



# *CITY COUNCIL*

## *Finance, Audit & Budget Committee*

**Monday, May 21, 2012**  
**5:00 pm**  
**City Council Office**

The Budget and Finance Committee's responsibilities include Annual Budget Review, Capital Improvement Programs, Financial Reports, Taxes (Rates, exonerations and exemption appeals), Fee Assessments, Review of Budget & Financial Reports, oversight of the City's external auditing, internal controls and any other financial or business practices, and reviewing the work of the City Auditor.

**Committee Members:** Donna Reed (Chair), Randy Corcoran (Vice-Chair) and Dennis Sterner

*Although Council committee meetings are open to the public, public comment is not permitted at Council Committee meetings. However, citizens are encouraged to attend and observe the meetings. Comment from citizens or professionals during the meeting may be solicited on agenda topics via invitation by the Committee Chair.*

*All electronic recording devices must be at the entry door in all meeting rooms and offices, as per Bill No. 7-2012*

### **I. Tax Lien Sale and Related Benefits – M. Vind**

### **II. Contracts**

1. Contracts to Fleck Consulting -- the costs, what the contracts cover, how much paid out to date.
2. Review of contracts awarded without the procurement process since March 1, 2012

## **II. Legislative Review**

- **Ordinance** - implementing a Business Tax Amnesty Program between June 17 and August 18, 2012 which forgives Taxpayers who pay certain past due Per Capita Taxes and Business Privilege Taxes from liability for remaining past due Business Taxes, Interest, and Civil and Criminal Penalties

## **III. Budget Review**

- Review Expenditures/Revenues
- Review Contracts issued under \$25K since March 1, 2012
- Positions in the Police, Fire and Public Works Department
- Review Transfers

## **IV. Review Finance Reports**

- Income Statement
- Cash Flow Projection
- Review Bank Statement Activity

## **V. Update from City Auditor re 2011 Audits**

- City Park Improvements
- WWTP Capital expenses (1/1/2008-6/30/2011)
- Compliance-transfers
- Follow-up to external audit findings
- **New Audit Request re Disposition of Fine Arts Money and ability of Penn Corridor to disperse these funds**

## **VI. Review CSC and IT Monthly Report**

## **VII. Update - Collection Report for Delinquent Taxes and Misc Fines & Fees (RE01) – RFP to identify new collections firm opened 3-13-12**

## **VIII. CD Report – Spent vs. Unspent CDBG Funds**

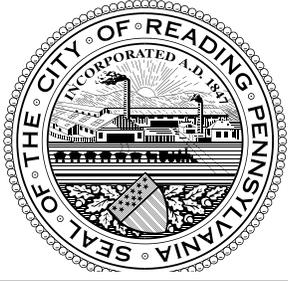
### *Written Report Only*

- a. Un-programmed CDBG Funds**
- b. UDAG Fund**

- **2009 Balance Sheet/Income Statement**
- c. **2010 Balance Sheet/Income Statement and quarterly report for 2010 showing revenues and expenditures**

## **FOLLOW UP ISSUES**

1. Estimate for new pavement on Court St train bridge
2. Recommendation for Collector for Delinquent BPL and other fee/tax collection
3. Waiting to receive Administration's recommendation re the QoL program



# *CITY COUNCIL*

## *Finance, Audit & Budget Committee*

### **Meeting Report Monday, April 16, 2012**

**Committee Members Attending:** D. Reed, Chair; R. Corcoran, Vice Chair; D. Sterner

**Others Attending:** D. Cituk, C. Zale, L. Kelleher, H. Tangredi, C. Weidel, C. Younger, V. Spencer, E. Lloyd

Ms. Reed, Chair, called the Finance, Audit & Budget Committee Meeting to order at approximately 6:49pm.

#### **IT Report**

Mr. Tangredi highlighted the report distributed to Council with the agenda packet. He gave an overview of the IT project outline and the projects that are currently progressing.

#### **CSC Report**

Ms. Weidel distributed a report on the CSC activities showing the following:

	<b>March</b>
<b>SRs Issued:</b>	1,135
<b>SRs Resolved:</b>	740
<b>Open SRs:</b>	395

Mr. Sterner inquired about the transition of CSC employees to RAWA customer service and the nature of the RAWA complaints. Ms. Weidel stated that the RAWA complaints mostly relate to the billing matters. She stated that the City CSC employees will not be transferred over to the Water Authority. CSC employees like everyone else had the ability to respond to the advertisements and formally apply for the job.

Mr. Cituk inquired about water bill payments. Mr. Spencer stated that RAWA will be moving to their new location around May 2012. He stated that collections will be moved to Fulton Bank who will take over the lock box service from Wells Fargo, formerly Wachovia. He noted that RAWA customers will also have the ability to pay at RAWA's new facility or online.

Mr. Cituk inquired about the transfer of the sewer portion of the City's water bill. Mr. Spencer stated that it is unknown how the cash from the Sewer's portion will be transferred to date. Mr. Lloyd stated that the process would be an inversion of the current system.

Mr. Cituk stated that as the majority of the call volume relates to RAWA bills there will be an expected reduction in the number of incoming calls. Mr. Spencer stated that a projected reduction is expected which will eliminate three (3) City CSC positions.

Ms. Reed inquired why CSC employees were not transferred over to RAWA. Mr. Spencer stated that RAWA chose not to transfer current City employees but to advertise and allow employees to apply; however current CSC employees did not apply. Mr. Sterner again questioned the number of RAWA bill related calls. Ms. Weidel stated that RAWA supplies water to 11 other municipalities so the CSC receives calls about water billing from other municipalities. Ms. Kelleher clarified that some other municipalities, such as Muhlenberg Township, buy their water in bulk. Citizens in Muhlenberg pay the Muhlenberg Authority, who pays the City; however Kenhorst citizens are billed directly by RAWA.

