



CITY COUNCIL

Strategic Planning Committee

**Monday, July 5, 2016
Meeting Report**

Attending: J. Waltman, B. Twyman, J. Slifko, S. Marmarou

Others Attending: A. Palacios, G. Steckman, P. Vasquez, S. Katzenmoyer, T. Butler, R. Johnson

The meeting was called to order at 5:01 pm by Mr. Waltman.

1. Berks EIT re EIT, BPT and Per Capita Collection

Mr. Steckman stated that he has spoken with Berks EIT (BEIT) and that they are not collecting EIT aggressively and they wish to hire a third party collector who will charge 25% above what is owed to the City. He stated that there are other mechanisms available but that they are not pursuing them. He stated that he has requested an estimate from BEIT of the amount of delinquent accounts owed to the City.

Mr. Marmarou requested clarification of the other mechanisms for collection. Mr. Steckman stated that BEIT has chosen this collection method over others available. He stated that Mr. Pottiger's opinion is that BEIT should be collecting more aggressively. He stated that BEIT is currently working to collect delinquent EIT 2014 accounts but that they did nothing to collect delinquent 2012 and 2013 accounts. He stated that Act 32 requires BEIT to collect the earned income tax only and not Per Capita, Business Privilege or LST taxes.

Mr. Daubert arrived at this time.

Mr. Steckman stated that the oversight committee (TCC) will be having further discussions on this issue. He stated that BEIT is not garnishing wages for delinquent accounts. He stated that Mr. Pottiger is the City's representative to the TCC and that he has made it clear to them what the City expects. However, the City has only one vote, although it is weighted due to the size of the municipality.

Mr. Slifko questioned BEIT's collection rate. Mr. Steckman stated that he has requested this information from BEIT but has not yet received it.

Mr. Waltman stated that Council needs the Administration's final recommendation. Mr. Steckman stated that BEIT must collect the City's earned income tax and recommended that the ordinance allowing BEIT to use a third party collector at 25% be moved forward for Council action.

Ms. Katzenmoyer stated that the ordinance has been withdrawn. Mr. Waltman noted the need to reintroduce it at the next meeting.

Mr. Slifko questioned if another firm could collect Per Capita, LST and Business Privilege (BPT) taxes. Mr. Steckman stated that this is possible. He stated that he is also considering hiring a third party to audit BPT and that he would make a recommendation on this to Council within a few weeks. He stated that the City does not have staff to perform BPT audits and that the City cannot be prepared in a short time period. He stated that City staff is following up on BPT with some businesses.

Mr. Waltman noted the need for policy change to ensure compliance with BPT.

Mr. Marmarou stated that he has been interested in collecting outstanding accounts since he began his time on Council. He stated that he has learned that if students are registered to vote in their college's municipality they are considered residents of the municipality. Therefore, they should pay their Per Capita tax to Reading.

Mr. Slifko questioned if the City could work with local colleges and universities on this issue. Mr. Steckman suggested that they work with the County Election Office for a list of registered voters.

Mr. Steckman stated that there are several firms who could collect the Per Capita, LST and BPT taxes. He stated that an RFP will be issued.

Mr. Waltman noted the need to introduce this ordinance on July 11.

Mr. Waltman stated that whenever there is contact with a business for City services, the BPT should be verified and that whenever there is contact with an individual, the Per Capita and LST should be verified. Mr. Slifko agreed.

Mr. Steckman stated that Keystone will be cross-referencing all taxes. He stated that they also have access to State databases so that each individual and business pays their fair share.

2. Administration's Topics

- Waste Water Treatment Plant project

Mr. Steckman stated that the bids will be opened on July 20 at 3 pm in Council Chambers. He stated that there was a tremendous turnout for the pre-bid meeting and that Chambers was standing room only.

Mr. Waltman noted the need for this project to move forward.

- Solid Waste regulation amendment

Mr. Steckman noted the need to amend the solid waste regulations. He stated that it has not yet been determined if it will be a sole source or will allow the current hybrid system. He stated that the regulations will also be amended to mandate 30-32 gallon, 1 mill thick trash bags and a 30-64 gallon can with a lid. He also noted the need for a new approach to disposing bulk items. He stated that this will help reduce the cost to residents.

Mr. Waltman cautioned that any container must fit through the typical City baker's alley. He stated that in the past, large cans were required and residents began storing the large containers on their front porches. He stated that this is not acceptable.

Mr. Slifko agreed and stated that any regulations must be compatible with the City's infrastructure.

Mr. Twyman questioned who would enforce the new regulations. Mr. Steckman stated that there would be a 6-12 month educational campaign including ads, mailings, and door hangers before enforcement would begin.

Mr. Waltman stated that Mr. Slifko and Mr. Twyman were interested in this topic and suggested that Mr. Steckman meet with them for a more detailed review.

Mr. Steckman stated that a sample RFP is currently being reviewed by the Law office.

Mr. Slifko suggested that the RFP include items such as packaging, the types of containers and whether or not litter containers would be subsidized by the hauler.

Mr. Steckman stated that it is time for the City to address trash and litter issues.

Mr. Marmarou stated that a property in his neighborhood had 31 bags of trash when students moved out but the hauler only took eight bags each week.

