



COMMITTEE of the WHOLE
Budget Review
CITY COUNCIL

Minutes
Saturday, November 5, 2016
Penn Room

COUNCIL MEMBERS PRESENT:

S. Marmarou, J. Slifko, B. Twyman, M. Goodman-Hinnershitz, D. Reed, J. Waltman

OTHERS PRESENT:

L. Kelleher, C. Younger, D. Cituk, D. Pottiger, G. Steckman, R. Johnson

The Committee of the Whole meeting was called to order at approximately 8:40 am by Ms. Goodman-Hinnershitz. She explained that the Budget Parking Lot and input from Council was used to compose the agenda topics for this meeting. She stated that the purpose of this meeting is to find direction around various budgetary issues.

I. Budget Review

1. Position Ordinance

- Economic Development Manager

Mr. Steckman distributed a job description created by CD and HR for this position. He stated that he has not yet had a chance to consider modifications. He explained that as economic development engines have contact with larger businesses and are focused on larger available parcels, this position would focus on smaller businesses. This position would be the point of contact to visit small businesses and educate owners on various economic development tools. He stated that the DCED may fund the salary of \$62K for up to two (2) years. He stated that bilingual ability is a must.

Mr. Twyman expressed the belief that the proposed salary is too high for the "Bachelor" skill level of this position. He also noted the difficulty of assigning metrics to evaluate the performance of the employee retained for this position. He and Ms. Reed questioned what happens after the DCED no longer funds the position. Ms. Goodman-Hinnershitz agreed.

Mr. Slifko questioned if this new position meets the City's priorities and principals and if this position will create efficiency, create revenue, or improve the safety, cleanliness and the

infrastructure of the City. He expressed the belief that this position will not meet those basic priorities.

Ms. Reed stated that she is also concerned about the manner in which the position will be filled. Mr. Steckman assured Council that he is requesting the creation of this position.

Mr. Marmarou inquired if similar positions are used in other cities. Mr. Steckman stated that similar positions are used successfully in Lancaster and Bethlehem. He noted that while some might disagree, Reading is a large city. He noted the failure of DID and Main Street to provide any means of support or communication to downtown businesses. He stated that Reading has small businesses in almost every neighborhood and those businesses are unsupported. He noted that while the City has no control over DID and Main Street, the City would have control over this position.

Mr. Twyman expressed the belief that this type of outreach should already be provided by DID, Main Street or the City.

Ms. Reed countered that the City has financial control over DID and Main Street. Ms. Kelleher expressed the belief that the DID funding is incorporated in the ordinance that re-establishes DID. *(Note: the ordinance was distributed Saturday afternoon. The funding is dedicated in the Municipal Services Agreement on page 16 - \$88K for DID and \$12K for Main Street)*

Mr. Steckman stated that the City may need to consider moving Main Street away from DID control and reallocate the DID funding.

Mr. Waltman agreed with the concerns expressed about the position, DID and Main Street. He also agreed with moving Main Street away from DID control. He noted that the administration will need to develop this vision.

Mr. Slifko stressed the importance of developing a vision for the downtown and creating positions to support that vision.

Mr. Steckman stated that the administration has started the conversation about a new Main Street approach with Mr. Fontana from PA Downtown Center and the DCED. The DCED has provided guidance on the new direction. He noted the importance of providing input during the upcoming Main Street accreditation process and creating an implementation plan.

Mr. Waltman suggested adding the DID/Main Street topic to the 2017 Strategic Planning list.

Ms. Reed stated that prior to the start of her current employment, she was able to attend monthly DID meetings as a liaison. She suggested that Council designate another Councilor to act as liaison.

Mr. Steckman stated that as there is insufficient Council support for the Economic Development Manager position, it will be withdrawn.

Mr. Twyman expressed the belief that some positions are filled by those who do not perform properly. He expressed the belief that the Economic Development Manager could be replaced by college level interns. Mr. Steckman countered that this management position needs more seasoning to perform successfully. He also acknowledged that there are some positions filled with employees who are not properly performing and those employees will be dealt with by being relocated or by other means. He stated that various situations will be reviewed over a period of time.

Mr. Waltman expressed the belief that the administration will handle the issues and move the City forward.

- Deputy Police Chief

Mr. Marmarou expressed the belief that the City does not need to bring in another “outsider” without municipal policing experience. He stated that police morale is low and officers are upset about the direction of the department.

Mr. Steckman expressed the belief that the Chief wants to bring in a Deputy that will help shape a new approach for the department, one with a different set of tools. He congratulated Acting Capt. Winters and Lt. Cole for their innovative approach to obtaining new side-arms and Tasers.

