



# ***COMMITTEE of the WHOLE***

## ***CITY COUNCIL***

**MINUTES**  
**November 9, 2015**  
**4:45 P.M.**

### **COUNCIL MEMBERS PRESENT:**

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

### **OTHERS PRESENT:**

L. Kelleher, S. Katzenmoyer, D. Cituk, R. Johnson, C. Younger, C. Zale, V. Spencer, C. Snyder

The Committee of the Whole meeting was called to order at 4:47 pm by Ms. Goodman-Hinnershitz.

### **I. United Way Presentation**

John Hogan, Fulton Bank, stated that the United Way goal is \$9.7 million this year. He stated that 34 agencies and 50 programs are funded through the United Way in Berks County. He highlighted the American Red Cross disaster relief and veteran's transportation programs.

Mr. Spencer stated that the City has increased its participation over the last four years and has won several awards.

Mr. Hogan left the meeting at this time.

### **II. Budget Review**

Ms. Goodman-Hinnershitz stated that discussion this evening would be around the parking lot items.

- Per Capita Tax

Ms. Snyder stated that Council must decide if this tax continues. She stated that the City's portion of the tax was increased for 2015 and that work was needed to find those who do not pay. She stated that when the collection was RFP'd, the low bidder was used but that they do not have the necessary tools to find those who are not paying. She stated that the Administration recommends using a new vendor for one year to see if more individuals can be

found. She stated that this group includes those who pay no other City taxes (property, earned income).

Mr. Waltman arrived at this time.

Ms. Snyder informed Council that if this tax is eliminated it cannot be reinstated. She stated that cities that have repealed the Per Capita tax that now have the CRIZ designation wish they still had the means to collect the Per Capita. She stated that this is reason to give Council pause.

Mr. Agudo and Mr. Palacios arrived at this time.

Mr. Daubert suggested that the amount collected should be divided by those who should pay to set the new rate to assist those who are paying. Ms. Snyder stated that if this is done, the fee to collect the tax would be more than the revenue collected.

Mr. Sterner stated that he supports Mr. Slifko's position. He stated that even if the new vendor finds additional people there are still too many who are not paying. He stated that the City has been unsuccessful in finding those people for many years and he recommends eliminating the tax. He suggested that the School District bill and collect the tax on its own. He suggested that the property tax be increased to make up for the loss of revenue. He stated that the Per Capita tax is an annual point of contention.

Mr. Slifko stated that the real issue is the fairest way to reach the most people in a way that is the best return on investment for the City. He stated that the revenue is \$200,000 but that only 1/5 of the residents are paying. He stated that this is inequitable. He suggested that the Per Capita Tax be eliminated in exchange for an increase in property taxes.

Mr. Marmarou suggested that the Administration be given one more year to make improvements. He stated that those in some high rises are told not to pay the tax by building management. He noted the need to pursue them aggressively.

Mr. Daubert questioned the increased collection cost to pursue those not paying. Mr. Zale stated that the RFP was done in 2014. Ms. Snyder stated that this is unknown at this time. She stated that the current collector is not equipped to find residents.

Mr. Waltman stated that this has been a point of discussion for many years. He stated that without internal touch points this is a difficult tax to track and to collect. He stated that Reading is full of poor people and that there is no personal impact if they don't pay.

Mr. Pottiger arrived at this time.

Mr. Waltman stated that Council has reduced expenses in the 2016 budget and he suggested that this tax should be eliminated and the revenue absorbed across other revenue sources. He stated that 80% of residents do not pay this tax.

Chief Stoudt arrived at this time.

Ms. Goodman-Hinnershitz stated that if the tax is eliminated it cannot be reinstated. She stated that this is concerning. She noted the need for productive ways to collect revenue and questioned how other municipalities collect this tax. Ms. Snyder stated that they do better.

Mr. Sterner suggested that they do better because their demographics are different.

Mr. Waltman noted the high amount of unearned and underground income in Reading. He expressed the belief that this cripples cities.

Ms. Goodman-Hinnershitz stated that unearned income programs are based on revenue sharing principles but that this no longer works in Reading.

Mr. Daubert noted his understanding of the concern that once eliminated this tax cannot be reinstated. He questioned if the City could set its rate at zero without eliminating it. Ms. Snyder stated that this must be researched.

Mr. Sterner stated that the revenue from this tax is a drop in the bucket. He expressed the belief that there would be no need to bring it back.

