
**CITY COUNCIL MEETING
MONDAY, APRIL 13, 2009**

A regular meeting of City Council was held on the above date for the transaction of general business.

Vaughn D. Spencer, President of Council, called the meeting to order.

The invocation was given by Pastor Fred Opalinski, of Trinity Lutheran Church.

All present pledged to the flag.

ATTENDANCE

Council President Vaughn Spencer
Councilor Steve Fuhs, District 1
Councilor Goodman-Hinnershitz, District 2
Councilor Sterner, District 3
Councilor Marmarou, District 4
Councilor Maria Baez, District 5
Councilor Jeffrey Waltman, District 6
Mayor T. McMahon
City Auditor D. Cituk
City Solicitor C. Younger
City Clerk L. Kelleher
Public Works Director C. Jones
Sgt. at Arms Captain R. Schafer
Managing Director R. Hottenstein

PROCLAMATIONS AND PRESENTATIONS

A Council Commendation was issued to the Central Catholic Boys and Girls Basketball Teams.

PUBLIC COMMENT

Council President Spencer announced that ten (10) citizens were registered to address Council on non-agenda matters. He inquired if Council objected to suspending the rule requiring comment on non-agenda matters at the end of the meeting. No one objected, therefore, the rule requiring non-agenda comment at the end of the meeting was suspended. Council President Spencer reminded those registered about the remaining speaking rules.

Richard Palsgrove, of Temple, was not present.

Barry Mackley, of Buttonwood Street, noted the existence of a new private security team to assist law enforcement agencies.

Jeff Crosby, of the Reading Berks Association of Realtors, thanked City Council for their leadership and public service and voiced his opposition to the proposed ordinance that restricts rental housing in low density residential zoning districts.

Mike Klonis, of the Reading Berks Association of Realtors, described his experience with the City's housing registration process. He observed that the extreme slowness of the process is caused by poor communication between the different departments who have a role in the process. He expressed the belief that the enforcement of the codes ordinances will provide a sufficient deterrent to the growth of rental housing, making the ordinance to restrict rental housing unnecessary.

Chuck Leidike, Director of Government Affairs for the Reading Berks Association of Realtors, expressed the belief that the ordinance to restrict rental housing is unnecessary as the enforcement of the City's various codes ordinances provides a sufficient deterrent.

Jose Rodriguez, of North 4th Street, deferred and requested that Council allow Steve Keiser to use his three minutes of comment time.

Rose Glaser, of Temple, commended City Council for their position on keeping the cross on the Fire Tower. She offered to assist the City by raising funds to cover the legal costs to fight the legal challenge waged by the ACLU.

Steve Keiser, of Cumru, noted the legal costs for the Charter Board complaint

that was filed by the City Clerk to challenge the residency of a member of the Police Diversity Board. He suggested that the City Clerk repay these costs, if she independently filed the complaint. He also suggested that Council either fire or discipline the City Clerk for filing this complaint.

Paul "Skip" Moyer of Exeter, deferred on his opportunity to comment.

Sean Moretti, of Exeter and a realtor, suggested that the housing registration process could be improved if employees had the ability to see all information in the Hansen program. He expressed the belief that a simple change in policy would allow employees to see information in other departments and offices, eliminating the delays created by the need to confirm if the applicant has complied with specific requirements to have a trash hauler, a business license, etc.

APPROVAL OF AGENDA & MINUTES

Council President Spencer asked Council to consider the agenda for this meeting, including the legislation listed under the Consent Agenda heading and the minutes from the March 23rd regular meeting. He noted the need to add a resolution making a reappointment to the Water Authority and to introduce an ordinance making amendments to the 2009 budget.

Councilor Marmarou moved, seconded by Councilor Fuhs, to approve the minutes from the March 23rd regular meetings and the agenda, as amended, including the legislation listed under the Consent Agenda heading. The motion was approved unanimously.

Consent Agenda

Resolution 36-2009 - authorizing the exoneration of outstanding City property tax, penalties and interest for the year 2008 and 2009 for 1058 Benner's Court, Reading, Berks County, Pennsylvania **(Council Staff)**

Resolution 37-2009 – authorizing an application for “RACP” funds in the amount of five hundred thousand dollars (\$500,000.00) for the “Entertainment Square Lighting” project **(Law)**

Resolution 38-2009 - authorizing the City to submit an application for a PA DCNR Community Conservation Partnerships Program grant for a rehabilitation project at the Barbey Playground **(Man Dir)**

ADMINISTRATIVE REPORT

Mayor McMahon reviewed the report distributed to Council covering the following:

- Recent reduction in crime statistics
- The Administration's work to correct the City's financial problems
- The April 25th Reading Crime Watch Spaghetti Dinner

Councilor Goodman-Hinnershitz added that the Great American Cleanup is scheduled for Saturday, April 18th. The event starts at 9 a.m. at the RACC Library.

