



# *CITY COUNCIL*

## ***Budget Committee***

### **Meeting Report Thursday, November 14, 2013**

**Attending:** D. Reed, Chair; D. Sterner, M. Goodman-Hinnershitz, F. Acosta, J. Waltman, S. Marmarou, D. Cituk, C. Snyder, C. Younger, F. Lachat, L. Kelleher, M. Bembenick, V. Spencer, D. Pottiger, L. Murin

Ms. Reed called the Budget Review meeting to order at approximately 4:35 pm.

#### **Dana South**

Ms. Snyder stated that Mr. Mukerji is unavailable this evening and she suggested rescheduling this discussion for either November 18<sup>th</sup> or December 22<sup>nd</sup>. Ms. Kelleher offered to contact Mr. Mukerji.

#### **Recycling**

Mr. Acosta called for an executive session to discuss the recycling litigation at approximately 4:40 pm. The executive session concluded at 5:05 pm.

#### **2014 Budget – Remaining Issues**

Ms. Snyder distributed a list of adjustments to the budget, made after reconsidering the Monday evening discussion on the parking lot items with Council. She stated that due to the recycling litigation, the City needs to provide a contingency to cover the recycling program.

Ms. Snyder stated that some of the changes include:

- Add a PT Pension Clerk, funded by the 3 Pension Boards
- Add a Street Cut inspector and add corresponding street cut inspection fees (new street cut ordinance to be introduced on November 25<sup>th</sup>)

Mr. Bembenick continued:

- Increase the commuter and resident EIT rate to the 2013 levels (pending court approval)

- Add back \$500K of the revenue adjustments suggested by the City Auditor
- Total of all adjustments on the revenue equals \$1,830,480

Mr. Cituk explained that the increases he suggests to the property tax collection are based on KOZ properties that will be billable in 2014. He stated that the increases in prior year collections and penalties are suggested due to the increase in delinquencies. He also stated that he is basing the increase of the State Aide pension contribution on the number of actual units the City will have in 2014 (units are the State term for employees).

Mr. Bembenick stated that the adjustments on the expenditure side are:

- Adding repairs to Bushong Mill dam
- Adding the breach of Bernhart's Park dam
- Adding repairs to the Pagoda retaining wall
- Replacing the FT pension clerk with a PT clerk, funded by the Pension Boards
- Eliminating the CD Business Ambassador
- Eliminating the Mayor's Media Coordinator
- Replacing the Managing Director's FT Business Analyst with a PT Business Analyst
- Eliminating the IT Support Analyst
- Replacing 2 CSC Municipal Aides with one CSC Municipal Aide
- Eliminating the Managing Director's Contracted Services
- Adding a Street Cut inspector (Engineer Aide III), funded by the new inspection fee
- Reduction of Library funding to the 2013 rate
- Total of the adjustments to the expenditures equals \$115K

Mr. Bembenick stated that some of the current costs covered by the Recycling Program will be moved back into the General Fund (a Municipal Aide and six Streets employees) totaling \$342,168 and creating a contingency for recycling totaling \$1,168,317.

Mr. Bembenick stated that the total change to the revenues and expenditures creates a budget of \$84,326,406 with a \$79,114 surplus.

Ms. Reed questioned the reduction to the Library contribution. Ms. Snyder stated that PFM has stated that none of the 3<sup>rd</sup> Class Cities make a contribution to library services and PFM has strongly suggested not exceeding the current contribution.

Ms. Snyder stated that she will work with Ms. Kelleher to determine what legislation and information will be needed for the November 25<sup>th</sup> agenda.

#### **Charter Review Commission re Solicitor**

Ms. Goodman-Hinnershitz and Ms. Reed explained that originally the Council Office and the Administration recommended that the Charter Review Commission (CRC) consider a Charter

amendment that will provide Council with independent legal counsel; however, the Administration recently withdrew their recommendation. She stated that the matter has been discussed at length by the CRC. She stated that the CRC had a presentation last night from the Bethlehem City Solicitor who described how allowing City Council to have independent legal counsel is a benefit. She stated that after the discussion with the Bethlehem City Solicitor, the CRC asked if she and Ms. Reed would check with Council to see if they still desire that Charter amendment.

Mr. Waltman expressed the belief that there is no need to add an additional lawyer to the mix. He suggested instead that Council should work things out with the Administration through a new mediation process to be added to the Charter Review Board ordinance.

Mr. Acosta expressed the belief that having independent legal counsel is needed. He stated that perhaps assigning one of the current legal specialists to provide independent legal counsel would also be acceptable. He stressed the need for Council to have legal assistance.

Ms. Goodman-Hinnershitz stated that the CRC wants to learn if the body of Council wants to move forward with an amendment allowing independent legal counsel or if they would like to withdraw the recommendation. She described the presentation from the Bethlehem Solicitor who explained how Council's independent legal counsel has worked in Bethlehem.

Ms. Kelleher stated that the Bethlehem Council's legal counsel is considered part-time and earns approximately \$25,000 annually, which is a negotiated salary and not an hourly rate.

Mr. Waltman objected to having separate legal counsel and again suggested adding a mediation process to the Charter Review Board ordinance.

Mr. Acosta expressed the belief that an independent attorney can look at and handle issues from Council's perspective. He stated that currently the City Solicitor often gets caught between the positions taken by the Administration and by Council and usually Council is left unrepresented or supported. He suggested that adding independent legal counsel will reduce the filing of internal Charter complaints.

Mr. Sterner expressed the belief that over the past 10 years there were not many issues that warranted having an independent attorney.

Ms. Reed suggested restructuring the Law Department by assigning one of the existing attorneys to represent Council.

Mr. Spencer argued that Council already has access to all the attorneys employed by the City.

After a lengthy discussion, Ms. Goodman-Hinnershitz and Ms. Reed stated that they will inform the CRC that Council is divided on this issue.

Mr. Mann arrived.

Mr. Acosta and Ms. Goodman-Hinnershitz asked Ms. Snyder to add \$25,000 to the Council legal expenses line item to allow independent legal coverage. Mr. Acosta stated that Scranton pays \$45K and Bethlehem pays \$25K annually for Council's independent legal counsel.

**Other Matters**

Mr. Mann stated that he is currently discussing the need to retain the current commuter EIT with the DCED due to the recycling litigation. He stated that he will need a copy of the newly amended budget.

*Respectfully submitted by  
Linda Kelleher CMC, City Clerk*