



## Minutes - Final

### Budget and Finance Committee

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Wednesday, February 26, 2020

5:30 PM

Council Chambers

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**Roll Call: Chairperson Siegel, Guridy, Mota**

#### Monthly Financials

Ms. Jessica Baraket stated with December 2019 Monthly Report Version 2. Last meeting Brent presented it. There are not a whole lot of changes. There are changes that do occur to close out in December. She went over the tax Revenue which was better than projected and better than the year before. It contributed to the Earned Income Tax increase. Permits and taxes came in little than expected due to the Casino Fees and Rental Inspections. It has been addressed in the 2020 Budget. The bottom of Page 2, Revenue came in a little under where they expected to be. You might see a little changes. It will be minimum. She went over Expenditures and personnel cost. They came in a little over than expected. They were less than anticipated. The management did a really good job this year. Overall expenditures came in less than revenues for the second consecutive year. There is nothing new with the Trexler Fund. The Risk Fund, benefit reimbursement for healthcare was higher than what was budgeted. It was due to some budgeting being off. The city is good on claims. Overall expenditures were less than budgeted. Revenues exceeded expenditure. Nothing stands out or are unusual Solid Waste or Stormwater. The Golf Fund, this year ended with expenditures coming in then revenue. The gap in the negative cash account is continuing to close each year. The 911 Fund, there is nothing going on. She talked about personnel expenditures and premium pay. Pooled and Non-pooled Accounts and the general fund ended in 2018 \$5.5 million and ended this year with \$12.7 million. The vacancy factor came very close to what they budgeted.

[15-3467](#)

Monthly Finances

**Attachments:** [December 2019 MO RPT Version 2](#)  
[January 2020 Monthly Finance Report](#)

Ms. Jessica Baraket stated that there is not too much information on this Report. They don't have too much financial data. It is too early. What they normally see in January are expenditures and exceeded revenues because they haven't come in yet. The city's real estate tax, those bills did go out on

January 21st. It was due to the great job by the Revenue and Audit team and mail team staff. There is some revenue with the Business Privilege Tax. It was done in December. They see some revenue or business privilege license. Revenue being at 173 percent and that is from the Fountain Street Fire. Expenditures, nothing in regards to expenditures. They are little higher than revenue at this point, but not out of whack. Postage and shipping is high at 53 percent. That is pre-funded out for the next six to eight months. That is the spike is in January, but you won't see the pike for quite some time.

Mr. Joshua Siegel commended the Finance Department on the incredible work they do to keep the city under budget and the work to keep everything within cost, especially now as they are pinching pennies and tightening our belts. He asked if there were any comments from the public.

Mr. Glenn Hunsicker asked about 11 of 14, we had the 2006 Loan Fund. Are we going to clear that out.

Mr. Joshua Siegel and Mr. Hunsicker to address Council and then they will ask the administration for input.

Mr. Glenn Hunsicker asked what they are going to do with 2006 Loan.

Mr. Joseph McMahon stated that is not something that they will address. They have an Interim Director. Brent had that down pack.

Mr. Glenn Hunsicker asked if Ms. Baraket had a plan.

Mr. Joshua Siegel stated what Mr. McMahon is trying to say is that we need to identify a new full-time Finance Director. They have taken his comments to heart and once the city has a full-time Finance Director it is something they will get back to him on.

Mr. Jeffrey Glazier stated that the 2006 Loan Fund is essential the Lockbox money. What do you want us to do spend it.

Mr. Glenn Hunsicker stated that he just want to know what they are going to do with it.

Mr. Jeffrey Glazier stated that if you go back to 2 of 3.

Mr. Glenn Hunsicker stated that they did transfer it out of there for investment purposes.

Mr. Julio Guridy stated that he thinks they should be able to continue to

invest in it. They were able to make \$23,000 extra in it.

Mr. Glenn Hunsicker stated that it is almost back up to \$5 million in the trust. This is another \$2 million.

Mr. Jeffrey Glazier stated that it is a typo there. When you look at the 2020 in the 2006 Loan Fund it says \$2,3663.35 in bigger print.

Mr. Julio Guridy suggested that they keep investing and get some more money.

Mr. Glenn Hunsicker asked what are your plans to try to cut down on expenditures.

Mr. Julio Guridy stated that is a different issue.

Mr. Daryl Hendricks stated that they will be speaking on the Novak Report.

Mr. Joshua Siegel stated that the Novak Report specifically recommends cutting expense. He stated that he agrees that expenses are a huge concern.

Mr. Daryl Hendricks stated to Mr. Hunsicker that he will be speaking of that later in the meeting.

Mr. Glenn Hunsicker stated that the committee should address the General City charges. They are out of whack as far as the Golf Course. The Golf Course will never show positive money because the General City charges always go up five percent.

Mr. Joseph McMahon stated that if Mr. Hunsicker recalled during the Budget process there was a discussion that this year you can look back at the General City charges and having a consultant come in and reevaluate and make sure they were still valid.

Mr. Glenn Hunsicker stated that the way he understands it, the city was charging five percent a year. You just mark it up five percent a year.