AUDITOR'S REPORT

City Auditor Dave Cituk read the report distributed to Council at the meeting covering the following topics:

- DCED annual audit
- Update on the collection of the Real Estate Transfer Tax
- Initiation of the annual external Audit by Herbein & Co.

The City Auditor noted the potential errors included in the budget amendment being introduced tonight. He stated that this amendment is not based on the numbers in the City's USL finance program.

Councilor Waltman walked City Council and the Auditor through the amendments being introduced tonight and the Council actions that have made the amendments necessary.

The City Auditor expressed the belief that the data in the USL program is correct. Councilor Waltman and Mr. Hottenstein stated that the budget uploaded in USL represents the Administration's interpretation of the budget adopted by Council in December. Mr. Hottenstein stated that the City Clerk discovered that the figures in USL are incorrect. Councilor Waltman reminded the Auditor that Council adopted a budget without tax increases and a 4% reduction in departmental expenditures across the board, excluding the City's debt service. The City Clerk stated that the budget in USL shows some line items reduced by 6%, by 13% and by 28%.

Councilor Waltman stated that the document submitted for introduction tonight

shows the budget submitted by the Administration, the budget approved by Council in December and the amendments recently agreed to by the Administration and Council. He noted that as Council approved a property tax increase after the budget ordinance was approved, subsequent adjustments are needed. He noted his frustration that this issue was not resolved sooner. He stated that as it is April, Council and the Administration should be preparing for the 2010 budget, rather than finalizing adjustments to the 2009 budget.

Council President Spencer noted that the budget amendment is only being introduced tonight, which provides time for further review.

Councilor Sterner questioned why the Administration uploaded incorrect figures into the USL program. Mr. Hottenstein stated that the Administration was confused by the amendments made by Council.

Councilor Fuhs noted the need to move beyond this issue and the need to begin to address 2010 issues. He thanked the Administration for their work to improve the City's finances. He also suggested that Council and the Administration work to educate the public about the gravity of the City's financial picture and the financial problems of other Pennsylvania 3rd Class Cities.

Councilor Marmarou requested a report on the collection of Per Capita Tax over the past 20 years. The City Clerk stated that the Council Office prepared this report in the 3rd quarter of 2009 using the City's budgets and external audits. Mr. Hottenstein expressed the belief that collecting this tax is not a priority, as that collected does not cover the cost of the program. Councilor Marmarou countered that the City would be collecting at least \$250,000 if this tax were properly collected. He stressed the need for aggressive collection of all taxes and fees.

Councilor Marmarou demanded that the Administration award the contract for the collection of delinquent taxes and fees.

Councilor Waltman stated that the Administration should not be ignoring collection issues until City Council begins to question the collection activity. He noted the need for the Administration to properly collect taxes and fees to assist the City's bigger financial picture. He also noted the need to adjust fees to cover the cost of various services.

Councilor Goodman-Hinnershitz expressed the belief that the root problem of

the housing issue includes a financial component. She suggested that the Administration report on this issue at each Council meeting.

ORDINANCES FOR FINAL PASSAGE

Bill No. 15-2009 – amending the City of Reading Codified Ordinances Section 10-1212.03.2 adding necessary language to establish a non-refundable application fee for all businesses that sell food in the City of Reading (**Law**) *Introduced at the March 9 regular meeting; Tabled at the March 23 regular meeting; reviewed April 6 at the Public Safety Committee*

Councilor Marmarou moved, seconded by Councilor Goodman-Hinnershitz, to enact Bill No 15-2009.

Council President Spencer explained that this amendment will allow the City to cover the cost of the health inspection that accompanies this application process. The fee will apply to all businesses who sell food.

Bill No. 15-2009 was adopted by the following vote:

Yea: Baez, Goodman-Hinnershitz, Marmarou, Sterner, Waltman, Spencer, President – 6.
Nay: Fuhs - 1.

Bill No. 16-2009 - amending the City of Reading Codified Ordinances – Chapter 4 – Part 1 Historical Districts – Section 102 by adding the definition of satellite dish, antenna and other modern devices and Chapter 4 – Part 1 Historic Districts by establishing guidelines for the installation of satellite dishes and other modern accessories, devices or fixtures of comparable size in historic districts (**Waltman**) *Introduced at the March 23 regular meeting; reviewed April 6 at the Public Safety Committee*

Councilor Waltman moved, seconded by Councilor Baez, to table Bill No. 16-2009.

