

City of Reading City Council
Regular Business Meeting
Monday, August 25, 2014

Council Vice President Waltman called the meeting to order. He announced that the purpose of the Executive Session on Monday, August 11th was related to litigation and personnel matters respectively.

Council Vice President Waltman stated that the purpose of the executive session at the August 25th Committee of the Whole meeting was to interview a potential candidate for the Fire Chief position.

The invocation was given by Councilor Marcia Goodman-Hinnershitz.

All present pledged to the flag.

ATTENDANCE

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

PROCLAMATIONS AND PRESENTATIONS

None.

PUBLIC COMMENT

Council Vice President Waltman stated that there are two (2) citizens registered to address Council on non-agenda matters. He reminded those registered about the public speaking rules.

Harriet Rauenzahn, of Rose Virginia Road, stated that supports City Council's negotiated addendum to the water lease agreement with RAWA, as the average citizen cannot afford water rate increases. She noted that the State and Federal government should provide more

financial assistance to the City.

Phyllis MacBeth, of Rose Virginia Road, was not present.

APPROVAL OF THE AGENDA & MINUTES

Council Vice President Waltman called Council's attention to the agenda for this meeting, including the legislation listed under the Consent Agenda heading and the minutes from the August 11th Regular Meeting of Council. He noted that the resolution regarding the Fulton bank account will be removed from the Consent Agenda and considered separately, along with the vote to override the veto of Bill No. 61-2014.

Councilor Marmarou moved, seconded by Councilor Sterner, to approve the minutes from the August 11th Regular Meeting of Council and the agenda, including the legislation listed under the Consent Agenda heading, as amended. The motion was approved unanimously.

Consent Agenda

B. Award of Contract – to Maximus for indirect costs **(Purchasing) To be distributed Monday - WITHDRAWN BY THE ADMINISTRATION**

C. Resolution 90-2014 – Exonerating the 2012 property taxes, penalties and interest fees for 824 Washington Street owned by Christ Presbyterian Church **(Council Staff)**

D. Resolution 91-2014 – authorizing the disposition of records in the Recycling Office **(Council Staff)**

E. Resolution 92-2014 – authorizing the extension of the Home Note due from Our City Reading in the amount of \$550,000 for a term of 10 years at an interest rate of 3% with a 1% closing fee. **(Man Dir)**

A. Resolution 89-2014 –Rescinding Resolution 23-2014 and reauthorizing the Department of Administrative Services to establish a new bank account at Fulton Bank for the sole purpose of administering the above-referenced HUD Section 108 loan for the Doubletree Hotel **(Man Dir)**

Councilor Reed moved, seconded by Councilor Goodman-Hinnershitz, to adopt Resolution No. 89-2014.

Resolution No. 89-2014 was adopted by the following vote:

Yeas: Daubert, Goodman-Hinnershitz, Marmarou, Reed, Sterner, Waltman – 6

Nays: None – 0

Abstain – Acosta, President - 1

Potential Override of the Veto of Bill 61-2014 – the Amendment of the Water Lease Agreement

Councilor Goodman-Hinnershitz moved, seconded by Councilor Reed, to override the veto of Bill No. 61-2014.

The mayor stated that his veto message provides his rationale for the override of the water lease agreement ordinance. He expressed the belief that the amount negotiated is insufficient to close the budget deficit and he questioned the amount of oversight provided by the amended agreement. He questioned why a new agreement was negotiated if the new lease payment would not provide the City with sufficient relief. He also questioned why the administration was not included in the negotiations. He stated that he recognizes that a lease payment higher than \$8M would require a water rate increase.

Councilor Goodman-Hinnershitz expressed the belief that the amended agreement provides additional City oversight in various ways that will further protect the water asset. She stated that the mayor walked away from the process he started with the members of Council, which created the need for Council to begin looking at the 2015 budget options. She expressed the belief that the City cannot continue to rely on RAWA to balance its books.