### **Finance Report & Budget Review**

Mr. Zale reviewed the financial revenues and expenditures. He stated that expenditures are coming in at 18% of that budgeted; however he asked the Committee to remember that the pension expense is not booked until November. He stated that last year the structural deficit came in at \$2.3M. He stated that the estimated structural deficit at the end of 2012 is \$7.3M. He explained that the City currently has \$15M in cash as of March 31<sup>st</sup>. He stated that Finance is projecting the year-end deficit at approximately \$7.2M.

Mr. Cituk explained that the projected \$7.2M deficit is due to the expenditure payment of the unbudgeted \$5M payment on the unfunded debt (made after the settlement of the Due Tos/Due Froms) and the receipt of the \$2.3M payment from Greater Berks which was received in 2011 but budgeted for 2012. Mr. Zale stated that Police overtime is at 27% and Fire overtime is at 33% at the end of the 1<sup>st</sup> quarter.

There was next a discussion on FOP and IAFF contracts and arbitration.

Mr. Cituk noted the need to separate the resident and commuter EIT prior to the Budget process so Council and the Administration can understand the value of the commuter portion of the tax.

Mr. Zale stated that no exceptional transfers occurred during the month of March. Mr. Zale distributed spreadsheets electronically showing the three (3) statements relating to the City's Pension account. He stated that next month he will provide a report on payroll related checking accounts.

### **Contracts Under \$25K**

Mr. Zale distributed this information electronically on Thursday, April 12<sup>th</sup>. He stated that there were four (4) contracts executed after March 1<sup>st</sup> as follows:

- Keystone Research Center: \$15K
- Fleck Consulting for Policy Consulting: \$24K
- Fleck Consulting for Media & Communications: \$24K
- Scott Hoh for ICC Coordination: \$24K

Mr. Cituk explained that the Keystone Research Center contract will be paid for by the Waste Water Treatment Plant (WWTP) as it relates to that project. He stated that the three (3) others are General Fund based. He reported the Fleck Communications and Media contract will be paid out of two (2) line items in the Public Works area and the Human Resources budget.

Ms. Reed questioned how the Administration and Mayor can justify paying for Communications and Media from the Public Works and Human Resources budget. Mr. Spencer stated that Mr. Dee will do some work for Public Works, Human Resources, and some other work for the Mayor's office. He expressed the belief that the line items covering the service are justifiable.

Mr. Corcoran agreed with Ms. Reed, noting that if Public Works and HR are paying for the service, the communications person should not be doing work in other areas, unless the time is billed appropriately.

Mr. Spencer stated that as Mayor he is the CEO of the City and he is involved in all areas of City government, which provides ample justification of the communication consultant scope of work.

Ms. Reed inquired about payment for the ICC services to Scott Hoh. Mr. Spencer stated that the expenses will be covered through the General Fund. Ms. Reed inquired if any of these services will be billed to the Mayor's office. Mr. Spencer stated that he does not have funding in his budget to cover any of these services.

Mr. Corcoran questioned if Mr. Spencer is not robbing Peter to pay Paul. Mr. Spencer replied he is just adjusting line items in the General Fund Budget to cover these necessary expenses.

Mr. Sterner inquired about the term with Mr. Hoh for ICC coordination. Mr. Spencer stated that the contract is for \$24.5K and was executed on April 5<sup>th</sup>. Ms. Kelleher inquired how the City will handle the amounts Mr. Hoh billed between January 2<sup>nd</sup> and April 5<sup>th</sup>. Mr. Spencer stated that \$13K was billed by Mr. Hoh during that period and will be paid when a line item is identified. Mr. Cituk stated that no payments will be authorized until an identifiable funding source is located.

### **CD Reports**

Mr. Agudo introduced Crystal Edwards, CD Specialist. Ms. Edwards explained that Council will have an ESG (Emergency Shelter Grant) amendment on the April 23<sup>rd</sup> Consent Agenda. This amendment will provide a 2<sup>nd</sup> allocation of \$76K due to HUD's new regulations requiring cities to address Homeless Prevention activities. She stated that the thirty (30) day Public Comment period started March 19<sup>th</sup>. She explained that the ESG is an entitlement grant received by the City each year. She noted that the amendment needs to be to HUD by May 15<sup>th</sup>.

### **Unspent CD Funds**

Mr. Agudo requested that this item be deferred until May. He stated that he is currently looking at the finances for the entire CD Department and will provide a full report, including draw downs at the May Finance Committee meeting.

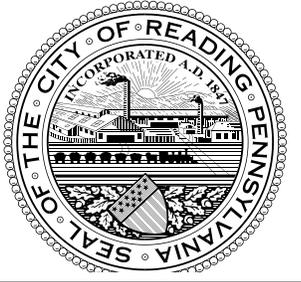
The Committee next reviewed the legislation listed on the agenda. Ms. Kelleher was asked to place the Ordinance reducing the amount that can be spent without Council approval on the April 23<sup>rd</sup> COW.

The Committee meeting adjourned at 6:57 pm.