Mr. Cituk stated that this revenue could pay for an increase in library funding. He stated that he supports the Administration's position to try for one more year.

Ms. Goodman-Hinnershitz stated that there are good arguments on both sides of the issue.

Mr. Spencer stated that residents may not be able to afford paying their fair share but that they must begin to pay. He expressed the belief that it is unfair to continue raising taxes on those who pay without pursuing those who do not pay. He stated that the same people are continually asked to pay more. He stated that there is nothing to lose by trying for one more year.

Mr. Waltman expressed the belief that the good people who already pay are hurt by this tax. He stated that property taxes are more stable. He stated that there have been problems collecting this tax for over ten years and stated that there is nothing to force people to pay this tax.

Mr. Spencer stated that those who pay are increasingly annoyed by those who do not pay.

Mr. Marmarou noted the need for another chance to pursue this more aggressively. He noted his hope that the School District would share their information so the City could pursue this tax. Ms. Snyder stated that they provided the information in no order and on paper. She stated that the information was useless.

Mr. Kromer arrived at this time.

Mr. Sterner questioned the agency's collection fee. Ms. Snyder stated that there is a billing fee. She stated that the fee would be higher if they are pursuing others. Mr. Zale stated that the fee is 2.5% of what is collected.

Ms. Goodman-Hinnershitz questioned if the School District would take over billing and collection if the City eliminates its portion. Mr. Zale stated that Ms. Kantner is working on this issue but that he suspects the City would need to continue collecting the tax on behalf of the School District but that they would need to pay collection fees.

Ms. Goodman-Hinnershitz noted the need for this information before a sound decision can be made.

- Budget Meeting Schedule

Ms. Goodman-Hinnershitz stated that there are many items which need to be finalized and additional meetings would be needed.

Council decided to meet to complete budget discussions on Monday, November 16 and Wednesday, November 18.

- Possible Changes Made to Date

Mr. Zale reviewed the changes made by Council to date during discussions.

Ms. Snyder stated that the 2016 budget originally used \$4 million of fund balance. She stated that the agreed changes would reduce that to \$1.4 million.

Mr. Waltman expressed the belief that not all changes would be applied to the use of the fund balance. He suggested that a portion be used to reduce the EIT or the property tax rates. He stated that the prior year EIT to capital may be changed and that this was approved by PFM. He stated that the Auditor has not yet submitted expense recommendations.

Mr. Waltman questioned the amount of outstanding Business Privilege Tax. Mr. Pottiger stated that he is working on this and is reviewing 2014 versus 2015 at this time to determine a revenue projection.

Mr. Waltman requested this projection by the Monday meeting. Mr. Pottiger stated that he will provide the projection at that time.

Mr. Waltman also noted the need for the five year projections from PFM. He stated that all outstanding information must be submitted by November 16 so that final decisions can be made on November 18.

- Police Vehicles

Mr. Waltman questioned if the additional vehicles were K-9 units. Ms. Kelleher stated that the SUVs are for supervisors and not for K-9. Ms. Snyder stated that there are police vehicles in the budget and that these would be additional vehicles if funding is available.

Mr. Slifko questioned justification for this addition. He stated that there are other possibilities or overall cost savings. Ms. Snyder stated that vehicles should not be budgeted as capital and that vehicles are in the operating budget. She stated that the capital funds could be used for updates to the cameras and the camera system. She stated that these items are not included in either budget for 2016.

Ms. Goodman-Hinnershitz proposed adding ½ of the additional vehicles. There was consensus to fund ½ of the additional vehicles.

- Property Maintenance Point of Sale System

Ms. Snyder explained that this line item includes several other technology changes. Mr. Waltman stated that this is a new cost and that the expense must be captured in additional revenues.

Ms. Snyder stated that there are several reasons why Property Maintenance revenue is down including two vacant inspector positions. She stated that Council will receive a more complete presentation on Monday.

- Library

Ms. Goodman-Hinnershitz stated that the increase would be \$250,000 from what is included in the draft budget.

Mr. Waltman, Mr. Marmarou, Mr. Slifko, Mr. Sterner and Mr. Daubert support increasing the library funding.

Mr. Sterner stated that this is an issue each year. He stated that the County funding has not increased but that it is consistent. He noted the need for a steady revenue source and suggested that a library tax is the best solution.