Councilor Daubert noted that the \$8M lease payment leaves the City with a \$5.9M budget deficit that must be addressed. He noted his distaste for raising taxes and water rates; however, he stated that increasing water rates is not necessarily a bad thing as the increased rate would be paid by all users, not just those who are required to pay property taxes.

Councilor Reed stated that overall the agreement represents a good compromise and a good starting place.

Councilor Sterner noted the need to correct the \$5.9M deficit without cutting services. He noted that the override of the veto does not prevent Council or the administration from seeking additional support from RAWA. He agreed that water rate increases are similar to tax increases. He also agreed that the City needs help with its legacy costs such as the required pension payments. While he agreed with the concept of a pension, he noted that the taxpayers can no longer afford to pay for the pensions.

Councilor Waltman noted that the \$8M lease payment is a baseline, which complies with Act 73. He stated that the additional financial controls and reporting requirements will help secure the future of the water system. He stated that the newly amended addendum also prevents the need to dissolve the current authority and create a new model. He suggested that Council and the administration now focus on the 2015 budget and the amendment of the Recovery Plan. He stated that there is no reason why Council or the administration could not

go back to seek more assistance from RAWA.

Council President Acosta stated that the City cannot continue to use RAWA as a cure for its financial problems and that a new cure must be identified. He described the goals accomplished through the negotiation of this new agreement.

The override of the veto of Bill No. 61-2014 was adopted by the following vote:

**Yeas: Daubert, Goodman-Hinnershitz, Marmarou, Reed, Sterner, Waltman, Acosta,
President – 7**

Nays: None – 0

ADMINISTRATIVE REPORT

The mayor read the report distributed to Council at the meeting, in summary:

- Update on the project at the Wastewater Treatment Plant
- Update on community development issues
- Update from the Police Department, including the addition of all electronic motorcycle to the police fleet
- Super Saturday event scheduled for Saturday, September 20th from 11 am to 2 pm at the Citadel, organized by Olivet.

Councilor Sterner thanked the mayor for his report. He inquired why only one HVAC bid came in for the Wastewater Treatment Plant project. The Managing Director stated that the HVAC bid went out two times and both times only this single company responded.

Councilor Marmarou inquired about the CPAAM project. The mayor stated that the project has been scaled back to a smaller version.

AUDITOR'S REPORT

City Auditor Cituk read the report distributed to Council at the meeting, in summary:

- 2014 Admissions Tax Collection
- 2014 Real Estate Transfer Tax Collection
- Description of the August 20th Town Meeting at the RACC Schmidt Center

REPORT FROM DEPT. DIRECTORS, BOARDS, AUTHORITIES, & COMMISSIONS

David Beane, Esq., Chair and Cathy Curran-Myers, Esq., Vice Chair gave the Environmental Advisory Council's (EAC) annual report. Mr. Beane described the council's mission and function and the membership of the EAC. He stated that to date they have accomplished the following:

- Draft and implement the Rain Barrel Ordinance
- Hold Work Shops to educate the public about the installation and use of rain barrels
- Completion of the Alternative Energy Ordinance

Mr. Bean explained that the Alternative Energy ordinance will become a part of the City's zoning ordinance so the ordinance will be presented to Council as a package with the Riparian Buffer and Steep Slope ordinances when they are completed. He stated that the EAC has visited all the water impoundment dams and they encouraged the initiation of curbside commercial recycling. He described the committee structure the EAC uses to draft legislation and research topics.

Mr. Beane stated that the EAC was awarded the Environmental Group of the Year by the Berks County Conservation District. Mr. Beane expressed the EAC's gratitude to Ms. Katzenmoyer and Ms. Hoag for the skills and dedication they bring to the EAC.

Mr. Beane stated that he has served as Chair for the past three (3) years and that he will be stepping down at the end of 2014. He stated that he will continue to serve on the EAC and that Ms. Curran-Myers will begin a term as the new EAC Chair.