*Respectfully submitted by Linda Kelleher, City Clerk*

## **FOLLOW UP ISSUES**

4. Estimate for new pavement on Court St train bridge
5. Recommendation for Collector for Delinquent BPL and other fee/tax collection
6. Waiting to receive Administration's recommendation re the QoL program
7. Report of CDBG funding and budget



# *CITY COUNCIL*

## *Finance, Audit & Budget Committee*

### **Meeting Report Tuesday, May 1, 2012**

**Committee Members Attending:** D. Reed, Chair, R. Corcoran, Vice Chair

**Others Attending:** L. Kelleher, D. Buckley, C. Broad (DID), L. Olsen (Downtown 20/20), M. Polyak, M. Cianciosi, J. Haney, C. Gilfret, (Reading Parking Authority)

Ms. Reed, Chair, called the meeting to order at 5:05 pm. She stated that the purpose of this special Finance Committee Meeting is to provide a forum to discuss downtown parking issues and to develop solutions.

Mr. Buckley, Gilberts Furniture representing DID expressed the belief that parking enforcement and other parking problems deters customers from shopping downtown. He noted the statement at two (2) Downtown 20/20 public meetings "the people do not fear muggers and drug dealers, they fear the parking enforcement officer on the bike." He stated that he realizes that the Parking Authority needs to cover its costs and has agreed to provide financial assistance to the City. He described his work to obtain parking tokens for downtown surface lots. Customers shopping at Gilberts are provided with tokens that provide free parking. The tokens are paid for by the purchasing business. He expressed the belief that the tokens turn a negative into a positive. He stressed the need to improve the downtown shopping experience. He noted that DID has been discussing parking issues and problems for many years.

Mr. Olsen, representing Downtown 20/20, stated that the resulting plan does not address

parking or parking problems. However, he noted that parking problems were brought up at each of the three (3) public meetings to review the draft Downtown 20/20 plan. He described the token parking used in State College. He stated that he was the City's first Economic Development Director under the DARE program which transformed into the Penn Square Commission and DID. He stated that parking issues were also discussed back then. He expressed the belief that this forum provides a good opportunity to find mutually beneficial solutions. He suggested exploring practices used in other cities.

Mr. Polyak, representing the Reading Parking Authority (RPA) Board, agreed with the need to improve the viability of the downtown. He also agreed with the use and expansion of the token program on surface lots and at meters.

Mr. Cianciosi, representing the RPA, agreed with the remarks made by Mr. Polyak and noted the impact Act 47 has had on the RPA. However, he noted that reducing enforcement would reduce revenue and impede on the RPA's ability to provide financial assistance to the City. He also noted the decrease of the parking garage fees for events and the expansion of meter enforcement during events.

Mr. Corcoran inquired about revenue generated through enforcement. Ms. Gilfret stated that violations generated \$2.3M in 2011 city-wide. She stated that the RPA is willing and able to work with citizens and business owners to find solutions to parking issues. She noted that the two (2) surface lots at 7<sup>th</sup> and Penn and Cherry Streets generate \$60K annually on coin parking, not enforcement. She also noted that Judy's on Cherry uses \$10K on tokens per year at the garage at 3<sup>rd</sup> and Cherry.

Mr. Olsen noted that people are more resistant to walking from a parking lot or garage to a shopping destination downtown; however, they have no problem walking from Sears to Boscov's while at the Berkshire Mall. He also noted the incorrect perception people have of crime in garages.

Ms. Reed inquired about the use of the credit card meters. Mr. Haney stated that although there was a positive reaction to these meters, they were only used 10% of the time during the 90 day test period. He described the tests of various new parking meters.

Mr. Haney, in response to a question about removing the meters and chalking tires, stated that that application creates a staffing issue and would create a larger problem as a RPA officer would virtually need to continuously circle the downtown areas to chalk tires to stimulate people to move their vehicles. He expressed the belief that this scene would be more negative than the current application. He described the security upgrades to the

parking garages and to the RPA website. He suggested adding downtown businesses to the existing map showing parking options based on the businesses' proximity to the parking facility.

Mr. Broad, representing DID, stated that meters in Harrisburg are \$1 per hour and Reading meters are \$1.50 per hour. He also noted that on RPA holidays the elevators in garages do not function. He suggested correcting that issue.

Mr. Morretti, a downtown business owner, described his parking issues at his clothing store. He also noted the disparity with enforcement at yellow-lined curbs. He also expressed the belief that the jump in the parking fine at the end of the initial 10 day period is excessive. He suggested adding change machines in various locations so customers can easily exchange bills for quarters.

Mr. Broad questioned Saturday enforcement. Mr. Haney stated that on Saturday meters are free and garages charge a fee. Mr. Broad questioned this rationale.

Ms. Reed suggested developing a shared message on parking. Mr. Haney described the commercials that are underway. He stated that the script is written and a filming schedule needs to be set. He stated that the busiest hours during the work week are between 10 am and 2 pm.

Ms. Gilfret stated that different merchants have different needs. She stated that if the merchants decided on a few plan options uniformity could be created in a cost effective manner.

The group discussed various applications and marketing needs.

Mr. Olsen stated that the Penn Corridor plan created six (6) areas. He suggested including parking guidance around these options.

Mr. Broad described the new mapping addition to the DID website that has the ability to show parking options.

Ms. Reed suggested that a core group of representatives from RPA, DID and the businesses meet to define some viable solutions. Those present agreed to have the core group meet within the next month and reconvene this meeting within two (2) months. The RPA was asked to coordinate.

As no other business was brought to the table the meeting adjourned at approximately 6:45 pm.

