



# CITY COUNCIL

## Strategic Planning Committee

**Monday, October 5, 2015**  
**Meeting Report**

**Attending:** C. Daubert (Chair), J. Waltman, D. Reed, D. Sterner, S. Marmarou, M. Goodman-Hinnershitz, J. Slifko

**Others Attending:** L. Kelleher, C. Younger, C. Snyder, G. Mann, R. Johnson, D. Cituk, C. Broad, J. London, M. Zielinski, D. Pottiger, C. Zale, T. Butler, M. Connell

The meeting was called to order by Mr. Waltman at approximately 4:45 pm.

Mr. Waltman noted the need to go into executive session to discuss potential litigation. The executive session concluded at 5:15 pm. Ms. Butler and Mr. Connell left the meeting at this time.

### **1. DID Renewal re City Contribution**

Mr. Broad distributed a handout showing a variety of funding options. He stated that DID's original request was for \$150K which would hold the assessment to an increase of 12%. He stated that a City contribution of \$210K would require no assessment increase. He stated that a City contribution of \$150K with an additional \$50K coming from the Authorities (Housing, Redevelopment and Parking) would also reduce the need for an assessment increase.

Mr. Broad stated that he has made some budget reductions by eliminating salary increases. He noted that he recently learned that the lease payment for the DID offices located at 645 Penn Street will increase by 3% in 2016. The original budget assumed a 2% increase.

Mr. Slifko inquired about the impact on the average property owner. Mr. Broad stated that an 11.7% increase is equal to approximately 5.56 mils which would be an additional \$5 per year to property owners.

Ms. Reed suggested that the DID office move into the 5<sup>th</sup> and Penn properties at a discounted rental rate. She stated that currently the buildings are underutilized. She noted that the Doubletree offices have moved out. She also suggested asking the Community Foundation to cover the cost of an event planner, as the position was needed to handle the new events the Foundation is bringing downtown.

Mr. Daubert questioned if the properties that are exempt from making an assessment payment are permitted to vote for the renewal.

Ms. London explained that all benefited properties can file a negative vote. She explained that the process is defined by State Statute, not local ordinance. Mr. Broad stated that there are 551 properties within the DID area. If 40% of those properties (221 properties) file objections to the renewal, DID will end as of December 31<sup>st</sup>.

Mr. Sterner expressed concern that the DID property owners could experience both a property tax increase and a DID assessment increase in 2016. He suggested locating \$210K in the \$91M budget.

Mr. Broad explained that the Doubletree will fall under LERTA for the initial 10 years, which will affect their assessment over the same period. He noted that the loss of the I LEAD assessment is offset by the start of the Doubletree assessment. He described the amount of free services provided to the Redevelopment Authority and noted that they refuse to make a contribution for the services provided. He stated that the loss of an additional ambassador will eliminate DID's ability to provide services to the Redevelopment Authority and the Parking Authority.

Mr. Slifko suggested adjusting the budgeting to eliminate an ambassador and communicate to the two Authorities that without a contribution that covers the salary of an ambassador, services that they currently receive will end.

The group discussed the probability that those who pay the assessment are disturbed that services are provided to those who do not contribute.

Mr. Broad suggested that the majority of those who oppose the DID assessment believe they should not pay for the services provided. Mr. Broad stated that he has spoken with the Authority Executive Directors about making a contribution, but that he has not approached the Authority boards.

Ms. Reed noted that the Redevelopment Authority's lack of snow/ice removal creates a liability for that Authority.

Mr. Broad stated that ambassador services are competitively bid out and that the current contract is turn-key, as it provides personnel and all the equipment and vehicles required.

Ms. Kelleher and Mr. Broad noted the tight timeline that includes a second public hearing and a 10 day notice period to the 551 property owners in the DID area. They noted that a decision on the funding is required by tomorrow, October 6<sup>th</sup> so the notice packets can be compiled and mailed.

Mr. Daubert stated that he recognizes the benefits provided by DID and the events that they organize. He stated that his questions pertain more about the process and the property owners' ability to participate.

Mr. Waltman asked the Finance Committee to hold a discussion and to submit a recommendation to Ms. Snyder.

## **2. CDBG Action Plan – 2016 Budget**

Mr. Agudo distributed copies of the Action Plan spreadsheets. He introduced Alejandro Palacios, CD Manager to the group. He noted the continued reduction in overall CDBG funding over the past 10 years: \$4.3M in 2007 to \$3.4M in 2015. He noted continued talk in Congress about eliminating the HOME program, which would eliminate \$70K in Administrative salary coverage and the loss of funding provided to the City's housing partners. He reviewed the four (4) program areas.

- **CDBG Non-public Services Program - \$2.09M**  
Mr. Agudo stated that \$670K off sets General Fund costs for Building/Trades and Property Maintenance. He noted the new addition of \$160K for handicapped ramps and emergency demolition along with the reestablishment of the Major Systems Rehab program at \$175K, which will be provided by NHS.
- **CDBG Public Services - \$364K**  
Mr. Agudo stated that this area provides funding for the Human Relations Commission office and Community Policing. He explained that the allocation for Olivet was reduced to \$50K, as unprogrammed funds can be allocated to cover the remaining costs.
- **HOME - \$1.3M**  
Mr. Agudo stated that HOME will fund only programs provided by the NHS. He stated that HUD requires HOME programs to be address specific, which eliminates the City's ability to allocate funding for OCR and Habitat's programs. He stated that instead an allocation of \$300K was made to "City and Agency Partner Non Profit" and non-profit agencies can apply for funding when properties for rehab have been acquired. He noted that Habitat has \$260K in unused funding from prior years.

Mr. Waltman noted the need for Council to approve the applications submitted by the non-profit agency before the administration makes an award. Mr. Agudo agreed.

Ms. Goodman-Hinnershitz warned about the perceived misconceptions some community members have that CDBG funds is available for general home improvements.

Ms. Reed questioned the impact this budget will have on the Weiser Street housing project. Mr. Agudo stated that the City and County have already contributed \$125K each.

The developer for the project has also been awarded tax credits by the PHFA (Pennsylvania Housing Finance Agency).

- ESG - \$223K

Mr. Agudo stated that the majority of the funding in this area goes to Opportunity House. The Human Relations Commission Office and Homeless Coalition are also funded.

Mr. Waltman questioned the timeline for approving the CDBG Action Plan. Ms. Kelleher stated that the Plan must be approved by November 9<sup>th</sup>.

Ms. Goodman-Hinnershitz inquired why the Action Plan budget is approved by resolution, rather than ordinance. Mr. Agudo stated that he would research the issue and respond at a later time.

### **3. General Fund Budget**

Ms. Snyder stated that the budget binders were distributed.

Ms. Goodman-Hinnershitz asked Ms. Snyder and Ms. Kelleher to define a meeting schedule and agenda. She also suggested that Mr. Mann make the presentation on pensions that he made at the Act 47 meeting last Thursday, as it is important for all Council members to understand this complicated problem.

Mr. Waltman and Mr. Younger noted the need for executive sessions regarding litigation on three separate topics. The meeting went into executive session at 6:30 pm. The executive sessions concluded at 7:30 pm.

**The Strategic Planning Committee meeting concluded at 7:30 pm.**

*Respectfully Submitted by Linda A. Kelleher CMC, City Clerk*