Mr. Joseph McMahon stated that it is going to change anyway. The city is bringing in a consultant. That five might not stay. We are going to reevaluate it.

Mr. Glenn Hunsicker stated that the City Council has a tough job ahead. He suggested that they address it.

Mr. Julio Guridy stated that when they talk about the Novak issues, they are going to be addressing them.

Mr. Joshua Siegel asked if there were any other comments from the floor or his colleagues.

Mr. Julio Guridy asked if they are doing it on December 3.

Ms. Jessica Baraket stated that December 3 will be next month.

## Discussion: RC Legislation

[15-3457](#) Draft RCP Legislation

**Attachments:** [2020-Model RCP Ordinance & Resolution-2-17-20](#)  
[2020-RCP-Model Certification Form-DRAFT-2-14-20](#)

Mr. Joshua Siegel stated that they addressed a number of concerns that the administration had in a previous meetings. He asked if there were comments.

Mr. Lewis Shupe, 814 Walnut Street, stated that he just begun reading through this. He stated that his friend Robert was supposed to be here to pitch his support of it as well. This looks good and promising.

Mr. Joshua Siegel asked if there were any comments from the floor or from his colleagues.

Mr. Julio Guridy stated that it is an interesting idea. We dealt with something similar. The other things was a PLA (Project Labor Agreement). he stated that he wants to make sure they give an opportunity to contractors in the city, and small contractors including: women owned business, small businesses, veteran owned businesses, and disabled and disadvantaged that they also have an opportunity to bid on this and have an opportunity to get them, especially if they live in the city. He has no problem making sure they have the best contractors the city can get and do the job as it needs to be. We have to make sure we abide by the federal regulations, and provide prevailing wages.

Mr. Joshua Siegel stated those are valid concerns. He stated that he shares his concerns. They should make sure they don't disadvantage small mom and pop shops that don't have the resources. Make sure that the city is being a good steward of public tax dollars.

Ms. Cynthia Mota stated well said. It is really important to give opportunities to small contractors and of course, we want the best. It is important to educate the community and contractors on the guidelines and

policies. There are great businesses in the city, but they have no idea how to bid. You need to find a way to make that workable.

Mr. Joshua Siegel stated that there are valid concerns and things that he and Mr. Messinger. They are making sure the threshold is something that is valid and design it in a way to easier and manageable to implement.

Ms. Jessica Baraket suggested that Ms. Mota refer them to her office. They have done a lot of vendor outreach and programs where they bring vendors in, they have detailed training on how to respond to a bind, how to register, how to receive bids. The Purchasing Department partnered with the Chambers of Commerce.

Ms. Cynthia Mota stated that a lot of business go through them because they have to pay a really high dues.

Ms. Jessica Baraket stated that is one of the specific avenues. She stated that the Purchasing Department holds the training right here in City Hall, and at CareerLink. They do not have to be members of the Chamber. The Purchasing Department does an in depth training with them.

Ms. Cynthia Mota asked if she gets the phone calls, refer them to the Purchasing Department.

Ms. Jessica Baraket stated to refer them to the Purchasing Department. She stated that they have printed documents they can send them. Make sure they are signed up. They hold trainings quarterly to make sure they get registered.

Mr. Joshua Siegel stated that it is an issue of significant importance. We are making sure as a municipality we do everything we can to support local businesses, especially minority owned businesses in the community if they can use its purchasing power to lift them up.

Ms. Cynthia Mota asked if Ms. Baraket have flyers when she does the community outreach.

Ms. Jessica Baraket stated that they advertise on Facebook and on the website. She stated that the next training is in the summer.

Mr. Jeffrey Glazier stated that he sent out a brief memo outlining some concerns. He cut the dog's walk short this evening to come in and poke around on apprenticeship programs. Our schools objects is to have students graduate career or college ready. The apprenticeship is certainly a career path. He stated that there are great apprenticeship programs with

the IBEW, the carpenters and may even be some others that he is not aware of.

Mr. Julio Guridy stated that the apprenticeship program is a great idea to have an apprenticeship program as long as we can manage them and have people from our community and our city into them. When they were doing the PPL Center, he did talk to someone that was a small contractor that said he worked on the PPL Center and the BB&T Bank building and they were small businesses in Allentown.

Mr. Joshua Siegel asked if there were any other comments from his colleagues.

Ms. Ce-Ce Gerlach thanked Mr. Siegel for introducing this and bringing this topic up regardless of where it goes. If there are cities or counties in which they adopted ordinances like this and figured out a way to address small businesses and minority owned businesses and the data.

Mr. Joshua Siegel stated that he thinks there are similar goals. This is about regulating the way that contractors interacts with the city and the other set is the priority.

Ms. Ce-Ce Gerlach stated that if there were other cities or counties that passed this, did they have to pass some other type of legislation or policy that would address some of the concerns for small businesses or minority owned businesses. So that this will not push the amount.

Mr. Joshua Siegel stated that it goes back to the threshold so of protects them. They are protected by the legislation therefore they can continue to bid. He suggested to marry this policy with another set of policies. The most important thing is making sure the money stays local and stays in the local economy and spent locally.