Bill No. 16-2009 was tabled by the following vote:

Yea: Baez, Fuhs, Goodman-Hinnershitz, Marmarou, Sterner, Waltman, Spencer, President – 7.
Nay: None - 0.

Bill No. 17-2009 - amending Chapter 11 Housing of the City of Reading Codified Ordinances by amending the term "Housing Permit" to "Rental Registration" (**Law**) *Introduced at the March 23 regular meeting; reviewed April 6 at the Public Safety Committee*

Councilor Goodman-Hinnershitz moved, seconded by Councilor Baez, to table Bill No. 17-2009.

Bill No. 17-2009 was tabled by the following vote:

Yea: Baez, Fuhs, Goodman-Hinnershitz, Marmarou, Sterner, Waltman, Spencer, President – 7.

Nay: None - 0.

Bill No. 18-2009 - amending the City of Reading Charter Board Ordinance Section V (A) (2) (c) regarding the withdrawal of complaints filed with the Charter Board (**Charter Board**) *Introduced at the March 23 regular meeting*

Councilor Baez moved, seconded by Councilor Waltman, to enact Bill No. 18-2009.

Council President Spencer read from the explanatory memorandum from the Charter Board accompanying the ordinance. He stated that the Charter Board wishes to correct what they see as a gap.

Councilor Fuhs stated that the Charter Board has the ability to continue with a complaint if it is withdrawn. He read from the appropriate section of the Charter. He expressed the belief that it would be improper to place that limitation on a complainant.

Councilor Goodman-Hinnershitz agreed that as the language allowing the continuation of a complaint is already present, the enactment of this ordinance may not be necessary.

Bill No. 18-2009 was not adopted by the following vote:

Yea: None - 0.

Nay: Baez, Fuhs, Goodman-Hinnershitz, Marmarou, Sterner, Waltman, Spencer, President – 7.

Bill No. 19-2009 - amending the full-time employee positions for the City of Reading for the fiscal year 2009 by adding the position of Zoning Inspector and removing one Property Maintenance Inspector (**Community Development**) *Introduced at the March 23 regular meeting*

Councilor Goodman-Hinnershitz moved, seconded by Councilor Sterner, to enact Bill No. 19-2009.

Mr. Hottenstein explained that the enactment of this ordinance will provide the continuation of the position that provides enforcement of the City's zoning ordinance.

Bill No. 19-2009 was adopted by the following vote:

Yea: Baez, Fuhs, Goodman-Hinnershitz, Marmarou, Sterner, Waltman, Spencer, President – 7.
Nay: None - 0.

Bill No. 20-2009 - authorizing the Mayor to execute a deed thereby conveying a certain portion of premises situate at 527 Oley St., Reading to Our City Reading (**Law**) *Introduced at the March 23 regular meeting*

Council President Spencer announced that this Bill has been withdrawn by the Administration.

Bill No. 21-2009- amending the FY 2006-2012 Capital Improvement Plan for the City of Reading (**Man Dir**) *Introduced at the February 23 regular meeting; reviewed at the March 16 Public Works Committee Meeting*

Councilor Fuhs moved, seconded by Councilor Marmarou, to enact Bill No. 21-2009.

Mr. Hottenstein explained that this amendment will add the webcasting project into the Capital Program, as requested by the Council office and make other programming adjustments. He stated that webcasting will allow all meetings held in City Hall, along with hearings, press conferences, etc. to be broadcasted to the City's website. He added that webcasting will also eliminate the need for the City to retain the services of a stenographer to record hearings.

Ms. Kelleher stated that this project will increase the City's openness.

Councilor Goodman-Hinnershitz inquired if the City can legally replace the use of a stenographer with this system. Solicitor Younger responded affirmatively.

Bill No. 21-2009 was adopted by the following vote:

Yea: Baez, Fuhs, Goodman-Hinnershitz, Marmarou, Sterner, Waltman, Spencer, President – 7.

Nay: None - 0.

INTRODUCTION OF NEW ORDINANCES

Ordinance - authorizing the Mayor to execute a deed, temporary easement from the City of Reading to the Commonwealth of Pennsylvania, Department of Transportation, and other documents (agreement of sale & settlement statement), thereby conveying premises situate at Route 183, Bern Township, Berks County, Pennsylvania (**Law**)

Ordinance - amending 1-271 of the City of Reading Personnel Code (Salary Administration) by amending the salary range for the Finance Director (**Man Dir**)

Ordinance - setting forth the salary of the Finance Director at ninety-eight thousand dollars (\$98,000.00) per annum (**Man Dir**)

Ordinance - amending the City of Reading Codified Ordinances by creating a new Part 20 - Vacant Building Registration - in Chapter 10 Health And Safety Enforcement (**Council Staff & Law**)

Ordinance - amending the 2009 Budget.