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

BILL NO. \_\_\_\_ 2012

**AN ORDINANCE OF THE CITY OF READING TO IMPLEMENT A  
BUSINESS TAX AMNESTY PROGRAM BETWEEN JUNE 17 AND  
AUGUST 18, 2012 WHICH FORGIVES TAXPAYERS WHO PAY CERTAIN  
PAST DUE PER CAPITA TAXES AND BUSINESS PRIVILEGE TAXES FROM  
LIABILITY FOR REMAINING PAST DUE BUSINESS TAXES, INTEREST, AND CIVIL  
AND CRIMINAL PENALTIES**

**WHEREAS**, the Council of the City of Reading believes that a Per Capita and Business Privilege Tax Amnesty Program will promote increased voluntary compliance by allowing taxpayers who pay certain Per Capita Taxes and Business Privilege Taxes owed to be free from liability as well as penalties and interest for prior noncompliance; and

**WHEREAS**, increased voluntary compliance with the Per Capita and Business Privilege Tax Ordinance will increase the City's tax revenues and reduce the City's collection costs; and

**WHEREAS**, it is the intent of Council to exempt taxpayers who fully pay certain past due Business Privilege Taxes from liability for any remaining past due penalties, interest, civil and criminal penalties otherwise imposed pursuant to the City of Reading Codified Ordinances Chapter 24 Special Taxation Parts 1 and 5.

**NOW THEREFORE, BE IT ORDAINED** by the Council of the City of Reading that:

**SECTION 1.** The City of Reading Citizens Service Center shall administer an *Amnesty Program for Per Capita and Business Privilege Taxes having undeclared liabilities owed* pursuant to Chapter 24 Special Taxation Parts 1 and 5 of the City of Reading Codified Ordinances. The Program shall be conducted during the period of June 18, 2012, through August 17, 2012, inclusive. ~~The Per Capita and Business Privilege Tax Amnesty Program shall not be eligible to citizens who are currently in collection or foreclosure for any municipal tax, fee, fine or utility payment or to any citizen who currently owns a property with delinquent property taxes.~~ *This Amnesty Program shall not be applied to any existing payment plan.*

**SECTION 2.** The Per Capita and/or Business Privilege Tax Amnesty Program shall be administered as follows:

**A. Request for Per Capita and Business Privilege Tax Amnesty**

In order to participate in the Program, the taxpayer shall make a Request for Per Capita and/or Business Privilege Tax Amnesty with the Citizens Service Center Manager in person, by mail or by telephone on any business day from June 17, 2012 through August 18, 2012, inclusive. *The Citizens Service Manager shall determine if the submission of an application form is also required.*

**1. If the Request for Per Capita and Business Privilege Tax Amnesty is submitted to the City by mail:**

- a. The Request must be ~~notarized and~~ postmarked by the United States Postal Service no later than August 18, 2012 to be accepted.
- b. The Request shall include information necessary to enable the calculation of the Per Capita Tax and Business Privilege Tax due for the portion of the Amnesty Period for which the taxpayer failed to fully pay.
- c. The required Business Privilege Tax Amnesty Payment, or the initial installment as set forth below, shall be included with the Request for Business Privilege Tax Amnesty.
- d. Payment shall be made by check or money order.

**2. If a Request for Per Capita and Business Privilege Tax Amnesty is submitted to the City in person:**

- a. The Request must be made at the Citizens Service Center, located on the First Floor of City Hall, 815 Washington Street, Reading PA, or as otherwise directed by the Citizens Service Manager, no later than the close of business on August 18, 2012 to be accepted.
- b. The Request shall include valid personal identification information necessary to enable the calculation of the Per Capita Tax and Business Privilege Tax due for the portion of the Amnesty Period for which the taxpayer failed to fully pay.
- c. The required Per Capita and/or Business Privilege Tax Amnesty Payment, or the initial installment as set forth *in Section B* below, shall be included with the Request for Per Capita and/or Business Privilege Tax Amnesty.
- d. Payment shall be made by cash, check, or money order.

**~~3. If a Request for Business Privilege Tax Amnesty is submitted to the City by phone:~~**

- ~~a. A taxpayer may request Amnesty by telephone by calling the number designated by the Citizens Service Center during normal business hours while the Amnesty Program is in effect, but no later than the close of business on August 18, 2012. The taxpayer must speak to an Amnesty Program employee to request the Amnesty and provide payment information.~~
- ~~b. At the time the Request is made, the taxpayer shall provide information necessary to enable the calculation of the Per Capita Tax and Business Tax due for the portion of the Amnesty Period for which the taxpayer failed to fully pay.~~
- ~~c. The taxpayer must remit the amount specified by the Citizens Service Center on or before August 18, 2012 by cash, check or money order by first class mail~~

**B. Per Capita Tax and Business Privilege Tax Amnesty Payment**

1. The required Per Capita Tax and/or Business Privilege Tax Amnesty Payment is the total amount of unpaid Per Capita Tax and/or Business Privilege Tax which first became due during the Amnesty Period, not including any penalties or interest.
2. An Installment Payment Plan may be requested and approved by the Citizens Service Manager as follows:

<b>Amount Due</b>	<b>Amount Down</b>	<b>Number of Payments</b>
1. \$0-\$250	Total amount Due	0
2. \$251-\$500	\$250	2
3. \$501 and above	\$250	4

**C. Failure to Pay Installments**

1. Failure of the taxpayer to fully pay any installment when due shall disqualify the taxpayer from receiving the forgiveness of any remaining past due Per Capita and/or Business Privilege Tax, interest, civil penalty, or criminal action applicable under this Ordinance and the total unpaid amount of Per Capita and/or Business Privilege Tax, penalties and interest shall become immediately due and payable. "Failure of the taxpayer to fully pay any Installment when due" means a failure of the taxpayer to tender payment for the entire amount owing by the applicable due date, or, if tender has been made, a failure of the City to receive full value for the tender by the due date because of a dishonored check or other reason.
2. In the event of a taxpayer's failure to fully pay any installment when due, penalties and interest shall be calculated under the provisions of Chapter 24 Special Taxation Parts 1 and 5 of the City of Reading Codified Ordinances without regard to the provisions of this Ordinance.