Mr. Julio Guridy stated to Ms. Gerlach that he finds in regards to the city can do and set up any laws that they want to. The issue is the enforcement. If we look at it and enforce it. If you get contracts for some of these federal funding you are supposed to follow some of these laws and there are thresholds already in the contracts that dictates how much should be going to small businesses, minority owned businesses and women owned businesses. We have to follow the Davis Bacon Law and sometimes we don't follow it. With the prevailing wages and that's when things come really higher and gets a lot more expensive for the city.

## **Novak Issues**

Mr. Joshua Siegel asked if there were any comments from the floor regarding the Novak Report.

Mr. Tom Hahn asked about the safeguards for the people to give test from the different work whether it is electrical and plumbing.

Mr. Joshua Siegel stated yes, the Sheet Metal Licensing, the Electrical and Plumber Licensing will not be removed. That will remain in place. There is nothing in the Legislation that will override or invalid those pieces of legislation. The registration for the three respected professionals will remain.

Mr. Tom Hahn suggested that all the people who do the test are all up to standard.

Mr. Julio Guridy stated that is what we have inspectors for. They got to make sure they are up to snuff on licenses.

Mr. Glenn Hunsicker stated that the Novak Report. We usually does this backwards. This is a big Report. What are we going to talk about?

Mr. Daryl Hendricks stated that they already done that. They are going to form a taskforce and one of the main concerns is the healthcare cost. They are going to look over the entire Report. He stated that he and the administration will focus on the areas that are most beneficial in which needs to be addressed most readily.

Mr. Julio Guridy stated that he would like to be a part of it as well.

Mr. Daryl Hendricks stated that he has not be a decision. He has to find the guidelines from Mr. Hanlon who can be. We are going to be moving forward. It is a priority and for them as Council, it is the number one priority. We need to cut costs going forward.

Mr. Glenn Hunsicker stated that he is glad Council is saying this. It only took them years to say it. You are going to have to act. You are not going to be able to sustain it. The Police is the number one expenditure in the city.

Mr. Daryl Hendricks stated that he has many things earmarked. He has a red asterisks.

Mr. Julio Guridy stated Page 24 - Healthcare costs need to be curtailed.

Mr. Glenn Hunsicker stated that they presented something to Council a few months back that they can save money by going to the SEIU contracts for 90 percent of the administration people.

Mr. Daryl Hendricks stated that they can to be fair to all the city employees. These are going to be tough decisions to be made.

Mr. Glenn Hunsicker stated that you have to stop hiring people. Unless they are absolutely needed.

Mr. Daryl Hendricks stated that personnel costs, are the biggest cost.

Mr. Joshua Siegel stated that Mr. Hunsicker is not going to find a disagreement up on the dais.

Mr. Julio Guridy stated that last year they decided to do this because they saw it coming. He stated that he is the one that pushed to get the Early Intervention. He and Mike have been talking about it for two years.

Mr. Glenn Hunsicker stated that they don't need anymore consultants. We know we are in trouble.

Mr. Daryl Hendricks stated that they know where they need to be focused on.

Mr. Glenn Hunsicker stated that all they have to do is figure out how they are going to do it.

Mr. Joshua Siegel stated that something so complex and as deeply intense as the Novak Report it does require some outside expertise.

Mr. Julio Guridy stated that he is not saying that they are going to hire a consultant. There are people out there that have expertise and can be part of the taskforce.

Mr. Glenn Hunsicker stated that they should have a department to department talk and get into the details.

Mr. Daryl Hendricks stated that was done by the Novak Consultants when they were here.

Mr. Glenn Hunsicker stated that every year you should go through departments.

Mr. Joseph McMahon stated that the Novak Report has already been done. If you look at strategic plan and n the future, look at what are our priorities. You do a Strategic Plan and look at those and do priority based Budgeting.



Mr. Julio Guridy stated that is actually what the Novak Report is saying.

Mr. Glenn Hunsicker stated that department should do a detailed presentation.

Mr. Julio Guridy stated that he already talked to Leonard Lightner and advised him that he would like him to do something like that.

Mr. Joshua Siegal asked if there were any comments from his colleagues.

Mr. Julio Guridy stated that talking about the Novak Report, they spent a lot of money, did a lot of meetings and chose the best company that can do this Report. We have to put them in use. It is not only the Finance Committee, it is every committee. They have to make some recommendations that they feel we can live with and some will be tough.

Mr. Daryl Hendricks asked Mr. McMahon to verify that the conversation has been had the Mayor.

Ms. Cynthia Mota suggested that they finish the meeting in a positive way. They have positive hopes that things are going to get better. We will have to follow the recommendation, but that doesn't mean 36 people will be laid off.

Mr. Julio Guridy stated that they have to make tough decisions.

Mr. Daryl Hendricks stated that they have some tough decisions to make.

Mr. Joshua Siegel stated that Council appreciates the urgency of the situation and that is the most important thing to recognize. Time is of the Essence. They have a very limited window in which they can operate to make these necessary reforms. He asked if there were anymore comments.

**Adjourned: 6:20 PM**