



CITY COUNCIL

Finance Committee

Meeting Report Monday, July 15, 2013

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

Others Attending: M. Goodman-Hinnershitz, F. Acosta, J. Waltman, S. Marmarou, D. Cituk, C. Younger, C. Zale, L. Kelleher, M. Bembenick, V. Spencer, E. Lloyd, L. Murin, M. Kantner, B. Rivera, D. Pottiger

Ms. Reed called the Finance Committee meeting to order at 5:00 pm.

Mr. Bembenick asked Ms. Kantner to go over her report from the National Recovery Agency (NRA) and Ms. Reed agreed.

Ms. Kantner stated that NRA has been working with the Property Maintenance Division for collections services and has turned over approximately \$990,000 in delinquencies. This figure includes various types of fees. NRA adds a 15% charge to the customer and receipts are remitted on a monthly basis. She stated that she has been quite satisfied with how NRA operates and that they are in the midst of working with various other departments as well.

Mr. Bembenick stated that he will be receiving a report from NRA on a quarterly basis and will include that report as part of the upcoming budget sessions.

Ms. Goodman-Hinnershitz stated that all data should be maintained electronically so that it would be easier to access.

Ms. Kantner stated that all the information being provided can currently be found on the web site.

I. REVIEW MONTHLY REPORTS

Mr. Zale stated with the first six months now completed, year-to-date cash basis has a balance

of \$14,464,601; however, this figure does not include the MMO or the State Pension contribution which occurs in the 4th quarter.

Mr. Waltman asked that Mr. Zale explain the numbers to him so that he more clearly understands them and Mr. Zale did so to his satisfaction.

Mr. Zale proceeded with the Revenues stating that there have been good returns on EIT through June and projects there to be additional revenue of \$750,000.

Mr. Bembernick commented that the \$750,000 figure is a good conservative number.

Mr. Zale continued stating that there has been no change yearend projected revenue of \$1.9M; same as last month's reporting. In terms of expenditures he stated that, again, there hasn't been a change from last month's report but he expressed his concern with overtime spending which he projects to be \$600,000 over budget.

Mr. Waltman commented that overtime continues to be a source of discussion and there has been no remedy.

Ms Snyder explained that actual number of patrolmen on the street was less this year causing the overtime to increase. She stated that Mr. Mann from PFM is doing a detailed analysis to determine what is driving the overtime issue.

Mr. Waltman asked if PFM has worked within the constraints of our budget and Ms. Snyder responded that at this pace, she doesn't believe so.

Mr. Waltman expressed his frustration stating that a solution must be acquired. Ms. Goodman-Hinnershitz agreed stating that we must also be looking at changes in policy. She stated that PFM needs to provide us with more detail regarding their analysis of this.

Ms. Reed agreed stating that we need to turn to PFM for more possible solutions and Mr. Waltman agreed.

Mr. Marmarou asked if overtime is still computed as part of the pensions and Mr. Cituk stated that it is not.

Mr. Sterner stated that he feels part of the overtime issue is the culture that has developed over time which is what made him feel uneasy regarding the SAFER Grant. He stated that it seems that no matter what we do, the overtime either stays the same or increases.

Mr. Waltman agreed adding that within the city itself, there is a need to work within the

numbers allotted to each department.

Ms. Snyder stated that regarding the Safer Grant, once the training period is completed, overtime will decrease substantially.

Mr. Corcoran asked when training will be complete and Ms. Snyder responded late September.

Mr. Zale stated that the full-year projections stayed unchanged from last month and that if we curb our spending by \$1M, we will be in relatively good shape for 2015.

Ms. Goodman-Hinnershitz asked if it would be beneficial to let departments know exactly how much they can spend and the need to stay within those constraints.

Mr. Bembenick responded affirmatively; however, he also brought up that there can be exceptions if the level of service being provided is compromised.

Ms. Snyder stated that she feels there is still room to do a better job on the collections end.

Ms. Goodman-Hinnershitz stated that she believes departments shouldn't be spending money that is not within their budget.

Mr. Spencer stated that one of the issues with police has to do with the Reading School District and occurrences that have taken place requiring more patrolmen in and around schools and what role we as a city play in that. He stated that if we do not provide a safe environment, residents will be reluctant to send their children to our schools. He stated that he met with the Chief of Police and the school superintendant regarding this problem and they have agreed to come up with a plan to address this ongoing issue and hopefully present the plan prior to school commencing this year.

