bank Statement Activity
- Review Transfers
- Review Investments
- Compliance with SEC Regulations

VII. Update from City Auditor

- Define operational audits for 2016 i.e. Property Maintenance and Zoning
- Define general internal audits for 2016

Adjourn to Committee of the Whole in the Penn Room re Act 47 (approx. 6:15 pm)

I. PFM Act 47 Update

- Revenue Performance 2016 and projections
- Cost of Employee Healthcare – retiree and active
- 2016 Budget re Variables (RPA Contribution, etc) and Impact
- Update re Collection of Per Capita, Business Privilege with BEIT

FOLLOW UP ISSUES

March

Staffing needs of Accounting/Finance

April

Containing Legal Costs

Review of City's Investment Accounts (Quarterly)

May

- BPT collection
- Retention of the Commuter Tax
- Discussion with the Parking Authority re 2016 contribution
- Health insurance cost and exploration of alternatives
- Remove re-employed retirees who have access to similar healthcare coverage
- Pension reform
- Pension fund management
- Timeline to resolve Account reconciliations and State Grant Management

June

- BPT & Per Capita collection
- Retention of the Commuter Tax
- Health insurance cost and exploration of alternatives
- Remove re-employed retirees who have access to similar healthcare coverage
- Pension reform
- Pension fund management
- Timeline to resolve Account reconciliations and State Grant Management

July

Drafted by City Clerk/TCC
Sponsored by/Referred by Council
Introduced on April 25, 2016
Advertised on May 9, 2016

CITY OF READING

BILL NO. _____ 2016

AN ORDINANCE AUTHORIZING COLLECTION AGENCY FEES

The City of Reading City Council hereby ordains under authority of the Local Tax Enabling Act, the Municipal Claims and Tax Lien Act, and other applicable law, as follows:

Section 1. Definitions. The following terms shall have the meanings set forth herein:

- a. Collector. The Berks County Earned Income Tax Collection Bureau.
- b. Enactment. This of this Ordinance.
- c. Governing Body. The City of Reading City Council.
- d. Tax. All local earned income taxes, other taxes, penalties, interest, and costs that the Collector collects on behalf of the Taxing Authority under the Local Tax Enabling Act, 53 P.S. § 6924.101, *et seq.*, or other statutory law.
- e. Taxpayer. An employer or taxpayer that is liable for Tax.
- f. Taxing Authority. City of Reading.

Section 2. Authorization. The Taxing Authority acknowledges the Collector may engage one or more third-party collection agencies to pursue and collect delinquent Tax in situations where the amount of delinquent Tax owed is relatively small and it is therefore cost-prohibitive for the Collector to dedicate the upfront resources necessary to pursue such delinquent Tax. The Taxing Authority hereby approves of the imposition on and collection of a fee from any delinquent Taxpayer by any third-party collection agency engaged by the Collector, provided such fee does not exceed twenty-five percent (25%) of the amount of Tax collected from any such Taxpayer.

Section 3. Notice. Promptly after adoption of this Enactment, the Taxing Authority will provide a copy of the Enactment to the Collector. If the Taxing Authority later rescinds, limits, or changes the scope of, the authorization set forth in this Enactment, then the Taxing Authority will immediately notify the Collector.

Section 4. Severability. The provisions of this Enactment are severable and if any of its provisions are ruled invalid or unconstitutional by a court of competent jurisdiction, such decision shall not affect or impair any of the remaining provisions of this Enactment. It is declared to be the intention of the Governing Body that this Enactment would have been adopted if such invalid or unconstitutional provision had not been included.

Section 5. Enactment. This Enactment is adopted and enacted _____, 2016.

ATTEST:

City of Reading City Council

City Clerk

By: _____
President of Council

Submitted to Mayor: _____

Date: _____

Received by the Mayor's Office: _____

Date: _____

Approved by Mayor: _____

Date: _____

Vetoed by Mayor: _____

Date: _____

