



CITY COUNCIL

Finance Committee

Meeting Report Monday, June 15, 2015

Committee Members Attending: M. Goodman-Hinnershitz, D. Reed, J. Waltman

Others Attending: D. Cituk, C. Younger, C. Zale, L. Kelleher, C. Snyder, B. Rivera, D. Pottiger, B. Twyman

Ms. Goodman-Hinnershitz called the Finance Committee meeting to order at approximately 5:00 pm.

I. Parking Authority 2015 Financial Contribution

Mr. Waltman stated that this issue was briefly discussed last week at the COW meeting and there had been a question regarding the timing of the receipt of the full contribution.

Mr. Spencer stated that he was at the last Parking Authority meeting and it is his understanding that things are moving smoothly and there will not be any problems.

Mr. Waltman asked Mr. Zale if there are any concerns with the cash flow expectations.

Mr. Zale stated that currently the Parking Authority is only making its 2014 contribution. The 2015 budget has a \$3 million increase for the Parking Authority contribution.

Mr. Waltman questioned if the City would be receiving the contribution in a lump sum amount or payments broken out over time.

Ms. Snyder stated that following a meeting addressing the Parking Meter ordinance, Dr. Wegman reiterated that there wasn't an issue about whether or not the full contribution would be made. However, the Authority must review their finances and establish a timeline

for when the contribution can and will be carried out. She stated that Dr. Wegman asked her to relay this information to Council. She stated that she does not recall if there is a document stating how the City will be receiving the contribution; the assumption is that it will be provided throughout the year.

Mr. Waltman suggested that the Parking Authority would likely be using Capital funds versus General Fund monies. He questioned if the City is in dire need of this contribution. Mr. Zale stated that presently the City has sufficient cash flow; however, by year end there will be a deficit without that \$3 million contribution.

Ms. Goodman-Hinnershitz stated that each time there is a discussion on the Parking meter ordinance, this topic comes into play. She expressed the belief that this needs to be addressed separately from the ordinance because one has nothing to do with the other. Mr. Waltman concurred.

Mr. Waltman noted the need to consider the aggregate of all taxes and fees across the board as Council considers this proposal.

II. Legislative Review – Street Assessment

Mr. Waltman questioned the revenue projected for this line item in the amended Act 47 5-Year plan. Ms. Kelleher stated that the coordinator estimates revenue costs at \$1.5 million per year. She stated in reading the amended plan that the 5-year impact would be \$6.2 million.

Mr. Waltman stated that unless a reduction is made to the current taxpayers, this would be an increase. If existing tax rates were slightly reduced, then the Street Assessment will be a replacement of a portion of the property tax. He stated that Council needs to discuss how this is going to be implemented moving forward. He questioned how the City is going to start billing for street assessments.

Ms. Goodman-Hinnershitz suggested that Council define what is needed and what will help aid in that effort. She stated that there are significant barriers which came up in the Act 47 meeting regarding how a streetlight assessment is made. She suggested that an analysis be performed to determine how the assessment will be implemented.

Ms. Snyder stated that streetlight assessment raises many issues that street assessments do not.

Mr. Waltman suggested that a spreadsheet be made with city properties to determine tax rates based on frontages.

Ms. Goodman-Hinnershitz suggested that Council devise a list of questions prior to the next meeting so that answers are provided and this topic can move forward productively. Mr. Waltman concurred.

Ms. Snyder agreed stating certain scenarios can be provided as well. Ms. Snyder noted her concern with waiting another month to discuss this topic again and suggested that this be a topic for a Committee of the Whole which will meet next week. All agreed.

III. Reviewing Finance Reports

Mr. Zale stated that there are no major issues aside from the Parking Authority contribution.

Ms. Reed arrived at this time.

Ms. Reed questioned if the Parking Authority contribution was solidified. Mr. Waltman stated that this was already discussed and that there is no issue. Ms. Reed expressed her concern with the Parking Authority following through as they agreed to the increased contribution with conditions.

Ms. Kelleher questioned that if, in fact, the Authority had certain conditions, why the Authority delayed submitting the parking proposal. They provided the amended ordinance but they have yet to provide the maximum rates for that proposal.

Ms. Snyder questioned if the Charter Board has spent 82 percent of their budget. Mr. Cituk responded that 82 percent is what is remaining; meaning that they have only spent 14 percent to date.

Mr. Zale stated that there is a surplus of \$12.5 million which does not include the \$13 million Pension payment. At the end of May, cash flow for both cash and investments is \$32.7 million. He stated that there was a transfer of \$75,000 from the Contingency Account that was approved by Council for the East Laurel Street demolition.

Mr. Zale stated that everything is moving smoothly on the 5 year projection. He stated that OpenGov had officially been released to the public. He stated that there was a press release regarding the availability of OpenGov.

Ms. Goodman-Hinnershitz requested that a demonstration be given on OpenGov both for Council and for the general public. Mr. Zale stated that he would gladly do a demonstration.

IV. Update from the City Auditor

Mr. Cituk stated that he has a draft copy of the Reading Redevelopment Authority audit. He stated he can scan copies to anyone who needs one. He stated that once the Water Authority and the Parking Authority complete their final audits he will provide them to Council. He stated there is a possibility that the City will meet the June 30 deadline for the audit.

Ms. Snyder questioned if there was a way to help minimize the delay of the audit. Mr. Cituk stated that the delay is due to the completion of the RAWA, RRA and Parking Authority audits.

Ms. Goodman-Hinnershitz adjourned the meeting at approximately 5:30pm

*Respectfully submitted by
Linda A. Kelleher CMC, City Clerk
Bea Rivera, Legislative Aide*