**SECTION 3.** Any taxpayer who pays in full all sums due in accordance with the Program shall be entitled to the following benefits:

- A. The City shall waive all remaining past due Per Capita and/or Business Privilege Tax which first became due before the beginning of the Amnesty Period, and interest and civil penalties imposed under Chapter 24 Special Taxation Parts 1 and 5, where such amounts are owed due to the nonreporting or underreporting of tax liabilities or the failure to pay Per Capita and/or Business Privilege Tax previously due.
- B. The City shall bring no criminal action against the taxpayer, based upon the nonreporting or underreporting of tax liability or the nonpayment of Per Capita and/or Business Privilege Tax previously due.

#### **SECTION 4.**

A. No refund or credit shall be granted for any amount of interest or penalty paid prior to the time the taxpayer makes a request for Per Capita and/or Business Privilege Tax Amnesty pursuant to this Ordinance.

B. Any taxpayer against whom a civil or criminal action for Per Capita and/or Business Privilege Tax liability was commenced as per Chapter 24 Special Taxation of the City of Reading Codified Ordinances shall not be eligible for the Program.

C. The Citizens Service Center Manager shall publicize the Program, be authorized to issue forms and instructions, and take other actions necessary to implement this Ordinance.

*D. If the taxpayer disagrees with the calculation of the amount of Per Capita and/or Business Privilege Tax due to the City, PA Act 50 of 1998, the Local Taxpayers Bill of Rights, provides an appeal process. If the tax payer chooses to appeal, he may file a petition with the Citizens Service Center Manager. The petition must be in writing stating the facts of the issue and the position on the results of the calculation or assessment . The petition must be by certified mail and postmarked on or before ninety (90) days from the day the amount due was provided. A decision on the petition shall be issued in writing within sixty (60) days of the date a complete and accurate petition is received. If the Citizens Service Center does not reply in a timely manner, you may consider your petition approved. If you disagree with the decision, you may appeal to the Berks County Court of Common Pleas.*

~~D. Any taxpayer who contests the Citizens Service Manager's calculation of the amount due under the Amnesty Program may request a hearing pursuant to Section 4.76.870 of Chapter 4.76 of Title 4 of the San Jose Municipal Code. For the purposes of that hearing, the Director's determination of the amount due shall be deemed to be an "assessment" within the meaning of Sections 4.76.860 and 4.76.870. The hearing shall be requested within ten (10) days following service of the assessment under Section 4.76.870. If no service is made within the meaning of Sections 4.76.860 and 4.76.870, the request for hearing shall be made no later than October 27, 2006.~~

**SECTION 5:** All relevant ordinances, regulations and policies of the City of Reading, Pennsylvania not amended per the attached shall remain in full force and effect.

**SECTION 6:** If any section, subsection, sentence or clause of this ordinance is held, for any reason, to be invalid, such decision shall not affect the validity of the remaining portions of the Ordinance.

**SECTION 7:** This Ordinance, advertised in the May 21, 2012 Reading Eagle, shall become effective in ten (10) days, in accordance with Charter Section 219.

Enacted by Council or \_\_\_\_\_2012

\_\_\_\_\_  
Francis G. Acosta, President of Council

\_\_\_\_\_  
Linda A. Kelleher CMC, City Clerk

Taken to the Mayor's Office by \_\_\_\_\_ on \_\_\_\_\_

Received by the Mayor's Office by \_\_\_\_\_ on \_\_\_\_\_

Approved by the Mayor \_\_\_\_\_ on \_\_\_\_\_

Vetoed by the Mayor \_\_\_\_\_ on \_\_\_\_\_



CITY OF READING, PENNSYLVANIA

MEMORANDUM

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**TO:** City Council, David Cituk  
**FROM:** Christian F. Zale, City Controller  
**DATE:** May 15, 2012  
**SUBJECT:** Schedule of Transfers – April 2012

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The following transfers occurred in April 2012 as specified in the 2012 council approved budget:

To General Fund (01):

**Indirect Cost:** CD (32) \$15,833.33; Sewer (54) \$86,063.33; Recycling (56) \$11,195.00; Water (50) 56,503.33

**Transfers:** Sewer (54) \$250,000.00; Recycling (56) \$16,666.67; Water (50) \$368,333.33

**Water RAWA Act 47:** \$125,000.00

**Meter Surcharges:** Water (50) \$141,666.00

To Water Fund (50):

Meter Reading Cost: Sewer (54) \$20,833.33

RAWA Lease Agreement: From RAWA \$1,100,000.00 (Will change with RAWA relocation from City Hall)

To Self Insurance (52):

Sewer (54) \$75,416.67; Water (50) \$72,386.25; General (01) \$140,641.08

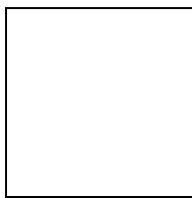
**Corrections:**

None

**Additional Transfers:**

None

These transfers are reflected in April trial balance. Also, the related cash has been transferred among the various funds; thus, no impact in the DT/DF accounts. This activity has been confirmed by the City Auditor.