Mr. Steckman suggested going into executive session if this discussion was going to discuss personnel issues. The executive session began at 9:15 am and all but Mr. Younger and Mr. Steckman were excused from the room. The executive session concluded at 9:55 am.

- Urban Planner

Mr. Twyman expressed the belief that a City of Reading’s size should have more than one (1) planner. Ms. Goodman-Hinnershitz agreed noting that many decisions are made without direction from an experienced urban planner.

Mr. Steckman stated that while the City works to fill the vacated position, the County will provide planning assistance. He stated that he was sorry to see the resignation of the former planner and he noted that the former planner decided against reconsidering his resignation.

Mr. Slifko stated that he has had discussions with former City planners. He stated that prior to 2000 the CD Department had multiple planners who were consulted about various projects and initiatives. However, over the years the planning personnel dwindled down to one (1). He stated that one (1) planner is only able to attend to the bare land use issues and plan reviews. He expressed the belief that a staff of additional and experienced planners could help direct the new vision for the City. He stated that having an insufficiently staffed planning area has created

fragmented vision and fragmented economic development efforts that has hampered the downtown and the neighborhoods.

Mr. Steckman stated that he has started meeting with the various local colleges to obtain their input and assistance. Mr. Cituk suggested speaking with the colleges about restarting PILOT payments.

Mr. Waltman agreed with the need to develop a team that will help Reading become a viable city.

Mr. Steckman stated that he sees the budget as a multi-year tool and that he is seeking DCED assistance in a multitude of areas. He stated that the State will provide Reading with a big push to successfully leave Act 47 and become the first city in Pennsylvania's history to leave Act 47.

Mr. Slifko again stressed the need to rebuild the planning area to help develop and implement initiatives.

Mr. Marmarou stated that the Planning Commission would not have approved the student housing project for the Rockland Street strip mall, if they had been aware of the Rockland Street Improvement Project. Mr. Steckman noted the difference between a professional planner and a commission board.

Mr. Steckman promised to consider the addition of planners in the 2018 budget.

- Public Works Position

Mr. Marmarou expressed the belief that Public Works staffing has become too depleted.

Mr. Slifko agreed that Public Works has been stripped to the bone as the department is barely able to cover the basic needs. He noted that the addition of staff in Public Works would be a priority. He suggested adding a Traffic Engineer, as the City is unable to handle a multitude of issues in that area. He noted the various issues that occurred in District 6 over the past year. He noted that if there is funding for a \$62K Economic Development Manager, that funding can be used to retain a Traffic Engineer.

Mr. Steckman expressed the belief that a Traffic Engineer would cost much more than \$62K. He agreed with the need but stated that due to the Salary Cap, the City would probably need to recruit a consultant. He noted that he eliminated an unfilled assistant position in his office to provide room under the Management Salary Cap. He suggested discussing this issue further at a Strategic Planning meeting.

Mr. Slifko noted that overall Public Works staffing was whittled down too far. He noted the many traffic and right-of-way issues that are not properly handled as there is no one with the

expertise to address the issues and solutions. As an example he described the issues with the UGI meter replacement project and how some streets are repaved and others are ignored.

Ms. Goodman-Hinnershitz agreed that there are staffing backlogs in a variety of areas. Mr. Steckman expressed the belief that the experience of the incoming Operations Division Manager may help, as he is a former PennDOT manager who has the right skill set.

Mr. Twyman recognized that the administration is attempting to correct the Public Works staffing levels by retaining temps to handle a variety of issues; however, he expressed the belief that those who will lead those temps do not care about improving the City.

Mr. Johnson noted the many good points made during this discussion. He stated that the Public Works Department will lose another employee in the 2017 budget. This position was working to draft SOPs around the institutional knowledge of Public Works staff members, which is critical information. Mr. Steckman noted that no one is irreplaceable and that government operations will continue to go on.

2. Expenditures

Ms. Goodman-Hinnershitz inquired about the recalculation of the fringe benefits, social security and pension line items. Mr. Steckman stated that the problem was formula related and is being corrected. He stated that the budget is showing surplus and the administration is working to resolve the problem.

Mr. Pottiger distributed the revised copy and stated that the problem with the source cells was corrected.

Mr. Steckman stated that numbers are being finalized. He noted that the side-arm/Taser replacement project will come in \$50-75K over that originally projected due to updated trade-in estimates.

Mr. Cituk questioned how the shift of 0.02% of EIT revenue will affect the overall revenue picture. He noted that the pension costs are rising. Mr. Pottiger stated that O&E is going up 6% and Police is going up 2%. Mr. Steckman noted the need to consider the increase in the State contribution.

