



# *CITY COUNCIL*

## *Finance Committee*

### **Meeting Report Monday, August 19, 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, H. Tangredi, G. Mann, C. Snyder, L. Agudo, B. Rivera, D. Pottiger.

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

#### **I. REVIEW MONTHLY REPORTS**

- *Finance Report*

Mr. Bembenick stated that in the quarterly budget review report, much of the same information will be repeated in the quarterly reports. He asked council if there is any additional specific information needed or suggestions on how to reduce redundancy.

Mr. Waltman opined that executive summaries are working fine as currently distributed.

Mr. Sterner agreed with Mr. Waltman and suggested highlighting issues of major change in the report as well.

Ms. Goodman-Hinnershitz asked how the revenues are calculated.

Mr. Bembenick responded that they are calculated both on a cash basis and also a projected basis.

Mr. Zale continued his report stating that with seven months now completed in this year, we have a surplus of \$14,379,310; however, he stressed that this figure doesn't include the MMO or the State Pension contribution which occur in the fourth quarter annually.

Mr. Zale stated that regarding revenues, there are good returns on EIT (\$9,957,814 compared to projection of \$8,630,531) and Property Tax. He stated that there is a reduction of revenue in two line items: \$600,000 in new construction permits related to hotel and \$92,000 in indirect costs from CD HUD reimbursement.

Mr. Cituk wanted to clarify that these are projected figures. Through the SAFER grant we received cash of \$280,000.

Mr. Zale continued stating that expenditures continue to be a concern as overtime is still an issue. He stated that fire overtime is especially concerning as it is increased by \$200,000. Legal fees are also increased; however, we received \$100,000 in reimbursement for police pay arbitration.

Mr. Bembenick stated that for the 2014 Budget, the plan is to split out the overtime budget so that it more accurately represents revenue reimbursements.

Mr. Sterner asked what the cause of police and fire overtime is.

Mr. Bembenick responded that it is mostly due to court issues.

Ms. Snyder stated that she had a meeting with the Chief of Police and spoke about implementing ways to help reduce the amount of overtime. She will keep council apprised of the developments as they continue to meet.

Mr. Mann stated that PFM is looking closely at the overtime and a report will be forthcoming in about three weeks.

Mr. Waltman asked if there was a tracking mechanism in place for this.

Mr. Mann responded that there had been; however, it was quite weak and electronic data didn't really exist.

Ms. Snyder stated that a tracking system is a good idea and that it is actually being looked at.

Ms. Goodman-Hinnershitz stated that the reality is that more arrests equal more court cases.

Mr. Corcoran stated that while he was on a ride along with police, he noticed that they log everything which can take up valuable time. He mentioned an example of arresting a woman and having to wait for another female officer to arrive; this takes time as well as some other examples he gave.

Mr. Zale continued with his report stating that new full year projections are increased by \$892,000 from the prior month's projected deficit. In terms of cash flow, our ending position is \$9.3M. There was a minor fluctuation in headcount.

- CDBG Report

Mr. Agudo stated that this is a preliminary first draft. He continued stating that in the first page of his report he outlines what is requested and what the recommendation will be. He stated that 11<sup>th</sup> & Pike \$200,000 for improvements is recommended.

Mr. Waltman asked what those improvements would be and Mr. Agudo stated that he would be speaking with Ms. Khlar regarding this.

Ms. Goodman-Hinnershitz stated that originally the repairs at 11<sup>th</sup> & Pike were not done accurately and gave an example of the concession stand not having any plumbing.

Ms. Snyder agreed and stated that there are quite a few upgrades to be done with the water feature, basketball court, etc., etc.

Mr. Agudo stated that he would be attending meetings and requesting more information. He continued stating that there would be no funding for the Baer Park basketball court and those funds will be used for Downtown and Main Street for the commercial façade.

Mr. Agudo continued down the list of recommendations on his report including the Code Enforcement PMI inspectors (payroll) which the recommendation for was \$459,500.

Mr. Sterner stated that he believed that it was explained that the added inspectors would pay for themselves.