Mr. Waltman stated that he has proposed at .2 mil set aside for the library similar to the Shade Tree Commission.

Ms. Snyder questioned if the expense discrepancies have been addressed. Mr. Zale stated that they have. He explained that the library hired two additional employees and there is an increase in health care costs. He stated that the two new employees are for outreach and ESL programs.

Mr. Slifko noted the need to differentiate between true and false economies. He stated that decreased City library funding will likely decrease their funding from other sources. He stated that it would lead to a downward spiral. He expressed the belief that this is a wise expenditure.

Mr. Marmarou noted the need to keep the children engaged. He noted the importance of ESL programs.

Ms. Goodman-Hinnershitz stated that she supports the services the library provides but noted the need for sustainable funding. She expressed the belief that a library tax is not sustainable. She noted the need for strategic planning and long-term financial planning. She stated that the library cannot continue to request additional funding. She noted the need to bring together all the partners in the discussions.

Mr. Waltman stated that the City pulled the carpet out from under the library several years ago through a sudden large funding reduction. He stated that the County agreement does not include increases. He stated that the City should be proud of the library and that constant funding fluctuations are problematic.

Ms. Goodman-Hinnershitz noted that the Reading Library as the central service hub also needs to be recognized and discussed.

Mr. Sterner noted the need to bring all the partners together.

Mr. Johnson stated that he supports library services but he warned Council about deferred maintenance. He stated that the Act 47 asset study may result in sticker shock. Mr. Waltman agreed and stated that there needs to be joint discussions about their capital needs.

Ms. Goodman-Hinnershitz agreed and stated that the City's increased pension costs for library employees also needs to be considered by the library.

Mr. Johnson encouraged Council to issue guidelines or boundaries for additional funding.

- BCTV

Ms. Goodman-Hinnershitz stated that this item is also discussed annually.

Mr. Waltman expressed his belief in supporting BCTV up to \$100,000.

Mr. Spencer stated that the franchise fees have been removed. Ms. Kelleher explained that the last time the franchise fees were negotiated, former Mayor McMahon increased the City contribution but that this is not tied to the franchise fees.

Ms. Goodman-Hinnershitz stated that contributions to BCTV are difficult to quantify. She stated that MAC broadcasts are low quality and that there is no way to know the number of people who watch. She stated that they use antiquated equipment and technology and that they need to be more competitive.

Mr. Marmarou stated that he has had fewer complaints since the studio moved. He stated that he receives many good comments.

Mr. Daubert stated that their online content is good but that they have not kept up with broadcasting technology.

Mr. Sterner stated that the new executive director has good ideas and is very energetic.

Mr. Waltman stated that BCTV received \$75,000 in 2015. He stated that he does not support \$125,000 as they requested.

Chief Heim arrived at this time.

Mr. Zale stated that he will change this line item to \$100,000.

- Capital Budget

Mr. Zale reviewed the changes to date. No additional changes were suggested.

Ms. Reed arrived at this time.

Mr. Zale, Mr. Agudo, Mr. Palacios, Mr. Pottiger, Chief Stoudt, and Mr. Kromer left the meeting at this time.

### **III. Ordinance Prohibiting Commercial Truck Parking City-wide**

Mr. Waltman noted his concern with moving trucks.

Mr. Marmarou stated that movers are paid by the hour and expressed the belief that this should not be problematic.

Ms. Goodman-Hinnershitz noted her concern with enforcement issues.

Chief Heim stated that this may be philosophical differences. He noted the need for proper balance and stated that the procedure for written warnings is complicated.

Mr. Marmarou recommended that there be no warning.

Chief Heim recommended signage in areas where truck parking is problematic. He stated that the issue becomes convoluted if used City-wide. He stated that many neighbors use the police in personal disputes. He noted the need to streamline the process to issue tickets quickly.

Mr. Marmarou questioned if the Parking Authority could also issue tickets. Ms. Kelleher stated that they could.

Mr. Waltman suggested that signs be posted and tickets issued.

Mr. Sterner stated that this may lead to sign pollution as more signs will continue to be erected as the trucks move around the City. Ms. Reed agreed and stated that she does not agree with that approach.

Mr. Daubert expressed the belief that it is not residents who park these large trucks in the City.

Mr. Slifko stated that signs will not solve the problem. He stated that this addresses other large vehicles and not just tractor trailers.

