

ALTOONA GOVERNMENT STUDY COMMISSION MEETING MINUTES
TUESDAY, SEPTEMBER 24, 2013 – 7:00 P.M.
CITY OF ALTOONA TRAINING FACILITY & COUNCIL CHAMBERS
1320 WASHINGTON AVENUE, ALTOONA, PA

CALL TO ORDER – call to order at 7 p.m. by Chairman Wayne Hippo

PLEDGE OF ALLEGIANCE

ROLL CALL – taken by City Clerk Linda Rickens Schellhammer; Present were Study Commission members: David Duncan; Heather Eckels; Richard Flarend; Beverly Green; Robert Kutz, Vice-Chairman Richard Fiore Jr. (arrived at 7:50 p.m.) and Chairman Wayne Hippo

ALL PUBLIC COMMENT – there was none given

BRIEF DISCUSSION AND TIMELINE ORGANIZATION FOR THE STUDY OF HOME RULE – Chairman Hippo stated this would be the last meeting to study the City and deficiencies and the next meeting in October would include review of Michael Foreman's information and and interview with Tyrone Borough Manager Phyllis Garhart

ADOPTION OF THE AUGUST 5, 2013 MEETING MINUTES, THE AUGUST 20, 2013 PUBLIC HEARING MINUTES AND THE SEPTEMBER 9, 2013 MINUTES – a motion to adopt the minutes was made by Heather Eckels with a second from Richard Flarend with six in favor and one absent at this time in the meeting

INTERVIEWS

Councilman Michael Haire stated changing the form of government would do the following: give the City the ability to design the government and to include what is needed and not needed, combine services such and fire and police or fire and codes or fire and highway, may be able to cut employee numbers but have adequate numbers to do jobs if able to sell to the unions; Councilman Haire stated the City needs to raise taxes and raise the lifestyle to attract people to the City; Councilman Haire stated the biggest complaint is that the City is ugly; Councilman Haire is in favor of home rule because taxes can be raised moderately; Councilman Haire stated home rule does not fix everything but it will buy another twenty plus years; Councilman Haire stated the following: a question people must ask is what long term services do City residents want and what are they willing to pay for the services, people need to pay for the services they want, the city needs to catch up on infrastructure because it was neglected due to lack of money, the City needs more police and needs to re-assess

City Controller and Republican Committee Chairman AC Stickel stated the salaries for Mayor and Council need to be increased without them having to vote themselves an increase as the salaries have been the same for twenty years; most of Council works more than two meetings a month; the Mayor having added powers and more responsibilities would help; Mr. Stickel

stated it is difficult to get people to serve their community and possibly home rule will help; Mr. Stickel recommended a new charter should include a change in the duties of Mayor and a salary increase and possible benefits

Democratic Committee Chairman Frank Rosenhoover stated the Mayor should have an office and he would like to see a change in how the City is run; Mr. Rosenhoover offered the following: get rid of the voice mail and get a real voice at City Hall, if the people want a good clean City that will grow they need to be willing to pay, the residents can't live the same lifestyle in 2015 as they did in 2013 and everything increases, there is a problem with how much the public knows and understands, convince people that good changes are needed in government, convince people to beautify the City and to attend council meetings, if a new form of government is brought forward thought needs as to how the commission will inform the public and educate the public and also to how the commission will get people to vote; Mr. Rosenhoover stated this change is a monumental chore and it is better that the public know up front that there will be a tax increase and that if they want new roads they will have to vote for a tax increase; Mr. Rosenhoover stated the Commission and Council and those in charge need to get the word out to the people by going to community centers and churches to speak to the people; Mr. Rosenhoover stated he will help in any way he can

City Controller AC Stickel stated the City is heavily constrained by the 3rd Class City Code as it is designed for the entire state and all cities are different as some are union related and some are pension related; Mr. Stickel stated a lot of administrative things are done because of the 3rd class city code to include the time of the inauguration ceremony; Mr. Stickel stated nobody in state government ever thought any municipality would go 25 plus years without reassessment and some are paying too much and some not enough; if reassessment would happen it would take five years to see the revenue; some redevelopment opportunities could come but the City is tied down to regulations; there are neighborhoods with poorly constructed homes and poorly maintained homes but they have new sidewalks due to regulations; there are nice neighborhoods and homes in middle class neighborhoods with no sidewalks or terrible sidewalks; Mr. Stickel stated the median income is \$12,000 for an individual and ½ do not pay the local services tax because they are below \$12,000; retirees don't pay earned income tax but some may pay real estate tax but many are low income and get a property tax rebate; Mr. Stickel stated home rule is a short term fix to get revenue but if it allows the City to increase the tax base that would attract people to the City then he would support it; Mr. Stickel stated the average local tax rate for the City of Altoona vs. certain cities across the country – Altoona is lower and New Jersey is five times higher; PA is even

high but the income is much more; Mr. Stickel stated he fought for Act 32 and he fought for the establishment of a tax bureau as opposed to hiring a Centax or Berkheimer