**City of Reading, PA**  
**General Fund Income Statement**  
**April 30, 2012**  
**(as of May 14, 2012)**

	2012 Budget	2012 Year to Date	% of Budget
<b>Revenues</b>			
Real Estate Taxes	19,051,332.00	7,789,486.00	41%
Earned Income Tax	13,069,120.00	4,361,929.00	33%
Act 511 Taxes	4,856,445.00	1,207,715.00	25%
Licenses, Permits & Fines	6,018,113.00	1,892,658.00	31%
Intergovernmental	9,147,198.00	1,154,051.00	13%
Charges for Services	5,631,928.00	1,260,004.00	22%
Interest and Rent	3,044,408.00	136,471.00	4%
Other	4,657,482.00	1,114,008.00	24%
	-		
<b>TOTAL REVENUES</b>	<b>\$ 65,476,026.00</b>	<b>\$ 18,916,322.00</b>	<b>29%</b>
<b>Expenditures</b>			
Mayor	351,720.00	142,561.00	41%
City Council	305,251.00	84,368.00	28%
City Auditor	145,511.00	39,904.00	27%
Managing Director	354,288.00	163,447.00	46%
Finance	3,887,256.00	1,142,506.00	29%
Public Works	6,178,756.00	1,935,348.00	31%
Police	25,365,255.00	6,973,768.00	27%
Fire	14,542,372.00	3,723,093.00	26%
Community Development	3,567,988.00	842,771.00	24%
Human Resources	535,729.00	118,449.00	22%
Law	726,489.00	171,757.00	24%
Library	742,442.00		29%

		217,573.00	
Non-Departmental	1,374,810.00	627,970.00	46%
Board of Ethics	10,000.00	1,438.00	14%
Charter Board	50,000.00	6,288.00	13%
Human Relations Commission	179,767.00	43,337.00	24%
Debt Service	13,093,199.00	1,453,254.00	11%
<b>TOTAL EXPENDITURES</b>	<u>\$ 71,410,833.00</u>	<u>\$ 17,687,832.00</u>	<u>25%</u>

Excess (Deficiency) of			
Funding Sources of Uses	<u>\$ (5,934,807.00)</u>	<u>\$ 1,228,490.00</u>	

**OTHER FINANCING SOURCES (USES)**

Bond Proceeds	\$ -	\$ -	
Transfers In	7,622,500.00	2,540,000.00	33%
Transfers	(1,687,693.00)	(562,564.00)	33%
<b>TOTAL OTHER FINANCING SOURCES</b>	<u>\$ 5,934,807.00</u>	<u>1,977,436.00</u>	

**Excess of Revenues and other Financing Sources Over (Under) Expenditures and**

<b>Other Financing Uses</b>	\$ -	3,205,926.00	
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City of Reading, PA

Cash Flow Projection

<b>April 30, 2012 Cash Balance</b>	<b>\$ 18,866,449</b>
<b>May 1, 2012 through December 31, 2012 Activity:</b>	
Excess of Revenues and other Financing Sources Over (Under) Expenditures and Other Financing Uses	\$ (10,477,355)
	<hr/>
<b>December 31, 2012 Cash Balance before Adjustments</b>	<b>\$ 8,389,094</b>

**Adjustments:**

Due To / Due From Balances:	Beginning to 12/31/2010	1/1/2011 to 12/31/2011
Community Development	\$ -	\$ -
Sewer	\$ -	\$ -
Recycle/Trash	\$ -	\$ -
Self Insurance	\$ -	\$ -
Water	\$ -	\$ -
Agency	\$ -	\$ -
Total		\$ -
Other		\$ -
		<hr/>
<b>Net Adjustments</b>		<b>\$ -</b>

<b>Estimated Decembr 31, 2012 Cash Balance</b>	<b>\$ 8,389,094</b>
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## WACHOVIA PAYROLL RECONCILIATION March 2012