RESOLUTIONS

Resolution 39-2009 – amending the handicapped parking regulations (**Law & Council Staff**)

Councilor Goodman-Hinnershitz moved, seconded by Councilor Baez, to adopt Resolution No 39-2009.

Solicitor Younger explained the changes to the handicapped parking program. The largest change allows more than 2 handicapped parking spaces per block.

Councilor Goodman-Hinnershitz noted the need for a public education program about these important changes.

Councilor Waltman noted the sensitivity of this issue and the overall purpose to provide those in need with improved services. However, he recognized the strain this could create in places where there is already a shortage of parking.

Resolution No. 39-2009 was adopted by the following vote:

Yea: Baez, Fuhs, Goodman-Hinnershitz, Marmarou, Sterner, Waltman, Spencer, President - 7.

Nay: None - 0.

Resolution 40-2009— declaring the intent to follow the schedules and procedures for disposition of records as set forth in the Municipal Records Manual approved on December 16, 2008 and required by the Commonwealth of Pennsylvania (**Council Staff**)

Councilor Baez moved, seconded by Councilor Fuhs, to adopt Resolution 40-2009.

Council President Spencer stated that the adoption of this resolution will amend the City's current program as required by the Pennsylvania Historical and Museum Commission.

Resolution No. 40-2009 was adopted by the following vote:

Yea: Baez, Fuhs, Goodman-Hinnershitz, Marmarou, Sterner, Waltman, Spencer, President - 7.

Nay: None - 0.

Resolution 41-2009 – Approving the Conditional Use application for 10 units, 9 residential units on the upper floors and 1 commercial/office unit on the first floor of 1259 N 10th Street, owned by Bradley Weisman, as attached in the Findings of Fact and Conclusion of Law (**Council Staff**)

Councilor Marmarou moved, seconded by Councilor Baez, to adopt Resolution 41-2009.

Council President Spencer stated that Council held a Conditional Use Hearing to take testimony on this application on March 18th. He stated that the hearing was needed due to the discrepancy in the number of units in the City's records. The City's records show only six (6) residential units but the building has nine (9)

residential units. He explained that further research into the Codes records show nine (9) residential units in the early 1970s.

City Clerk Kelleher added that the rental use of the building pre-exists the current zoning requirement for off-street parking for rental properties. She noted that the City did not begin requiring off -street parking for rental properties until the 1971 amendment to the Zoning Ordinance.

Resolution No. 41-2009 was adopted by the following vote:

Yea: Baez, Fuhs, Goodman-Hinnershitz, Marmarou, Sterner, Waltman, Spencer, President – 7.

Nay: None - 0.

Resolution 42-2009 – authorizing the start of the Properties of Merit program in the City of Reading (**Fuhs**)

Councilor Baez moved, seconded by Councilor Sterner, to adopt Resolution 42-2009.

Councilor Fuhs stated that the Blighted Property Review Committee discovered this no cost program when looking for a program that celebrates property owners who keep their homes well maintained.

Councilor Goodman-Hinnershitz noted the impressive presentation by the founder of the Properties of Merit program at the March work session and the program’s growth throughout Pennsylvania.

Resolution No. 42-2009 was adopted by the following vote:

Yea: Baez, Fuhs, Goodman-Hinnershitz, Marmarou, Sterner, Waltman, Spencer, President – 7.

Nay: None - 0.

Resolution 43-2009 – reappointing Donna Glaze to the Reading Area Water Authority. (Adm. Oversight Committee)

The Administrative Oversight Committee moved to adopt Resolution 43-2009.

Resolution No. 43-2009 was adopted by the following vote:

Yea: Baez, Fuhs, Goodman-Hinnershitz, Marmarou, Sterner, Waltman, Spencer, President – 7.

Nay: None - 0.

Resolution 12-2009 – Authorizing the submission of the attached PaDEP Grantee Agreement for Bushong Mill Dam, across the Tulpehocken Creek, upstream from the confluence with the Schuylkill River **(Public Works) Tabled at the February 23 regular meeting of Council; further discussion held at the 3-16 Work Session; public meeting held April 2**

A motion was made by Councilor Waltman, seconded by Councilor Fuhs, to adopt Resolution No. 12-2009.