Mr. Steckman explained that the administration is still waiting for the final healthcare numbers. He stated that there will be savings of at least \$65K in the health care plan and an additional 8% by changing the manner in which the plan is administered.

3. Revenue

- County Leases for Radio Room and Antennae/Towers

Mr. Steckman stated that the County currently has towers on City Hall's roof and Fire Tower parcel. The County also has radio equipment in a 2nd floor room neat the Solicitor's Office. He

stated that they currently pay \$1 per year. He noted that the radio room equipment aides their 911 dispatch, which is used by the City's Fire and EMS. Police dispatch is performed by the City and it is not expected to change due to a variety of reasons. He expressed the belief that having that equipment within City Hall provides value to the City. He expressed the belief that charging more than \$1 is a philosophical argument.

Mr. Waltman questioned considering the cost while evaluating the value.

Mr.. Steckman stated that while moving police dispatch to the County 911 Center would save some money, there would be problems with the loss of control on how those calls are assigned which would lead to efficiency problems.

Mr. Johnson stated that the City has a tower on the Courthouse that connects the WWTP with various pump stations which are located in scattered locations.

Ms. Goodman-Hinnershitz stated that while some believe the City is under served by the County, people need to remember the amount of resources County offices like the Sheriff, the DA and Children and Youth Services provide to the City residents. She expressed the belief that as the City is the largest municipality within Berks County, the City draws the most services.

There was next a discussion about City/County and County/City regionalization. Mr. Steckman noted that Virginia Beach recently took over their County services.

Mr. Waltman suggested moving this topic onto the 2017 Strategic Planning list.

- Decrease in revenue from licenses, fines and permits

Mr. Pottiger stated that are there reductions in revenue in the District Court Summary Offenses, Towing and QoL Current line items.

Mr. Steckman stated that Property Maintenance misunderstood the direction provided about the QoL ticketing. He noted that the administration wanted to add a step prior to the issuance of a ticket – communication with the property owner in an attempt to correct the problem. He noted that plowing a property with a multitude of tickets does not get results.

Mr. Steckman distributed door hangers regarding litter and trash set out that will be delivered to homes by City employees and by JROTC. He stated that the goal is to make contact with the resident and put a face on City Hall. The effort will begin in City Hall's neighborhood and work outward.

Ms. Reed questioned how the administration will address the disconnect between absentee property owners and the tenant. Mr. Steckman stated that there are currently 1400 properties without water service. He stated that the properties are being mapped to develop an understanding of the scope of the problem.

Mr. Waltman agreed with the disconnected QoL process and he expressed the belief that there should be a warning before a ticket is issued. He also expressed the belief that the ticketing process should be data driven and backed with communication that can build bridges.

Mr. Steckman explained the educational outreach that will be used to plant seeds on a variety of issues city-wide.

Mr. Twyman inquired why only one person is listed as the point of contact on the door hanger, as this could quickly become an issue too large for one (1) person to manage.

Mr. Marmarou asked Mr. Steckman to share information gleaned from this door hanger project with District Councilors. Mr. Steckman stated that information will be shared and the process will be closely monitored.

- Improve collection of Per Capita, LST & BPT

Mr. Steckman stated that this area will require further evaluation after Keystone begins their billing and collection efforts.

Mr. Slifko suggested defining a benchmark number for Per Capita and if that number is not collected, eliminate the tax. He noted that is inequitable for 18% of the people to pay a tax that should be paid by all.

Mr. Marmarou took issue with the elimination of the Per Capita tax as many do not pay by either choice or by direction. He expressed the belief that this revenue should be collected, not abandoned.

- Parking Authority Contribution

Mr. Steckman stated that discussions with RPA management has uncovered that maintenance has been deferred due to pressure for increased Act 47 contributions. He noted that the Parking Meter Lease is budgeted at \$1M; however, the number of meters has decreased. He suggested renegotiating a new lease with the RPA that reflects current conditions and allows the RPA to perform critical maintenance. He noted the need to consider a parking garage on Penn Street to increase parking options downtown. He stated that garages are not well placed in the downtown.

Ms. Reed objected to a Penn Street Garage as many garages sit largely unused. Mr. Steckman countered that the garages are not well placed to service the overall need of the downtown.

Mr. Waltman expressed the belief that Council had rational discussions with the RPA leadership in the past and that their maintenance needs were always considered. Mr. Steckman stated that former administrations may have been applying undue pressure outside of Council's purview. He noted the need for a new agreement that reflects current conditions.

Mr. Steckman stated that the RPA contribution is budgeted for 2016-17 at \$1.3M. He noted that the RPA deferred their bond payment in 2015 to make the budgeted contribution and the 2016 contribution was delayed so the bond payment could be made. He stated that the City is providing accounting services to the RPA to help them organize their books.

