

Budget Review Meeting
Monday, October 6, 2014
Penn Room

Attending: J. Waltman, F. Acosta, M. Goodman-Hinnershitz, C. Daubert, D. Sterner, S. Marmarou, C. Snyder, L. Kelleher, C. Younger, D. Pottiger, C. Zale, D. Cituk, M. Bembenick, V. Spencer, E. Lloyd, F. Denbowski

Mr. Waltman called the meeting to order at approximately 5:34 pm.

Mr. Bembenick redistributed a copy of his parking lot items that could be added to the budget on the revenue or expenditure side.

Cities of Service

Mr. Denbowski explained that the Mayor's Office intends to submit their application to Cities of Service in November. Discussing this initiative with Council is a required part of the application process. Information about the program was emailed to Council and hard copied to Council last week. He explained that the application will be related to the Mayor's Clean City initiative.. He provided detail about the Clean City initiatives and he stated that the projects, volunteer hours and donations of supplies have a value of approximately \$500,000.

A handout was distributed.

Mr. Denbowski stated that Cities of Service is a national coalition that can be used to promote the Mayor's program to foundations that could provide funding for the program. He explained the application process. He stated that the internal group preparing the application is now evaluating the Clean City initiative's goals and metrics.

Mr. Denbowski asked Council to call or email questions or comments on the Cities of Service initiative. He stated that several Pennsylvania cities have participated in this initiative.

Mr. Waltman questioned the benefit of using volunteer time to clean up the City's streets, using the appearance of the 300 block of North 5th Street as an example.

Ms. Goodman-Hinnershitz expressed agreement and suggested that that the City should be require residents to become more responsible for the cleanliness of the City's

public areas. She noted that neighborhoods having small convenience type stores appear to have more litter.

Revenues

Mr. Zale reviewed the remaining Enterprise Fund revenues as follows:

- The Shade Tree Commission is funded by an additional real estate tax of .2 mils, which is equal to \$254K annually.
- The Liquid Fuels is state aide through the gas tax that provides approximately \$1.3M for street related expenditures. The City received an additional \$30-40K in 2014 for salt and snow removal made possible through the increase in the State Motor Vehicle fees and taxes.
- Trash and Recycling generate \$3.4M and \$2.3M respectively.
- The Water Fund contains \$8.7M for the water lease payment, \$180K for the Meter reading and \$300K for the sewer billing.

Ms. Goodman-Hinnershitz questioned if the mayor has executed the new addendum to the water lease. Mr. Bembenick stated that he has not but he is expected to.

The mayor stated that he is waiting until Council stops the law suit requiring him to execute the agreement and provide assurance that Council will not negotiate in the future without the administration present.

Mr. Waltman and Ms. Kelleher stated that Council did not instruct their attorney to undertake the preparation of the lawsuit.

Mr. Zale continued with his summary of the Enterprise Fund revenues as follows:

- The Sewer Fund was formerly Fund 54 for both the City and outside municipality's sewer payment revenue; however, this year the two were separated into Fund 54 for the outside municipalities payments and Fund 55 for the City user payments. This separation was created so the City's funding can easily be identified. In 2014 there was approximately \$29M in Fund 54; now Fund 54 contains approximately \$25M and Fund 55 contains approximately \$20M.

Parking Lot List Budget Additions

Mr. Waltman noted the need to in some way combine the two parking lot lists to eliminate confusion. Mr. Bembenick keeps a parking lot list of potential budget changes and Ms. Kelleher keeps a 2nd list with topics requiring additional review/discussion.

Mr. Bembenick stated that his parking lot list of potential addition contains \$1.9M additional operational expenses and \$331K in additional personnel expenses.

Ms. Snyder stated that the personnel requested for the Fire Marshall's office can be removed from the list as those additions must be negotiated with the IAFF. She stated that the requested fire personnel will be a 2016 budget topic. She noted that PFM disagrees with the additional personnel.

Mr. Bembenick stated that the Fire and Police are both requesting new vehicles - Police would like five vehicles at a cost of \$110K and Fire is seeking seven vehicles and a ladder truck at a cost of \$771,500. Ms. Snyder stated that the ladder truck will cost \$1M, of which \$500K is budgeted and Fire is applying for a \$500K grant to cover the remaining costs.

Mr. Bembenick stated that Law is seeking an additional \$100K to cover outside legal expenses.

Ms. Goodman-Hinnershitz noted her request for the creation of a policy on the use of outside legal counsel and the payment of legal bills.

Mr. Acosta noted that the Law Department budget reflects a reduction in the number of staff attorneys. Mr. Bembenick stated that one of the current attorneys will be assigned to work under the Sewer Fund. Due to the scope of the WWTP improvement project a dedicated attorney is needed.

Mr. Acosta questioned which attorney will be assigned. Mr. Younger stated that Mr. Lachat will be assigned to the Sewer Project.

Mr. Acosta inquired if this will reduce the legal expenses associated with the project and he questioned Mr. Lachat's involvement in the recycling litigation as Duane Morris appears to be handling the case. Mr. Younger stated that Duane Morris is merely providing a second opinion on matters relating to the recycling litigation.

Mr. Bembenick stated that BCTV is seeking an additional \$35K. He stated that \$35K for BCTV is in the 2015 budget. In the past an additional \$35K was also included in the CDBG Action Plan. Ms. Snyder stated that during HUD's audit they questioned the BCTV contribution in the CDBG Action Plan. Their analysis showed that the service provided by BCTV outweighs the contribution.

Ms. Goodman-Hinnershitz noted the number of programs or meeting tapings that are cancelled during the year. She suggested using a straight fee for service, rather than a flat rate fee.

There was a discussion on the benefit BCTV MAC programs provide to the community.

Mr. Waltman stated that in the past Council has discussed dedicating a milage rate directly to the Library to provide them with a dedicated funding stream. He noted that the Library consistently requests additional funding for a very well run program. He stated that it is time to consider a dedicated funding source. He suggested dedicating .2 mils, approximately \$250K, to annual Library funding, as is done for the Shade Tree Commission.

Mr. Acosta and Mr. Sterner said they would support this initiative.

Mr. Waltman stressed the need for one of the next two meetings to include discussions with the Parking Authority and Water Authority. He asked the administration to make the invitations.

Mr. Waltman suggested adding DID and the Main Street Coordinator and the outsourcing of BPT billing and collection to the topics parking lot. Ms. Snyder requested that applying the Admissions Tax to other venues also be added to the list.

The Wednesday budget agenda will include a discussion with either the Parking Authority or the Water Authority and a review of departmental expenses in the order they appear in the budget binder.

Ms. Snyder noted that the CD Director was asked to make a presentation for this Wednesday. Mr. Waltman stated that the presentation should only be related to the PMD revenues, fee collection and overall performance.

The next Budget Review Meeting is scheduled for Wednesday, October 8th at 5 pm in the Penn Room.

Respectfully submitted by Linda A. Kelleher CMC, City Clerk