Councilor Sterner thanked the EAC for their work and he noted the vast experience of those serving.

Councilor Goodman-Hinnershitz thanked the EAC for their work and she noted that the expertise of the members serves the City well. She noted her appreciation for the EAC's productivity.

Council Vice President Waltman questioned what upcoming issues are on the EAC's scope. Ms. Curran-Myer stated that the EAC will assist in rebuilding the recycling program, work to increase the urban tree canopy, and improve the connectivity of the trail ways with the parks.

ORDINANCES FOR FINAL PASSAGE

Pending – Further Legal Review Required

Bill 41-2014 – creating the Reading Regional Water Authority (City Council) *Introduced at the April 14 regular meeting*

Ordinance – authorizing a project labor management agreement for building projects in the City (Mayor's Office) *Introduced at the May 12 regular meeting; Additional review required; PLA Work Group meetings held June 25 and July 24*

Ordinance - repealing Bill 46-2014 to dissolve the Water Authority (Council) *Introduced at the August 11 regular meeting*

A. Bill No. 63-2014 – amending the Code Book, Chapter 600 “Zoning”, Section 600-807 entitled “C-C Commercial Core District” by amending: (1) Subsection B “Allowed Uses” to include

public parking garages and parking lots owned/or operated by the City of Reading or the Reading Parking Authority, and to prohibit non-public parking garages and parking lots; and (2) Subsection C “Additional Requirements in the C-C District” to prohibit non-public parking garages or parking lots open to the general public. **(Parking Authority/Council Staff) Introduced at the July 28 regular meeting; Public Hearing 8-12-14; Ordinance Advertisement 8-11 and 8-18-2014**

A. Bill No. 64-2014 – increasing the number of Water Authority board members from five (5) to seven (7) **(Council) Introduced at the August 11 regular meeting**

Councilor Marmarou moved, seconded by Councilor Goodman-Hinnershitz, to enact Bill No. 64-2014.

Councilor Goodman-Hinnershitz noted the need to work carefully to identify qualified candidates to fill the vacancies on RAWA.

Bill No. 64-2014 was enacted by the following vote:

Yeas: Daubert, Goodman-Hinnershitz, Marmarou, Reed, Sterner, Waltman, Acosta, President - 7

Nays: None - 0

INTRODUCTION OF NEW ORDINANCES

The following ordinances were read into the record:

A. Ordinance – Amending the Administrative Code, Chapter 5, Section Re3117-Oo5a-Ex A – Purchasing Policies, sub-section 8.06 and 8.07 relating to the Purchasing Coordinator **(Adm Services)**

COUNCIL COMMENT

Councilor Daubert welcomed the educators and school children back to the 2014-15 school year.

Councilor Marmarou noted the passing of former police officer and Magisterial District Judge Felix Stacherski.

Councilor Marmarou described the recent problems with the off campus housing in the Albright area and the problems associated with Albright on “move in” day. He also noted the arrest of girls who were accused of stealing in the North 14th St area on Sunday morning.

Councilor Goodman-Hinnershitz described the book bag event organized by New Creation

Church that was held yesterday. She also noted the beautiful repaving of Cotton Street. She announced her plan to continue neighborhood outreach.

Councilor Reed noted the passing of Ray White and his contributions to our community. She also noted the retirement of Pastor Bruce Osterhout from Christ Lutheran Church.

Councilor Reed stated that the new Superintendent of the Reading School District started off the school year on a positive note with the fresh approach of visiting the schools. She also reported on the PCN documentary on the Berks County Courthouse, the only art deco court house in Pennsylvania.

Councilor Waltman reviewed the upcoming meeting schedule.

Councilor Marmarou moved, seconded by Councilor Daubert, to adjourn the regular meeting of Council.

Respectfully submitted by Linda A. Kelleher CMC, City Clerk