Council President Spencer noted the receipt of new information that the City may not be the true owner of the dam. He noted the need for additional research.

Councilor Waltman suggested adding a stipulation to the resolution to address the issue that may arise if the City is not the true owner. He noted the need for Council to vote on this resolution to let interested parties learn City Council's stance on this issue.

Councilor Fuhs expressed the belief that the majority of Council objects to the removal of this dam.

Councilor Marmarou reminded all of his prior concern about the ownership issue. He expressed the belief that if it is determined that the State or another party is the owner, the public will have to lobby again to avoid the future removal of the dam.

Councilor Sterner moved, seconded by Councilor Waltman, to amend Resolution No. 12-2009 by adding a stipulation that if after further research it is discovered that the City is not the true owner, the grantee agreement will not be executed and submitted to the PaDEP.

The motion to amend Resolution 12-2009 was adopted by the following vote:

Yea: Baez, Fuhs, Goodman-Hinnershitz, Marmarou, Sterner, Waltman,

Spencer, President – 7.

Nay: None - 0.

Resolution No. 12-2009, as amended, was not adopted by the following vote::

Yea: None - 0.

**Nay: Baez, Fuhs, Goodman-Hinnershitz, Marmarou, Sterner, Waltman,
Spencer, President – 7.**

COUNCIL COMMENT

Council President Spencer noted Mr. Keiser's misplaced and incorrect comments during the Public Comment period. He stated that the City Clerk filed the Charter Board complaint against a member of the Police Diversity Board at the request of Council, not on her own. He stated that the legal costs grew as this issue was negotiated through Judge Rufe who sits in Federal Court. He noted some of the oddities created as this board was created by the Settlement Agreement.

Councilor Fuhs stated that before filing the Charter Board complaint, Council directed the City Clerk to send two letters to the Police Diversity Board member seeking this member's resignation as he no longer lived in the City. He stated that this procedure is used successfully with other boards and board members. However, as this member flatly refused to resign, Council directed the City Clerk to file the Charter Board complaint.

Councilor Waltman noted that the use of the court system to address diversity creates a diversion from the true issues and solutions.

Council Waltman noted his repeated requests to the Administration to correct the flaws in the processing of the housing registration process.

Councilor Fuhs stated that the 2010 structural deficit will grow past the \$10 million mark. He stated that the City cannot tax its way out of this problem or correct it by making small adjustments. He noted the work of the Administration to identify a viable solution.

Councilor Marmarou inquired if the security team identified by Mr. Mackley has been sanctioned by the court system or the law enforcement agencies. Mr. Mackley stated that the organization has not been sanctioned. Councilor

Marmarou questioned the safety of those involved in this security team.

Councilor Goodman-Hinnershitz expressed her belief in the need to discuss these financial issues with all partners and citizens. She stated that this multi-layered issue needs to be considered by parties such as the courts, the federal government, state government and the county government. She noted the work of Council and the Administration to negotiate through past budgets.

Councilor Goodman-Hinnershitz expressed her belief in the Properties of Merit program and the Great American Clean-up as an important investment in the improvements to the quality of life in Reading. She noted the work of various community groups to make effective improvements to their neighborhoods.

Councilor Sterner thanked all those who addressed Council tonight and noted the City's work to refine the problems with the housing registration process. He reminded everyone that it took Allentown five to eight years to cure the same issues. He noted the combined efforts of Council staff with the Administration to identify illegal rental properties.

Councilor Sterner congratulated the Central Boys and Girls basketball teams for their success and dedication this season.

Council President Spencer noted the Realtors' assistance with improving the housing registration process.

Council President Spencer stated that while he understands the Administration's attitude about difficulties associated with the collection of the Per Capita Tax, he observed that improved collection could easily cover the cost of the program. He added that the Administration's refusal to properly collect the this tax is a slap in the face to those who pay it.

Council President Spencer reminded everyone that he first spoke about the City's structural deficit two years ago. He expressed the belief that the Administration continues to press Council into making decisions with insufficient or slanted information on the broader financial concerns.

Councilor Waltman noted his past work on past financial panels before being elected to City Council and his work over the past nine years to change the budget process and improve the City's collection practices. He expressed concern that the Administration's "over the cliff" mentality may hinder positive progress.

Councilor Fuhs expressed the belief that the City can no longer make small changes to correct the City's financial condition. He stated that the belief in the continuation of small adjustments is short sighted.

Council President Spencer reviewed the upcoming meeting schedule.

Councilor Fuhs moved, seconded by Councilor Marmarou, to adjourn the regular meeting of Council.

Linda Kelleher CMC, City Clerk