

City of Reading City Council
Special Meeting
Tuesday, December 24, 2013

Council President Francis G. Acosta called the Special Meeting to order at approximately 9:35 am.

ATTENDANCE

Council President Acosta
Councilor Corcoran, District 1 via telephone
Councilor Goodman-Hinnershitz, District 2
Councilor Sterner, District 3
Councilor Marmarou, District 4
Councilor Reed, District 5
Councilor Waltman, District 6
City Solicitor C. Younger
City Clerk L. Kelleher
City Auditor D. Cituk
Mayor V. Spencer

PUBLIC COMMENT

Council President Acosta reviewed the public speaking regulations and stated that one (1) individual is registered to address Council on agenda matters.

Lee Olsen, of Bernville Road, wished all Happy Holidays. He stated that the Pagoda Foundation recently received approval from the PA Department of State to be a non-profit. He stated that the Foundation is awaiting approval of their 501C3 application from the IRS. He distributed a copy of the PA Department of State approval letter.

Mr. Olsen questioned the Mayor's veto of the Memorandum of Understanding (MOU) ordinance as it in no way relates to his desire to have a forensic audit. He stated that no one from any accounting or auditing firms has requested any documentation. He expressed the belief that a forensic audit is unnecessary as the initial audit completed by Herbein & Co. did not uncover any findings or legal problems.

Mr. Olsen thanked the City for explaining that the events held at the Pagoda are covered under the City's liability insurance and that the company that is under contract for the New Year's Eve fireworks display provides indemnification for the City for any resulting issues from the fireworks display. He noted that the fireworks are not a Foundation event. He offered to assist with the preparation of a Strategic Plan for the Pagoda. He stated that there are currently openings on the Pagoda Foundation resulting from resignations due to the

issues created by the Mayor.

APPROVAL OF THE AGENDA

Council President Acosta asked if any Councilor had any objections or changes to the agenda for this special meeting.

The mayor stated that his staff person registered to speak yesterday via email.

The City Clerk stated that no email messages were received from the mayor's staff and that the mayor's staff did not register to speak at this special meeting through any member of Council's staff. The mayor requested permission to speak.

Council President Acosta stated that he could address Council after the approval of the agenda.

Councilor Marmarou moved, seconded by Councilor Reed, to adopt the agenda for this special meeting. The motion was approved unanimously.

The mayor explained that the New Year's Eve fireworks event is covered through the City's insurance package. He stated that he wants to have a forensic audit to investigate a specific financial transaction approved by former City Managing Director Carl Geffken, as Mr. Geffken was a member of the Foundation Board at the time the transaction was approved. He stated that the forensic audit will provide administrative transparency which is critical.

OVERRIDE OF THE VETO OF BILL 75-2013

Bill No. 75-2013 – authorizing the Mayor to execute the first Memorandum of Understanding between the City of Reading and the Foundation for the Reading Pagoda **(Law and Council Office) Introduced at the Nov 25 regular meeting; Vetoed by the Mayor on Dec 19th.**

Councilor Goodman-Hinnershitz moved, seconded by Councilor Reed, to override the veto of Bill No. 75-2013.

Councilor Goodman-Hinnershitz stated that today Council has the opportunity to support the Foundation by allowing it to move forward through the execution of the MOU. She noted that over a long period of time various organizations have supported the Pagoda. She described the start of the Foundation during Mayor McMahon's administration. She asked Council to consider overriding the mayor's veto and move the MOU forward.

Councilor Sterner noted the dedication of Foundation members, past and present. He stated that he can agree with the need to move the MOU forward and also support the mayor's

request for a forensic audit. He noted that the two are unrelated.

Councilor Waltman expressed hope that the Administration can separate the issues and move forward to improve the City's productivity. He stated that he agrees with the need for the MOU and for the information requested by the mayor.

Councilor Waltman noted that the administration and Council have wasted too much time on small issues while the need to create a formal strategic plan for the Pagoda waits.

Councilor Marmarou suggested that Council and the administration stop picking at each other, resolve this issue and move forward in 2014.

Councilor Sterner again agreed with the need for the mayor to obtain the information he is requesting through the audit; however, that audit should not stop the creation of a strategic plan for the Pagoda. He noted that the MOU has been on hold for two (2) years.

Councilor Reed read passages from the Pagoda Speaks, a book drafted during the Pagoda's anniversary celebration.

Council President Acosta agreed with the need to approve the MOU and draft a strategic plan as both are important for the Pagoda. He noted that the mayor stated today for the first time that the audit is focused on a transaction rather than a vendetta against members of the Foundation. He agreed that this issue needs to be resolved so that Council and the administration can move forward with larger issues.

The veto of Bill No. 75-2013 was overridden by the following vote:

**Yeas: Corcoran, Goodman-Hinnershitz, Marmarou, Reed, Sterner, Waltman, Acosta,
President – 7
Nays: None - 0**

Councilor Marmarou moved, seconded by Councilor Reed, to adjourn the meeting.

Respectfully submitted by Linda A. Kelleher CMC, City Clerk