Mr. Waltman questioned if other municipalities prohibit truck parking. Ms. Kelleher stated that many do.

Mr. Waltman questioned how the owners would be informed of the change. Ms. Kelleher stated that they have already responded by relocating to areas outside Reading's boundaries. Mr. Daubert agreed.

Ms. Reed stated that addressing only tractor trailers leaves tow trucks and other large vehicles which are also problematic.

Mr. Marmarou again suggested eliminating the warning requirement.

Mr. Waltman suggested that this may scare away contractors who work in the City.

Ms. Reed stated that there will be larger problems if injuries occur because of these large vehicles.

Mr. Slifko suggested making the ticket amount for the first offense nominal as a teaching tool without the need for a warning.

Chief Heim expressed the belief that the MDJ's would be lenient without sufficient proof and that owners would claim they didn't know about the prohibition. He suggested adding signage in problem areas.

Mr. Daubert questioned if Public Works would be able to get the signs ready quickly. Mr. Johnson stated that they would be completed but not quickly as they must be created and there is only one employee who works on signs.

Mr. Slifko stated that owners would then claim that it's okay to park in areas where there are no signs. He stated that if signs are used they must be City-wide.

Mr. Waltman questioned the smallest type of vehicle that would not be allowed. Mr. Johnson stated that it would be the F-450 or Chevy 4500 type trucks. He stated that they are heavy-duty type trucks.

Ms. Goodman-Hinnershitz questioned small school buses. Mr. Johnson stated that they would not be allowed as there are width issues.

Mr. Waltman stated that he supports the Chief's approach.

Mr. Slifko will propose an amendment eliminating the written warning in posted areas.

Mr. Daubert expressed the belief that once this is passed, the problem will take care of itself.

#### **IV. Agenda Review**

Ms. Katzenmoyer distributed the final draft of the ordinance vacating a portion of St. George St and stated that the ordinance is ready to come out of pending for action this evening.

Council reviewed this evening's agenda including:

- Award of Contract for the Penn St Crosswalk Project

Mr. Johnson corrected the amount of the contract.

Ms. Goodman-Hinnershitz questioned what crosswalks would be addressed. Mr. Johnson stated that this is for 3<sup>rd</sup> & Penn only. He stated that the bricks will be removed and that stamped macadam will be installed.

- Ordinance reauthorizing DID

Mr. Waltman suggested amending the ordinance to add benchmarks for outreach. Ms. Reed stated that this is on a tight timeline. Ms. Katzenmoyer suggested that this may be a change to the agreement which would require re-advertising and additional public hearings.

Mr. Sterner suggested that this be a separate discussion.

Ms. Reed stated that the businesses are dissatisfied and noted her hope that discussions would begin.

Chief Heim left the meeting at this time.

- Ordinance transferring funds for recycling truck maintenance

Mr. Johnson stated that the truck warranties have expired and maintenance costs have increased.

- Ordinance transferring funds for the Penn St Market

Ms. Snyder stated that the County is no longer overseeing or funding the Penn St market. She stated that the Mayor's office committed these funds in 2014 but that there were many delays in processing the payment. She stated that the funds were not included in the 2015 budget and this transfer is necessary. She stated that grants have been received for 2016 market costs so this is not a recurring expense.

Ms. Goodman-Hinnershitz noted her concerns with transparency issues with Redesign Reading.

- Ordinance reauthorizing DID

Mr. Waltman expressed the belief that this should remain pending. He noted that it is a great opportunity to bring others together.

Ms. Reed expressed the belief that if changes are made to the agreement that the process starts over. She noted the need to make it clear to the public what Council expects from DID moving forward. She stated that there is a clear disconnect between DID and business owners. She stated that this is very concerning.

Ms. Goodman-Hinnershitz suggested that rather than changing the ordinance that Council pass a resolution describing their expectations.

Mr. Waltman agreed with this suggestion and requested that action be taken on both at the next meeting.

Mr. Daubert requested that action be taken this evening. Ms. Reed agreed and stated that the resolution can be drafted for action at the next meeting. She stated that Council was taken by surprise by the dissatisfaction. She stated that if the owners vote down DID the City must analyze what happens next. She noted the need to continue the ambassador program.

Mr. Waltman agreed to vote on the ordinance this evening and the resolution be adopted at the next meeting.

The meeting adjourned at 6:57 pm.

*Respectfully Submitted by*