**BANK BALANCE STATEMENT 3/31/12**

**\$ 873,822.33**

**ADJUSTMENTS TO BANK BALANCE:**

**PLUS:**

*transfer 1st q eit to correct payroll*

5/31 balance of deposit

union diff \$ 421.72

**Total Plus:** \$ 421.72

**Minus:**

Outstanding Checks \$ 346,327.81

Outstanding bonds \$ 19,041.28

Wire to State \$ 43,154.25

aflac jasin marg \$ 67.60

To transfer March 2012 EIT \$ 44,018.70

To transfer Feb 2012 EIT \$ 45,622.30

To transfer Jan 2012 EIT \$ 48,301.97

To transfer nov EIT \$ 53,635.41

To transfer oct EIT \$ 53,597.54

To transfer Aug EIT \$ 53,061.69

5 year buy back money \$ 6,091.00

parking permit

**Total Minus:** \$ 712,919.55

**Net Adjustments to Bank Balance** **(\$712,497.83)**

**ADJUSTED BANK BALANCE** **\$ 161,324.50**

**BALANCE PER GL AS OF 3/31/11**

*Account 01-00-00-1053*

**\$ 135,320.08**

**ADJUSTMENTS TO GL:**

**PLUS:**

Excess Nationwide withdrawal on 12/15 payroll \$ 100.00

savings bonds on g/l 01-00-00-2170  
3/31/12 state withholding

4/31 Direct Deposit	\$	1,335.04	bank 797527.97 city 798863.01
5/15 Direct Deposit	\$	2,821.00	bank 776207.06 city 779028.06
6/15 Direct Deposit	\$	3,675.48	Bank 803087.25 city 806762.73
O&E 5/31 pension not recorded			we paid, not booked or bank w/d
Nationwide 11/30	\$	216.77	bank 11223.34 city 11440.11
Nationwide	\$	140.00	we paid, not booked or bank w/d
Nationwide 3/15/2012	\$	200.00	bank10294.34 city 10494.34
PASCADU 11/30	\$	1,000.00	bank 14253.36 city 15253.36
PASCADU 10/31	\$	411.67	bank 13641.28 city 14052.95
PASCADU 7/15	\$	275.00	
PASCADU 6/30	\$	275.00	bank 11585.33 city 11860.33
PASCADU 5/15	\$	327.00	bank 11979.83 city 12306.83
PASCADU 3/31	\$	63.44	bank 12006.60,city12070.04
Excess DD recorded 12/31	\$	6,670.14	bank 813044.09 city 819714.23
Excess DD recorded 12/15	\$	403.15	bank 833013.25 city 833416.25
Excess DD recorded 11/30	\$	2,574.76	bank 808598.47 city 811173.23
Excess DD recorded 3/15	\$	1,745.83	bank 777348.40 city 779094.23
Excess DD recorded 3/31	\$	10,397.96	bank783152.44 city 793550.40
Excess DD recorded 1/15/12	\$	3,195.29	bank 844366.79 city 847562.08
Excess DD recorded 1/31/2012	\$	10,251.42	bank 855166.35 city 865417.77
Excess DD recorded 2/15/2012	\$	1,290.86	bank 824185.25 city 825476.11
Excess DD recorded 2/29/2012	\$	1,015.35	bank 796759.62 city 797774.97
Excess DD recorded 3/15/2012	\$	1,413.62	bank 778580.32 city 779993.94
FED SS & MED11/15 excess recorded	\$	212.32	bank 309201.19 city 309413.51
Thomas Wargo bounced back dd	\$	1,824.46	
<b>Total Plus:</b>	\$	<b>51,835.56</b>	
<b>Minus:</b>			
Increase to Credit Union withdrawal on 11/30/2010 payroll	\$	995.00	
credit union diff 1/31/2011	\$	200.00	bank 122253.07,city122053.07
Lst voided check ?	\$	183.41	bank 1643.33,city 1459.92
PASCADU 4/15	\$	26.77	bank 12006.60 city 11979.83
PASCADU 4/31	\$	56.00	bank 12035.83 city 11979.83
nationwide 3/31 not enough recorded	\$	263.23	bank15166.37,city14903.14

nationwide 5/31 not enough recorded	\$	333.75	bank 15288.87 city 14955.12
nationwide 6/15 not enough recorded	\$	16,500.00	bank 31398.86 city 14898.86
Nationwide 1/15/12,1/31/12not recorded2nd12/31?	\$	30.00	bank 30 city 0
PASCADU 6/15	\$	337.00	bank 12379.33 city 12002.33
PASCADU 5/31	\$	50.64	bank 12030.47 city 11979.83
Increase to Credit Union withdrawal on	\$	578.56	
<b>Total Minus:</b>	\$	<b>19,554.36</b>	

**Net Adjustments to General Ledger** \$ 32,281.20

**ADJUSTED BOOK BALANCE** \$ 167,601.28

**VARIANCE:** \$ (6,276.78)

## City of Reading Community Development

5/9/2012						Percentage	Project
<u>YEAR</u>	Allocated	Spent		Total	Unspent	Completion	Code
		Entitlement	Program Income	Spent			
<b><u>2009 CDBG</u></b>							
Centre Park Historic District Artifacts Bank	25,500.00	25,500.00		16,342.20	9,157.80	64%	32-10-03-02
<b>TOTAL</b>	<b>25,500.00</b>	<b>25,500.00</b>		<b>16,342.20</b>	<b>9,157.80</b>	<b>64%</b>	
<b><u>CDBG-R</u></b>							
500 block Court St. CDBG-R	216,100.16	216,100.16		7,723.95	208,376.21	4%	32-10-34-02
Blighted Property Review Committee CDBG-R	83,000.00	83,000.00		68,776.06	14,223.94	83%	32-10-01-03
<b>TOTAL</b>	<b>299,100.16</b>	<b>299,100.16</b>		<b>76,500.01</b>	<b>222,600.15</b>	<b>26%</b>	
<b><u>HPRP</u></b>							
Opportunity House - HPRP	1,147,374.53	1,147,374.53		887,004.48	260,370.05	77%	32-10-68-02
HPRP Admin	53,168.12	53,168.12		37,842.64	15,325.48	71%	32-10-85
Human Relations Commission - HPRP	67,351.00	67,351.00		56,294.44	11,056.56	84%	32-10-71
<b>TOTAL</b>	<b>1,267,893.65</b>	<b>1,267,893.65</b>		<b>981,141.56</b>	<b>286,752.09</b>	<b>77%</b>	
<b><u>2010 CDBG</u></b>							
Barbey Playground Improvements	12,500.00	12,500.00		11,112.82	1,387.18	89%	32-10-01-02
BPRC / RRA	169,000.00	169,000.00		37.96	168,962.04	0%	32-10-01-04
Residential Facade Improvements					12,990.00	65%	32-10-10

	37,275.00	37,275.00		24,285.00				
Fire Station Improvements	168,640.00	168,640.00		57,194.79	111,445.21		34%	32-10-88
Library Improvements	170,000.00	170,000.00		94,044.23	75,955.77		55%	
<b>TOTAL</b>	<b>557,415.00</b>	<b>557,415.00</b>		<b>186,674.80</b>	<b>370,740.20</b>		<b>33%</b>	
<b><u>NSP2</u></b>								
NSP2 ACQUISTION OCR	675,000.00	675,000.00		594,908.87	80,091.13		88%	32-10-31-02
NSP2 ACQUISTION CD/RHA	246,308.75	246,308.75		-	246,308.75		0%	32-10-31-02
NSP2 ADMINISTRATION	383,031.25	383,031.25		\$377,039.87	5,991.38		98%	32-10-85
NSP2 REHAB OCR	2,700,000.00	2,700,000.00		2,698,636.15	1,363.85		100%	32-10-31-02
NSP2 REHAB RHA	995,660.00	995,660.00		989,226.85	6,433.15		99%	32-10-31-02
<b>TOTAL</b>	<b>5,000,000.00</b>	<b>5,000,000.00</b>		<b>4,659,811.74</b>	<b>340,188.26</b>		<b>93%</b>	
<b><u>2011 CDBG</u></b>								
3rd and Spruce Basketball Courts	70,000.00	70,000.00		11,744.69	58,255.31		17%	32-10-34-05
Library Improvements	150,000.00	150,000.00			150,000.00		0%	
Olivet's Boys & Girls Clinton St Pool	88,000.00	88,000.00		937.90	87,062.10		1%	32-10-57-03
Schlegel Park Pool Improvements	280,000.00	280,000.00		216.88	279,783.12		0%	32-10-01-05
11th and Pike Playground Improvements	222,080.00	222,080.00		9,729.25	212,350.75		4%	32-10-21
Barbey Playground	290,000.00	290,000.00		239,539.68	50,460.32		83%	32-10-01-02
Facade Improvements – Commercial				-	50,000.00		0%	32-10-33