Ms. Reed noted that this type of assistance blurs the line between the City and an independent autonomous Authority. She noted that ethical issues may also come into play. Mr. Steckman stated that without aid to the RPA, the City may need to consider taking over the parking operations and keeping the Authority Board in place to become a financial-type entity.

Mr. Waltman added this issue to the 2017 Strategic Planning list.

- Fund Balance Policy

Mr. Steckman stated that having a \$30M surplus makes employees believe that there is sufficient money available for salary increases; however, there are a multitude of factors that the surplus must address. He noted the recent GASBS regulation requiring the pension liability to be included in the external audit report and the new GASB regulation requiring a municipality to have a reserve to cover three (3) months of expenses, rather than two (2). He stated that that new figure will assign \$18-20M of the surplus. Other factors are post-employment healthcare costs, self-insurance costs, etc. He noted that these are monumental issues after Act 47 protections with collective bargaining units no longer exist.

This was added to the 2017 Strategic Planning list.

- Technology & Upgrades

Mr. Steckman stated that this is a larger conversation that needs to include the IT Manager. He noted that there are upgrades included in the 2017 budget. He noted that there is always some new technology to apply to various issues. For example, the IT Manager believes a different type of technology should be applied to the Police security cameras. The technology for this system is about 10 years old, so it is possible that there is a better way to outfit the current system.

This issue was added to the 2017 Strategic Planning list

- Redevelopment Authority (RRA) Lease

Ms. Reed stated that in the past the City had lease arrangements with others who occupied City space and she expressed the belief that the gratis relationship with the RRA should be negotiated.

This issue was added to the 2017 Strategic Planning List

- Contributions to the Library, BCTV and DID

Mr. Steckman stated that the City is increasing the Library contribution by \$10K (increased to \$361K, He stated that the dedicated 0.02 mils will continue. He stated that the DID allocation remains at \$100K. Ms. Kelleher will provide a copy of the ordinance. (See page 16 of the ordinance - \$88K to DID and \$12 to Main Street)

Mr. Steckman stated that the administration is providing a \$25K increase to BCTV. He stated that the administration is hoping to expand the utilization of BCTV and that the County is also increasing their contribution by \$25K.

Ms. Reed expressed concern with the poor quality of programming provided, unchanged during the past 40 years. She also noted the poor technical quality of the recordings that has grown worse as it has been largely unchanged over the past 40 years. She also noted that the poor service provided by Comcast caused approximately one half of City residents to move to the DirecTV service which can no longer air BCTV/MAC programs.

Mr. Steckman agreed that there are technical and programming issues that need to be resolved. He also agreed with the poor overall service provided by Comcast. He noted that at his former residence he had the choice of two (2) cable providers.

Ms. Kelleher stated that many of the programming issues with BCTV were allowed to continue when a former administration allowed BCTV to become the Access Channel Manager, which eliminated the City's ability to require BCTV to record various sessions and do certain types of special programming.

Ms. Reed questioned why BCTV needs increased funding as their expenses have been reduced by sharing a much smaller facility located at Albright College. She suggested that Council assign a liaison to the BCTV Board.

- Pagoda Foundation

Ms. Reed and Ms. Goodman-Hinnershitz explained the Foundation's work and desire to have the Pagoda expand their hours of operation and increase planned activities. They stated that currently a portion of the Pagoda rental fees are remitted to the City. They asked Mr. Steckman to change this policy to allow the Foundation to retain all the rental revenue which will help the Foundation expand to meet the suggestions of the mayor. Mr. Steckman agreed.

- Auditor's Charter Required Comments

Mr. Cituk stated that he will distribute his required budget comments on November 14th. Ms. Goodman-Hinnershitz asked Mr. Pottiger and Ms. Kelleher to continue to work together to finalize the budget documentation.

- Blighted Property Funding

Mr. Waltman stated that this funding will be moved into Contingency. Mr. Steckman stated that the funding is a first step to use as a match for State and Federal funding which can assist this effort. Mr. Cituk suggested that the administration review the PRIDE program structure for guidance on beginning this program.

II. WWTP Project Contracts

Mr. Steckman stated that to date three (3) of the four (4) contracts have been finalized for the November 14th agenda. He stated that the DEP is holding up progress on the last contract. He described the work to educate the public through a press conference that will be scheduled for this Thursday.

Mr. Johnson suggested reviewing the Utility and WWTP Enterprise Funds at the November 9th COW Budget Review Session.

The meeting adjourned at approximately 12:30 pm.

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