Mr. Corcoran asked how many police were utilized for school purposes in the last school year.

Mr. Spencer stated that he believes it was two officers and that the Chief would have more detailed information on that.

Ms. Snyder stated that in terms of paying out salaries, we did have two sources of income: one was from CDBG funding and the other was through a program being run by Berks Intermediate Unit which unfortunately will not be the case for this coming school year.

Ms. Goodman-Hinnershitz suggested that a meeting with the school district would be

beneficial before school starts to be proactive about safety measures.

Mr. Spencer stated that he expected that meeting to have taken place but has not to date.

II. UPDATE FROM CITY AUDITOR

Mr. Cituk stated that management raises have been awarded across the board but are not retroactive to January for budgetary purposes.

Ms. Snyder explained that there was a reluctance to give these raises across the board but felt since there had been a freeze on raises for more than four years, it was important to do this. That being said, she stated that there would be no more raises in 2014 and no more “across the board” raises going forward.

Mr. Waltman stated that he feels comfortable with the raises as it hasn’t affected the city drastically and as many employees have already taken pay cuts in the past; it only seems fair.

Mr. Cituk stated that compliance transfers are 99% complete and as far as capital projects, there aren’t any of major impact; mostly, renovations in certain buildings, equipment such as bubble cameras and items of that nature. He mentioned that he plans on having an audit on the utilization of credit cards for bill payment since this is something newly implemented.

Mr. Corcoran stated that he understood the bubble cameras were funded through a grant. Mr. Cituk responded affirmatively.

III. LEGISLATIVE REVIEW

Ms. Goodman-Hinnershitz asked what guarantee we have contractually of receiving the CDBG allocation as she is concerned that it may not be transferred.

Ms. Snyder stated that the amount of funds we are looking to transfer is not close to the amount of the allocation expected. In the next year, we will start off spending from the general fund and then using the CDBG funds toward the end of the year.

IV. ACT 47 RECOVERY PLAN

Mr. Acosta stated that a summary of the report from Thursday’s meeting with PFM and the DCED will be available for review by tomorrow (Tuesday, July 16).

Mr. Waltman commented that we have been relying on an amendment to the plan.

Ms. Snyder stated that Mr. Kersley and Mr. Mann are reviewing the initiative spreadsheets in process.

V. BUDGET PROCESS & SUMMIT

Mr. Bembenick stated that departmental one-on-one meetings are occurring and they will have compiled actual numbers for this weekend's summit. In terms of actual meetings (budget sessions), he stated that perhaps more Wednesday budget sessions than Saturday sessions will be implemented this year. He anticipates fewer sessions overall this year. He asked Council if there were any issues or concerns they would like addressed.

Ms. Goodman-Hinnershitz stated that perhaps the administration could work with department heads to implement changes in policy.

Ms. Snyder stated that she will meet with department heads and then meet with the mayor to look at all the information and make needed changes accordingly.

Mr. Sterner stated that in last year's budget process there was an increase in the amount of inspectors in the Property Maintenance Division. He inquired if the additional inspectors were cost neutral as projected.

Ms. Snyder stated that it is still being looked at and more information will be provided as it comes.

Mr. Spencer mentioned that presentations have been made on the Land Value Tax (LVT).

Mr. Waltman stated that he feels strongly about getting through Act 73 and working through the commuter tax. In his opinion, Act 47 has not done as much as it should have. He still feels the need to see more stability.

Mr. Marmarou stated that the public needs to have a better explanation of the LVT so that they understand it thoroughly.

Mr. Lloyd stated that he would be willing to give a presentation on LVT starting with the College Heights Community Council.

Mr. Waltman expressed his concern about implementing an LVT and will it make sense to do this.

Mr. Corcoran stated that he feels LVT has some good points but, at the risk of repeating himself, he is very concerned about the Wyomissing Park residents who do not even have services that other residents do and we will be imposing more of a cost to them.

Ms. Reed suggested that a public hearing be held on LVT and stated it should be done soon.

Mr. Waltman agreed stating it has to be a comprehensive plan showing how it will work to our benefit.

Ms. Reed stated that this conversation should be deferred to the Budget Summit.

Ms. Goodman-Hinnershitz stated that this may very well be a topic that some of us are going to have to agree to disagree on.

Ms. Snyder apprised council that PFM is also doing an analysis on the LVT and should have their findings for council review.

Ms. Reed adjourned the Finance committee at approximately 6:25pm.

*Respectfully submitted by
Bea Rivera, Legislative Aide*