Mr. Agudo explained that the federal funds were used to alleviate the general fund for PMI salaries.

Mr. Waltman stated that he believes Mr. Sterner is referring to QoL inspectors and this was then clarified.

Mr. Agudo stated that in summary \$4.2M was requested but only \$2.5M can be allocated.

Mr. Agudo stated that on the second page of his report he addresses Emergency Shelter Grant (ESG) Funding requests. Total requests are \$766,462.00 of which \$170,379.00 is the recommendation.

On the third page Mr. Agudo addresses the HOME Program in which our City of Reading is requesting \$429,000 and the total in Neighborhood Housing Services (NHS) is \$200,000.

Mr. Spencer asked Mr. Agudo to please explain the HUD component to council.

Mr. Agudo stated that in order to maintain CHDO status there has to be a certain number of rehabs performed through NHS. He is inquiring on that specific figure.

Mr. Corcoran stated that in looking at the report, he questioned if BCTV gets County funding as well. Ms. Reed responded affirmatively.

Ms. Goodman-Hinnershitz stated that she has noticed a decline in the number of home viewers and callers for BCTV.

Mr. Corcoran stated that he feels funding that we provide for BCTV would be better served elsewhere.

Ms Goodman-Hinnershitz stated that their visual and sound quality has been poor.

Mr. Waltman suggested that we organize a meeting with them to talk about the poor quality of the equipment.

Ms. Reed stated that it would be helpful to know how many people view BCTV and the demographic for it to determine the actual audience we are reaching.

Mr. Corcoran commented that we will spend \$39,000 for BCTV but we cannot complete the paving of Cotton Street.

Mr. Acosta stated that the microphones at BCTV are very poor quality as they are very outdated. He also noted that BCTV does not well represent the diversity in our community.

Ms. Kelleher stated that in our last franchise agreement with Comcast we were the Access Channel managers; however, with the amendment made in 2008, BCTV became the managers giving them authority to cut many city programs.

Mr. Waltman reiterated that instead of cutting their funding, we should plan to meet with them to give them the opportunity to improve their quality of performance.

Mr. Sterner questioned that if they do not have the adequate funding, how can they improve the quality of their equipment? We either want BCTV or we do not.

Ms. Reed reiterated that it is imperative to obtain hard facts about who BCTV is reaching. Mr. Agudo was asked to obtain subscription figures from Comcast.

Ms. Reed asked about the library and Mr. Agudo responded that there has not been an official request made from the library.

- *IT Report*

Mr. Tangredi asked council about the content of his report and if they would like to make further suggestions on how they would like the report to look. All were satisfied with Mr. Tangredi's report.

Mr. Tangredi continued stating that everything is operating smoothly. Roughly 52% of requests are being resolved under an hour and the overall satisfaction rate is in the upper 90 percentile. He stated that you may see some minor spikes in the report but that it due to staff vacations.

He asked if there were any questions or concerns regarding his report and none were posed.

## **II. AUDITOR'S REPORT**

- *Charter Review Commission*

Mr. Cituk stated that he has not yet received invoices so at this moment there are no expenses. Two ads were placed and a stenographer was utilized, though no law fees are incurred at this point. The budget target for the Charter Review Commission is \$20,000; however, he believes this amount will be more than enough.

Mr. Corcoran stated that there will be one ad with all the meeting dates.

Mr. Cituk stated that the 2012 Audit is in draft form. RAWA's numbers have to be verified by their auditor and that information should be released in September. He stated that the June 30<sup>th</sup> deadline was unfortunately not met.

Mr. Marmarou asked when the State Pension audit would begin.

Mr. Cituk responded that he believes it will be completed by February or so of 2014.

## **III. LEGISLATIVE REVIEW**

Ms. Snyder stated that this amendment to the 2013 Position Ordinance is something that will be budget neutral.

Council went into Executive Session to discuss the terms of a lease agreement for Angelica

Park at approximately 6:25.

Ms. Reed adjourned the Finance committee at approximately 6:50pm.

*Respectfully submitted by  
Bea Rivera, Legislative Aide*