	50,000.00	50,000.00						
Liberty Fire Station	26,000.00	26,000.00		22.02	25,977.98		0%	32-10-88
NHS Home-ownership Assistance	75,000.00	75,000.00		-	75,000.00		0%	32-10-42
Reading Iron Playground Improvements	125,000.00	125,000.00		5,649.01	119,350.99		5%	32-10-38-02
Facade Improvements – Residential	35,000.00	35,000.00		12,657.40	22,342.60		36%	32-10-10
<b>TOTAL</b>	<b>1,411,080.00</b>	<b>1,411,080.00</b>	<b>-</b>	<b>280,496.83</b>	<b>1,130,583.17</b>		<b>20%</b>	
<b>**2012 CDBG</b>								
<i>Lance Place Improvements</i>	<i>91,000.00</i>	<i>91,000.00</i>			<i>91,000.00</i>		<i>0%</i>	<i>32-10-03-03</i>
<i>Emergency Demo</i>	<i>44,378.19</i>	<i>44,378.19</i>		<i>44,378.19</i>	<i>-</i>		<i>100%</i>	<i>32-10-27</i>
<i>CDBG Administration</i>	<i>83,476.59</i>	<i>83,476.59</i>		<i>83,476.59</i>	<i>-</i>		<i>100%</i>	<i>32-10-85</i>
<i>Community Policing</i>	<i>9,058.46</i>	<i>9,058.46</i>		<i>9,058.46</i>	<i>-</i>		<i>100%</i>	<i>32-10-90</i>
<i>Human Relations Commission Landlord Tenant</i>	<i>1,097.62</i>	<i>1,097.62</i>		<i>1,097.62</i>	<i>-</i>		<i>100%</i>	<i>32-10-71</i>
<i>Human Relations Commission Fair Housing</i>	<i>4,727.61</i>	<i>4,727.61</i>		<i>4,727.61</i>	<i>-</i>		<i>100%</i>	<i>32-10-71</i>
<i>Code Enforcement Trades</i>	<i>41,071.02</i>	<i>41,071.02</i>		<i>41,071.02</i>	<i>-</i>		<i>100%</i>	<i>32-10-29</i>
<i>Code Enforcement PMI</i>	<i>30,263.77</i>	<i>30,263.77</i>		<i>30,263.77</i>	<i>-</i>		<i>100%</i>	<i>32-10-29</i>
<i>*Microenterprise Technical Assistance</i>	<i>50,000.00</i>	<i>50,000.00</i>			<i>50,000.00</i>		<i>0%</i>	<i>32-10-03-04</i>
<b>TOTAL</b>	<b>355,073.26</b>	<b>355,073.26</b>		<b>214,073.26</b>	<b>141,000.00</b>		<b>60%</b>	
<i>*Pending</i>								
<i>**2012 Entitlement funds not available yet.</i>								
<b><u>HESG</u></b>								
Emergency Shelter Grant Admin	15,955.00	15,955.00		5,976.70	9,978.30		37%	32-10-85



<b>CDBG 2012 Timeliness Test</b>								
<b>**Timelines Test Amount</b>	3,511,474.50							
<b>Estimated Line of Credit</b>	1,601,641.36							
<b>Over/(under Cap)</b>	(1,909,833.14)							

\*\*Note: In compliance with CDBG Timelines rules by November 1, 2012, CDBG line of credit must be below \$3,511,474.50 (current year grant times 1.5)

<b>HOME program reconciliation</b>							<b>4/10/2012</b>							
<b>Program Year</b>	<b>Grant Balance (PR 27)</b>		<b>Admin Balance (PR 27)</b>		<b>OCR Balance (PR 02)</b>	<b>NHS Balance (PR 02)</b>	<b>HfH Balance (pending)</b>	<b>Unprogrammed</b>						
<b>2008</b>	\$	-	\$	-	\$	-	\$	-	\$ -					
<b>2009</b>	\$	14,283.95	\$	14,283.95	\$	-	\$	-	\$ -					
<b>2010</b>	\$	361,551.31	\$	106,811.40	\$	77,491.87	\$	77,207.17	\$ <b>100,040.87</b>					
<b>2011</b>	\$	943,508.00	\$	94,350.80	\$	149,798.20	\$	160,217.10	\$	278,000.00	\$ <b>261,141.90</b>			
<b>2012</b>	\$	698,011.00	\$	69,801.10	\$	428,209.90	\$	105,000.00	\$	95,000.00	\$ -			
<b>Current</b>	\$	<b>2,017,354.26</b>	\$	<b>285,247.25</b>	\$	<b>655,499.97</b>	\$	<b>342,424.27</b>	\$	<b>373,000.00</b>	\$ <b>361,182.77</b>			