



CITY COUNCIL

Strategic Planning Committee

Tuesday, September 2, 2014
Meeting Report

Attending: J. Waltman & C. Daubert (Co Chairs), M. Goodman-Hinnershitz, D. Sterner, S. Marmarou, F. Acosta

Others Attending: L. Kelleher, C. Snyder, D. Kersley, C. Younger, V. Spencer, J. Lillis, P. Mulligan, G. Mann

The meeting was called to order by Mr. Waltman and Mr. Daubert at approximately 5:04 pm.

1. Amusement/Admissions Tax

Ms. Snyder explained that the Amusement/Admissions Tax is currently applied only to City operated venues. However, other cities apply the tax to a much broader base. Easton even applies them to events held at churches. She stated that expanding the application to more venues could generate another \$70-100K annually. She stated that Mr. Kersley and Ms. Kelleher have researched this issue thoroughly.

Note: The Angstadt Administration proposed this tax to Council around 1997. The issue was quite contentious. Council decided to apply the tax only to City operated venues and consider modifications moving forward.

Mr. Daubert questioned how the City would determine when the tax was applied. In response, Mr. Kersley explained that the tax would apply to venues that sell tickets to gain entry to events or have door cover charges. He stated that Reverb, located on North 9th Street, has several larger scale events per month. These larger events usually require some type of additional public services and the Amusement Tax would provide the City with the means to cover these additional expenses. He stated that events at community theaters could be exempted.

Mr. Marmarou questioned expanding the boundaries of this tax as the City does not properly collect the per capita tax and other taxes and fees. He suggested that the City should improve what it already does. He suggested reenacting the requirement for landlords to submit tenant names, as the lack of information will limit our collection of per capita taxes.

Ms. Snyder cited examples of corrective steps the administration has taken to improve its collection practices.

Mr. Kersley reported that to date Berks EIT has collected a total of \$58K in per capita taxes, which is a 260% improvement from prior years. He noted that \$24K was collected in prior year taxes.

Ms. Goodman-Hinnershitz agreed with the need to explore other sources of revenue. She suggested applying the tax to larger events as these events often require additional public services.

Mr. Daubert questioned how the City would enforce the ordinance if it applied only to larger events. He stated that the City would need to rely on the honesty of those who are required to pay.

Mr. Acosta agreed with the need to find new revenue resources.

Mr. Acosta and Mr. Spencer suggested checking with outlying municipalities to see how they apply this tax.

Mr. Waltman agreed with the need to explore this option and place this topic on the Budget Parking Lot.

2. Zoning Amendment re Parking in the Commercial Core

A memo from Mr. Lillis, Parking Authority Solicitor was distributed. Mr. Lachat stated that he and Mr. Lillis were exchanging phone calls about some legal issues he believed would invalidate the ordinance. However, those issues have been resolved. Mr. Lillis stated that he has a few other issues to discuss with Mr. Lachat and he requested that the ordinance remain tabled for an additional two weeks.

Mr. Spencer and Mr. Lachat left the meeting.

3. Recovery Plan Amendment

Ms. Snyder explained that Mr. Mann and PFM are currently working on an amendment to the Recovery Plan. She explained the input process used to develop the plan. Ms. Kelleher stated that last week she emailed Council the initiatives in the current plan showing which were complete, incomplete or in progress. Mr. Kersley stated that some of the incomplete initiatives were not undertaken as they were not seen as helpful.

Ms. Kelleher stated that Council was asked to bring initiative suggestions to this meeting.

Mr. Waltman suggested that PFM include a remodeling of recycling and Property Maintenance in the new plan.

Mr. Mann stated that Council will need to approve the new plan by the end of November, which will allow time for the Solicitor to request a commuter tax from the Berks County Court of Common Pleas. He stated that he is more concerned with the adoption of the new plan than with the adoption of the 2015 budget, as the City can draw from its surplus and reserve to cover the gap. He explained that while the initial plan had hundreds of initiatives, the amendment to the plan is usually more focused with a small number of initiatives. He noted the importance of speaking with various parties during the formulation of the amended plan. He stated that so far there is consensus that economic development should have a strong presence in the amended plan. He noted that the budget gap widens considerably after 2015 and he added that 40% of the annual budget is consumed by annual pension costs, debt service and other legacy expenses.

Mr. Waltman suggested that PFM assist the City in making the state legislators aware of the need for pension reform. He stated that the pension issues need to be decompressed.

Ms. Goodman-Hinnershitz expressed the belief that the appearance of the downtown needs to be addressed. She noted that much of the streetscape appears woebegone. She expressed the belief that building owners are not encouraged to make improvements as the City does little to care for the spaces it manages, such as the planters.

Mr. Mann stated that PFM is leaning towards a plan covering four issues:

1. Public Safety – policing differently
2. Zoning – developing a defined zoning strategy that will not allow an inappropriate use just to fill an empty space
3. Parking – defining improvements to existing parking regulations to make them more user and business friendly
4. DID – doing clean, safe and green well but avoiding marketing

Mr. Waltman stated that there is too much empty downtown office space. He noted the amount of untaxed public assistance that exists in cities like Reading. Mr. Daubert questioned at what point can those subsidizing public assistance no longer afford to subsidize it.

There was a lengthy discussion on the downtown, single payer health care and the pension issues.

4. Liberty Museum

Ms. Snyder distributed a memo covering the history of the building, built in 1876 and her recommendations.

Ms. Snyder stated that the City owns the building and pays approximately \$9,000 annually in utility payments. She stated that the organizers of the museum are being encouraged to become more self sufficient. She explained that making some repairs to the HVAC system will pay for itself in approximately two years. She stated that while the building has some ADA issues, an

elevator system is not required as the building is on the federal register for historic buildings. She explained that the museum can provide a video of the upper floors to meet ADA regulations.

Ms. Snyder stated that the museum replaced the roofing through a grant provided by Representative Caltagirone and they have located a vendor who will install an alarm and sprinkler system at no cost. She noted that the City's Scuba unit and Canteen are co-located in the building.

Ms. Snyder suggested a five year lease agreement that requires the City to make the HVAC repairs and requires the museum to complete a strategic plan, pay a portion of the utility fees, make accounting reports and an annual report to the City.

Council discussed the pros and cons of the museum and the City's continued support. They noted the need for improved marketing and outreach about the museum.

The Strategic Planning Committee meeting concluded at approximately 7 pm.

Respectfully Submitted by Linda A. Kelleher CMC, City Clerk

Follow Up Topics

Finance Committee

- *Act 111 Review – in progress*
- *RAWA Audit Review – assigned to Auditor*
- *Recovery Plan Amendment - July*

Standards of Living

- *BPRC Acquisition & Demolition – completed*
- *Capital Improvements re streets and street lights*

Strategic Planning or COW

- *CDC Manager - completed*
- *Library Tax – completed*
- *Firefighters Museum – in progress*
- *Pagoda Foundation – completed*
- *Main Street initiative*
- *UGI Gas Meters – in progress*
- *Egelman's Park – scheduled for 8-25 COW*