Human Resources/Finance Director Omar Strohm provided the Commission with a handout of his job duties as Finance Director and HR Director and provided answers for pre-submitted questions as follows: the City can reassess but it would take 4 to 5 years to get it in place and there are limits on what the increase in reassessment could be in the first year and incremental thereafter; the County needs to reassess; there are 31.54% of City total assessed value on properties that are tax exempt and the County determines the tax exempt status; UPMC Altoona and Altoona Area School District make up the vast majority; the City cannot increase the sales tax and only Philadelphia and Allegheny County can charge the 1%; taxes on health care, health services and alcohol are not allowed in local government and are allowed only in Counties and the City is governed by the Local Tax Enabling Act; there is Earned Income Tax, Mercantile Tax, Business Privilege Tax, Business Privilege Rental and Amusement Tax; as for permit costs and licensing fees the City cannot levy more than it costs to provide the services; the City was sued in court on a rental inspection fee and the City had to prove all costs; costs are reviewed yearly and the Act 47 plan calls for the increase of fees and permit costs in the coming years; the City could set up an assessment district in any neighborhood and do a neighborhood sidewalk project and charge for the cost of providing that service; grant writing is done on a de-centralized basis and examples of this are police and fire and the information is related directly to their department; Mr. Strohm stated the benefits of home rule include an increase in local decision making capability, increase in local control and modification of tax caps; Mr. Strohm stated another benefit of home rule is the reduction in limitations that are placed on the City by the 3rd Class City Code with some examples being advertising requirements, bidding requirements, hiring restrictions, schedules and sick time requirements for employees, defined benefit plan, pension board make-up; Mr. Strohm stated the 3rd Class City Code does not allow a 401k; the fire department has 21 sick days under the 3rd Class City Code and this can be bargained and they can be given fewer days but they would be in violation of the 3rd Class City Code

AC Stickel stated the charter can mirror the 3rd class city code but the commission can write a charter to enhance and increase local government control

The form of government is not where the City went wrong and they have always been under the 3rd Class City Code but the style of government

needs to be tweaked for more efficiency; the City can maintain what it already has and make it work

Mr. Strohm stated the City will have a surplus at the end of 2013 because the Act 47 plan increases revenue through increasing Earned Income Tax which would lead to a small surplus which will become a zero balance in five years; the way to promote growth is through economic development; reassessment is needed and as an example the Station Medical Center has not generated what it would if the City were under a more modern assessment; if people feel they are paying too much some will leave; the answer is regionalization and sharing services across municipal boundaries; Mr. Strohm stated the City does not work like a business model with a CEO and Board of Directors; the City is a service industry and personnel make up what the City does; removal of politics is a good thing; the combination of police and fire could help; the administration of services is pretty streamlined now

Retired City Manager/Codes Director Joe Weakland stated not to look at this change in government as strong Mayor versus Manager; Mr. Weakland stated he has worked for the City through five administrations and all have complained about the Mayor not having a larger role in government including the Chairman of this Government Study Commission Wayne Hippo; in some municipalities the Mayor is responsible for the police department which is not a good idea and creates conflict at times; Mr. Weakland stated he supports a manager form of government; there are several projects that have been led by City Mayors and carried out by City staff; Mr. Weakland stated that the role of the elected official is as good as the elected official is and their ability to understand what is needed in the City; Mr. Weakland gave an example of his offering of orientation to the newly elected officials and their lack of attendance or follow up to finish the training; Joe Weakland stated he is in favor of home rule with a strong manager and more duties for the Mayor: Mr. Weakland stated he is mostly in favor because of the revenue issue and doing away with caps

Mr. Strohm stated that in a previous meeting Michael Foreman stated Act 205 would go away under home rule charter: the Act 47 plan coordinator says the City would be able to continue that and Omar received that in writing

Mr. Weakland stated the City of Altoona is unique in that it is out in the middle of nowhere where there is a low cost of living and it is not in the northeast, southeast or southwest portion of the state where everybody lives; people brought in to save the City failed because they could not adapt to this community; everyone wants to compare the City of Altoona to

Reading, etc and there is not a community that can be compared to the City or who is the same as the City of Altoona; Mr. Weakland questions the value of any comparisons; Mr. Weakland also mentioned the Act 47 Plan stating the City need economic development and if that is the case the City is never coming out because the City has the best economic development agency in the state; Mr. Weakland stated this is a bleak situation for the City; Mr. Weakland stated the City of Altoona is the service provider for Blair County, the dumping ground for the poor; where else can you buy a house for \$30,000; the City provides all if not the majority of the subsidized housing in Blair County which isn't bad but requires the accompanying services; also other cities have bombed out blocks and you can redevelop cheaply but the City does not have that and it is spotty and therefore cannot be redeveloped cheaply

Mr. Stickel stated if economic development is the only solution that Act 47 is going to look at then reassessment is necessary for economic development and businesses and residents hate the fear of the unknown

ADDITIONAL PUBLIC COMMENT (TIME PERMITTING) - none

MEDIA QUESTIONS - Media present included Bill Kibler, *Altoona Mirror*

ADJOURNMENT - by Chairman Hippo at 9:30 p.m.