Mr. Waltman stated that the regulations must be clear.

Mr. Twyman questioned if the private haulers would be involved in the future contract. Mr. Steckman stated that he and the Mayor are still discussing this and it must be an informed

decision. Mr. Steckman stated that there is also the possibility of a senior discount when all members of the household are over 65 since they produce less trash. Mr. Steckman stated that he recently saw trash being picked up by a pick-up truck.

Mr. Marmarou stated that this sometimes occurs when pick-ups are missed and the collector must go back.

- Street Light Maintenance

Mr. Steckman stated that the RFP for street light maintenance is currently out.

Mr. Waltman questioned the continued use of Hirneisen. Mr. Johnson stated that there is currently no contract so the City is minimizing the work on street lights.

Mr. Waltman questioned the timeline for the RFP and contract award. Mr. Johnson stated that the bid documents needed to be changed and the project re-bid. He stated that responses will be opened the end of July.

Mr. Slifko requested an update on the 900 block of N 5th St. Mr. Johnson stated that the cause of the problem is still being investigated.

- Trash/Recycling

Mr. Twyman questioned electronic recycling. Mr. Johnson stated that another load will be recycled within two weeks. He stated that this load will be taken to the County collection site.

Mr. Steckman stated that residents without trash haulers will be notified that trash collection will be enforced.

Mr. Marmarou questioned if businesses must recycle. Mr. Johnson stated that a letter was sent to Reading businesses requesting this information. He stated that businesses have been requested to contact Ms. Didow. Mr. Steckman expressed the belief that all businesses recycle in some way.

Mr. Twyman stated that with single stream collection, the business assumes that the hauler removes recyclables and sends them to a recycling center. He stated that these businesses mean well but that reporting comes back to the collector. Mr. Steckman agreed but stated that the business must still report this to the City.

Mr. Twyman stated that the hauler must file the necessary paperwork.

Mr. Waltman noted the need to educate business owners to recycle and report this to the City. Mr. Steckman agreed and stated that the more that is recycled, the more funding the City receives in grants.

Mr. Johnson stated that many small businesses are reporting that they take recyclables home with them and recycle them there.

Mr. Slifko questioned how the City would begin enforcing trash collection from those without haulers. Mr. Steckman stated that if they do not report their hauler to the City, the City will begin picking up the trash and billing the property owner. He stated that letters will be sent in July and billing will begin in August.

Mr. Younger arrived at this time and Ms. Butler left the meeting.

3. Executive Session

Mr. Waltman announced the need to enter executive session to discuss two lease agreement negotiations and one pending legal issue.

Council entered executive session at 5:33 pm and exited at 6:31 pm.

4. General Fund Balance

Mr. Slifko suggested that part of the fund balance be dedicated to road paving. Mr. Steckman stated that the City needs to update its overall fund balance policy. He stated that road paving is a capital use and should be part of the capital budget. He noted the need to put additional funding into the healthcare fund and the insurance casualty fund. He stated that the City must also ensure that it can pay all outstanding bills.

Mr. Waltman stated that the City must also follow the Act 47 Recovery Plan.

Mr. Steckman stated that when the City funds the WWTP bonds it will need to prove to the lender that it has a fund balance policy.

Mr. Slifko expressed the belief that the fund balance should be reduced before the City begins labor negotiations. He again suggested road paving projects.

Mr. Waltman stated that these issues will be addressed during the budget discussions. He stated that the budget must continue to comply with the Recovery Plan.

Mr. Steckman stated that he is researching whether the City should purchase its own paving equipment and have a dedicated paving staff. He stated that this was successful in Easton. He stated that Easton collaborated with its local college to ensure that the roads and streets around campus were kept in good condition.

Mr. Twyman stated that 11th & Windsor is currently being repaved. He suggested that this work is being done by UGI. Mr. Steckman noted the need for UGI to correct the streets that they are working on.

Mr. Twyman recommended that City residents be hired if the City hires a paving crew.

Mr. Waltman stated that this possibility will need to be discussed with Mr. Mann.

Mr. Daubert questioned when Council would receive the 2017 budget. Mr. Steckman stated that it would be received on September 30.

Mr. Marmarou left the meeting at this time.

Mr. Twyman questioned when labor negotiations would begin. Mr. Steckman stated that the FOP has sent their initial demands and that the City has been notified that they want to arbitrate.

Mr. Daubert expressed the belief that the notice was clearly a first offer. Mr. Steckman stated that the raises are reasonable compared to the IAFF demands but that the other items have high costs. He stated that the Recovery Plan will aid with controlling these costs.

Mr. Waltman reminded all that the City would need to exit Act 47 shortly. Mr. Steckman stated that the City will be in a position to exit but that several things must be put in place so that it will be successful.

There was a brief discussion regarding pension funding and the possibility of collecting a non-resident EIT after exiting Act 47.

The Strategic Planning Committee meeting concluded at approximately 6:49 pm.

Respectfully submitted
Shelly Katzenmoyer, CMC
Deputy City Clerk

Follow-up Items

June Finance Meeting

- 3rd and Elm Properties re Habitat
- Berks EIT re EIT, BPT, BPL and Per Capita collection

July Strategic Planning – update Penn Square Properties

August Strategic Planning

- Housing and Codes Strategy