



CITY COUNCIL

Finance, Audit & Budget Committee

Meeting Report Monday, July 16, 2012

Committee Members Attending: D. Reed, Chair, R. Corcoran, Vice Chair, D. Sterner

Others Attending: L. Kelleher, H. Tangredi, D. Cituk, C. Zane, F. Acosta, C. Younger

Ms. Reed, Chair, called the meeting to order at approximately 5:30 pm.

CSC and IT Report

Mr. Tangredi highlighted the IT Report and updated the Committee on the design of the new website which is scheduled to go live around Labor Day. He explained that the site will have a modular design and is being completed in-house. He stated that the design is similar to that used by the White House and the City of Philadelphia.

Downtown Parking Meeting

Ms. Reed explained that she was asked by the DID Board to arrange a meeting to discuss the concerns downtown merchants have regarding customer parking at downtown lots and garages. Originally the Mayor's staff was asked to arrange this meeting and then did not follow up with the Parking Authority or DID. She stated that she had the City Clerk invite the Mayor's Staff, the CD Director and representatives from DID and the Parking Authority to a meeting held in the Penn Room. No one from the Administration attended and meeting minutes were provided by the City Clerk to all parties. Merchants met separately with DID and the Parking Authority to draft options that would ease parking for downtown customers and restore some semblance of the Old "Park and Shop" program. They then asked Ms. Reed to arrange a follow up meeting with the original parties. When the City Clerk emailed the original group, including the Administration, the Mayor's staff instructed the CD Director and the Parking Authority and DID Boards not to attend.

Ms. Reed stated that DID provided a draft of the recommendation which would require the Parking Authority to install a token system, similar to that in place at the parking garage, at surface lots. Ms. Kelleher stated that she spoke with Larry Lee from the Parking Authority, who said that the installation of token systems would cost approximately \$250K. He stated that as the surface lots are in close proximity to the garages that already have the token systems; he would recommend that the Parking Authority Board approve a counter offer which would offer a token system in the garages which are already outfitted with the equipment. Ms. Reed stated that she will follow up with DID and the Parking Authority.

Mr. Cituk inquired about the merchants parking permits for the merchants in the 000 and 100 blocks of North 9th Street.

Mr. Sterner stated that the Parking Authority ended that program as it was never authorized by ordinance. Ms. Kelleher reminded the Committee that there was little interest in re-exploring this issue when it was discussed last time. She reminded the group that the meters are installed in commercial areas to encourage turnover and the permit process steps away from that application. She noted that if the program is created it will be open to any area with meters. She stated that of the 44 merchants in this area only 17 complained that the program was discontinued. She noted the need to address meter parking globally, rather than on a block by block basis.

Contracts Awarded without Procurement Process

Mr. Cituk provided handouts showing the amounts paid to the following:

	Contract Value	Amount Paid	Unencumbered Balance
Scott Hoh	\$24,500	\$22,100	\$2,400
Fleck Consulting	\$24,000	\$20,000	\$4,000
Fleck Consulting Media	\$24,000	\$20,000	\$4,000

Mr. Cituk inquired if the contracts would be extended or re-negotiated. Mr. Younger stated that the Charter and Administrative code specifically prohibit repeat contracts for services to avoid the cap requiring Council approval. He stated that this law cannot be evaded.

Ms. Snyder arrived at this time.

Mr. Corcoran recalled that Ms. Butler was asked to review the Charter and Administrative Code regarding sole source providers and avoiding the RFP process.

Ms. Reed inquired about the Committee's willingness to revisit reducing the approval amount to \$10,000 from \$25,000. Ms. Kelleher stated that the last time this issue was put up for a vote; the ordinance was not enacted due to a tie vote. She noted the need to have five Councilors in favor, as the Mayor would be prone to veto this ordinance.

Ms. Snyder noted that this is a multi-faceted situation with a complex approval system, with approval signatures required from multiple parties. She asked the Committee to allow her time to evaluate this process before making a reduction in the approval amount.

Ms. Snyder stated that she is currently reviewing these contracts and the services provided. She stated that she is unsure that these services are providing value to the City's operations and about continuing to pay for services without seeking the best qualified candidates to provide the services. She stated that Mr. Hoh asked her to extend his ICC contract. She stated that she told Mr. Hoh that she would not extend his contract without Council approval.

Mr. Corcoran expressed the belief that he is much more comfortable now that Ms. Snyder is in place, as the Mayor can now stop being the self appointed Managing Director.

Ordinance Review

There was no legislation to review.

Budget Review

Mr. Zale called the Committee's attention to the documents attached to the agenda. He noted that the recent MOU with RAWA will lower the sewer meter reading cost from \$20K to \$6K.

He inquired if Council must approve transfers that are approved in the budget. After discussion, Ms. Snyder suggested enacting a blanket ordinance annually that authorizes transfers within the enacted budget.

Mr. Zale stated that after six months:

- Expenditures total \$36,813,059
- Revenues total \$38,900,635

The Public Works/Public Safety Committee joined the meeting at this time.

Mr. Zale stated that year end predictions for cash are \$7,267,138. However, he explained that an estimated \$2.5M shortfall is projected due to the unbudgeted unfunded debt payment, the booking of the Greater Berks Development payment in 2011, rather than 2012 and police and fire overtime. He also stated that at the end of June the City has \$19M in the bank.

There was a discussion on hiring police and fire personnel to reduce overtime and the need to

have a police presence in the high school and Citadel, as the authority and powers of security guards is severely limited. Ms. Snyder noted the need for departments to actively manage overtime expenses, as programs and departments with sufficient manpower sometimes feel the need to do more, which can lead to increased overtime.

Mr. Acosta noted that the Reading School District will not be funding police officers for the Citadel and High School, which will result in a revenue reduction of \$200-400K. Ms. Snyder stated that she will follow up on this issue.

Ms. Snyder stated that of the 160 officers currently on the street, 18 are in the Field Training program. She stated that a new Police academy class starts June 23rd and 12 trainees will be offered conditional offers of employment.

Auditor's Report on Internal Audits

Mr. Cituk stated that the external auditor is still waiting for information from RAWA. He noted the need to schedule meetings with Council to review the audit. Ms. Kelleher reminded Mr. Cituk that before the external auditor meets with Council, they should first meet with the new Audit Committee.

Ms. Reed and Mr. Cituk agreed to meet to discuss the audit of the Fine Arts area.

Update - Collection Report for Delinquent Taxes and Misc Fines & Fees (RE01) – RFP to identify new collections firm opened 3-13-12

Ms. Kelleher stated that at the Act 47 Implementation meeting, Mr. Lloyd stated that ARB was going to be recommended. She cautioned Council and the Administration to check to see who ARB's legal partner is before approving the contact. She stated that currently Mr. Setley's law firm provides legal support to RAWA's collections; however, it is unknown if the collection agreement is with RAWA or ARB. She noted the need for a good legal partner for successful collections.

CD Report

Ms. Snyder stated that she is currently reviewing the process used to monitor CDBG projects.

Mr. Sterner inquired about the delay in the Centre Park CDBG funded project. Ms. Kelleher stated that the project is delayed because the adjoining property owner refuses to give Centre Park access so they can make the required repairs to the exterior wall.

Other Business

Ms. Kelleher was asked to invite RAWA and the School Board for meetings next week about customer service and school safety respectively.

As no other business was brought to the table the meeting adjourned at approximately 7: 02 pm.

Respectfully submitted by Linda A. Kelleher CMC, City Clerk