



# ***COMMITTEE of the WHOLE***

## ***CITY COUNCIL***

**MINUTES**  
**September 7, 2010**  
**5:00 P.M.**

### **COUNCIL MEMBERS PRESENT:**

F. Acosta, J. Waltman, D. Reed, S. Marmarou, M. Goodman-Hinnershitz, V. Spencer

### **OTHERS PRESENT:**

L. Kelleher, S. Katzenmoyer, C. Geffken, F. Denbowski, D. Kersley, C. Jones, R. Johnson, G. Mann, C. Ryan, P. Salmon, F. Capitummino

Mr. Spencer called the Committee of the Whole meeting to order at 5:01 p.m.

### **I. Update Honeywell Energy Savings**

Mr. Jones stated that Honeywell recommended several improvements regarding the City's energy consumption and a Council update is required by the contract.

Mr. Capitummino reviewed the year one savings report. He stated that new lighting was installed in public buildings and in parking garages and that programmable thermostats were installed in public buildings and fire stations. Improvements also included the Voice Over Internet Protocol phone system.

Mayor McMahan and Mr. Denbowski arrived at this time.

Mr. Salmon stated that this program is spectacular. He noted that the City staff was very supportive and cooperative.

Mr. Capitummino reported that the year one results show a savings of \$26,799 above the guaranteed savings of \$352,619 for a total savings of \$379,418.

Ms. Goodman-Hinnershitz noted the large savings by the Parking Authority. Mr. Caputummino stated that this savings was realized through energy efficient lighting as the garages are lit 24 hours a day. Mr. Salmon stated that there was no reduction in light output.

Mr. Waltman questioned how this project was funded. Mr. Salmon stated that it was through a capital bond.

Mr. Waltman stated that the City must now decide how to charge this debt to individual departments. Mr. Salmon reminded Council that Honeywell does not take any additional funding; that the City keeps its savings.

Mr. Caputummino stated that light sensors were installed which also helped improve savings as when a room is not in use, the lights will go off until someone enters the room.

Mr. Sterner arrived at this time.

Mr. Waltman questioned the reasoning for measuring by Option A (measuring performance before and after a retrofit and multiplying the difference by an agreed-upon factor such as hours of operation). Mr. Caputummino stated that this allows for a one time measure before work is performed and after work is complete.

Mr. Waltman questioned if the savings were verified through billing. Mr. Caputummino stated that there is no utility bill analysis performed by Honeywell.

Mr. Salmon reminded Council that there are also "green" savings through the use of more efficient energy sources.

Mr. Waltman questioned Honeywell's continued work as technology improves. Mr. Salmon stated that \$3 million in additional savings is available when the City can fund them. He stated that Honeywell will continue to stay in contact with Mr. Jones.

Mr. Spencer stated that this contract was part of the capital budget. He questioned when the next \$3 million would be included. Mr. Geffken stated that it was unknown at this time.

Mr. Salmon stated that the project is complete and data has been collected and reviewed for the past six month period.

Ms. Goodman-Hinnershitz questioned if a savings has been identified after switching the Pagoda lights to LED from neon. Mr. Jones stated that this was analyzed during the Pagoda improvements design phase. He stated that the real savings comes from less frequent bulb replacement and man hours to perform the work.

Mr. Spencer stated that the capital budget is reviewed during the annual budget review process.

Mayor McMahon questioned the payment of the lighting for parking garages. Mr. Jones stated that the Parking Authority pays these bills. Mr. Salmon stated that he has spoken with Larry Lee who was excited to see the savings.

Mr. Capitummino stated that Council will be updated annually and will be able to revisit further improvements in the future to ensure continued savings.

## **II. Update PFM**

Mr. Mann and Ms. Ryan, from PFM, distributed a memorandum regarding the City's cash flow projection for the remainder of 2010. The cash flow report shows that the City will be out of money in November 2010 and unable to make payroll or pay bills. The \$5.1M surplus, as of August 3<sup>rd</sup>, will be depleted, leaving the City with a deficit of \$7.6M at the end of December.

As reported at the August Finance Committee meeting, several of the City's major revenue line items are coming in below what was projected. The Earned Income Tax (EIT) is expected to come in approximately \$3M under budget. Mr. Mann also stated that originally the Recovery Plan projected the need to take a \$9M unfunded loan to cover the repayment of the TRAN, the borrowed sewer money, etc. That figure has now risen to approximately \$17M. He explained that Council will be asked to approve a resolution authorizing the Mayor to seek the Court of Common Pleas permission to take an unfunded loan. After the Court approves the request, Council will then be asked to approve the normal bond ordinance to put the transaction in place. This unfunded loan will also close the financial gap expected in November.

Mr. Mann explained that employers/businesses are required to send the local income tax collected from all employees to the municipality where the business is located. The municipality then, annually, remits that amount to the municipality where the employee resides. The City uses the total amount collected to assist with cash flow without considering what portion will be paid out to the outlying communities. He also noted that the year end deficit was negatively impacted by Fire overtime coming in at \$2.5M over budget.

Mr. Mann stated that every \$1M borrowed increases the City's annual debt service by approximately \$110,000.

Council asked Mr. Mann to return in 2 weeks to continue this discussion.

### **III. Executive Session**

Council entered executive session at 6:23 pm to discuss personnel issues. They exited at 6:52 pm.

### **IV. Reading Area Transportation Study Technical Committee**

Ms. Kelleher stated that she has been informed that there is a City vacancy on this committee since the retirement of John Giardiello. She recommended that the replacement have a planning background.

Mr. Jones explained that the Technical Committee advises the Coordinating Committee on the need for projects. The Coordinating Committee decides which projects will move forward. The technical committee is made up of engineers, public transportation officials, and planners.

Mr. Waltman noted that he serves on the Coordinating Committee and Mr. Sterner serves as an alternate.

Mr. Spencer suggested that the Administration bring a name forward for Council confirmation.

The meeting adjourned at 6:57 pm.

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