



COMMITTEE of the WHOLE

CITY COUNCIL

MINUTES

September 30, 2015

Presentation of the 2016 Budget

5:00 P.M.

COUNCIL MEMBERS PRESENT:

S. Marmarou, D. Sterner, D. Reed, M. Goodman-Hinnershitz, C Daubert, J. Slifko,

OTHERS PRESENT:

L. Kelleher, C. Younger, S. Katzenmoyer, D. Cituk, R. Johnson, C. Snyder, V. Spencer, D. Pottiger, L. Agudo, W. Stoudt, D. Kersley

The meeting was called to order at 5:05 pm by Ms. Reed. She stated that Mr. Waltman was delayed in Philadelphia due to a business matter. She stated that the purpose of the meeting is for the administration to present the 2016 Budget. She thanked the Administrative Services staff and the Managing Director for their work to prepare the 2016 budget.

I. Presentation of the Budget

Mr. Spencer read the budget message distributed at the meeting. He stated that the budget itself will be distributed in hard copy tomorrow.

Mr. Spencer stated that the balanced 2016 budget has a value of \$91.7M. He stated that the debt service is reduced by \$2.9M. He stated that the MMO pension payment has risen from \$1.8M in 2003 to \$14.5M in 2015. The required MMO for 2016 is \$17.5, which is an increase of 970% over the past 14 years. He noted that the new actuarial report shows that the pension funds are underfunded.

Mr. Spencer stated that spending in seven (7) of the 15 operational areas has been reduced and 13 fulltime positions have been eliminated. He stated that 1% of the EIT revenue is now booked to Capital infrastructure needs. That percentage will rise to 3% over the next two (2) years, which will slowly wean the City away from depending on the entire sum for operational needs.

Mr. Spencer stated that the budget contains a two (2) mil property tax increase, as per the Recovery Plan. He noted that while contributions are made to DID and the Library the contribution is reduced from that budgeted last year.

Ms. Snyder distributed a summary of the revenues and expenditures, along with the Capital Plan. She explained that the budget uses \$4.5M of reserves. She noted that the Recovery Plan predicted use of the reserve to assist with the budget. She reminded all that the prior budgets also used some of the reserve; however, they money was not used. She noted that there is a chance that the reserve will not be spent in 2016. She stated that although money from the reserve is used, two (2) months worth of expenditures (\$16M) are retained in the reserve. She stated that the need to use the reserve is directly linked to the growing MMO obligation.

Ms. Snyder stated that the City's health care costs will rise by \$1.8M in 2016. She noted that a portion of that increase will be covered by contributions from active employees however; retired employees will not contribute towards the increase. She stated that the Library and DID boards are aware that budget contains a reduction from the amount requested. She stated that she has offered to work with DID to revise their budget to address the reduction.

II. Council Comment

Ms. Goodman-Hinnershitz thanked Ms. Snyder for her work on the budget. She noted that not providing a copy of the proposed budget goes against protocol. She stated that Council cannot properly comment on the budget as it has not been submitted.

Mr. Daubert and Ms. Reed agreed. Ms. Reed stated that Council looks forward to receiving the budget tomorrow.

Mr. Marmarou moved, seconded by Mr. Daubert to adjourn the meeting at approximately 5:22 pm.

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