

**ALTOONA CITY COUNCIL MEETING & 2014 BUDGET REVIEW MINUTES
WEDNESDAY – OCTOBER 28, 2013 - 7:00 P.M.
COUNCIL CHAMBERS - 1320 WASHINGTON AVENUE, ALTOONA, PA**

The meeting was recorded and re-broadcast on cable Public Access Channel 14 on November 2,3 and 4.

CALL TO ORDER – by Mayor Schirf at 7:00 PM in Council Chambers.

SILENT MEDITATION

PLEDGE OF ALLEGIANCE

ROLL CALL – taken by City Clerk Linda Rickens Schellhammer

Present: Councilmen Butterbaugh, Cagle (via phone), Geis (via phone), Haire, Kelley, Neugebauer and Mayor Schirf

ALL PUBLIC COMMENT – none

PRESENTATIONS – none

MANAGER’S REPORT – none

MAYOR AND COUNCIL REPORTS – none

RESOLUTIONS

approving the Post-Issuance Compliance Procedures and Finance Director Omar Strohm’s duties and implementation of the Post-Issuance Compliance Procedures, as required by law, regarding the issuing of tax-exempt bonds or notes as, outlined in the attachment, and authorizing the Mayor to execute the document and the City Clerk to attest to same. (0127-13)

the resolution was read by City Clerk Linda Rickens Schellhammer and the vote was taken and passed 7 to 0 with all present; Vice-Mayor Cagle voted by phone; Councilman Geis voted by phone

2014 BUDGET REVIEW - Expenditures

Interim City Manager and Finance Director Omar Strohm reviewed his memo which was previously distributed to Council stating the largest change in the budget was the format of the budget document. The benefits are broken out now by department rather than being line items within the Human Resources Department budget.

The following items within the budget were reviewed as follows:

Finance Department:

General Insurance – All Departments – The renewal for the City’s property and casualty insurance is not yet known. However, indications point to an increase of approximately 10% over 2013 rates. This is not solely a reflection of the City’s experience, but more an effect of changes in the overall insurance industry environment. *2013 Budget = \$259,544 and 2014 Budget = \$285,500*

Insurance Loss Deductible – Expenses for insurance deductibles are expected to increase from the prior year budget based on historical and year-to-date expenditures. *2013 Budget = \$12,000 and 2014 Budget = \$15,000*

Tax Collection Fees – All – Expenditures related to tax collection are a function of the amount of taxes collected and the number of Real Estate parcels on which tax is levied. The 2013 Budget did not capture all of the costs associated with tax collection in the current year. *2013 Budget = \$187,118 and 2014 Budget = \$240,838*

Human Resources Department:

Unemployment Compensation – The expenditures projected to be incurred during 2014 for providing unemployment are anticipated to decrease. Some of the factors that affect these expenditures are within the City's control, and other factors are beyond its control. *2013 Budget = \$17,500 and 2014 Budget = \$10,000*

Solicitor/Legal Services

Legal Consultant-Outside Services – This category of expenditure is expected to increase based on current year-to-date expenses and due to legal fees associated with negotiating new collective bargaining agreements and the potential need for Act 111 arbitration. *2013 Budget = \$20,000 and 2014 Budget = \$45,000*

General Government Building and Plant:

Telephone Expense – The expenditures related to providing telephone services to the various City and Water Authority facilities is projected to increase in 2014. *2013 Budget = \$83,000 and 2014 Budget = \$87,000*

Information Technology

WIFI Maintenance - Since it went online in 2009, maintenance for the City's WIFI network has been provided through the City's Capital Improvement Program (CIP), initially through a multi-year maintenance agreement. However, new maintenance costs can no longer be funded through the CIP. *2013 Budget = \$0 and 2014 Budget = \$77,250*

Consultant – The City no longer uses a Patrolman in the Police Department to provide IT services to the Police Department. The City hired a consultant to provide these services earlier this year. This conforms to Initiative IT02 in the Recovery Plan, which called for the reallocation of the Police IT position within the IT Department. *2013 Budget = \$0 and 2014 Budget = \$35,000*

Police Department:

Deputy Chief Salary - In conformance with Initiative PD03 of the Recovery Plan, the Deputy Chief position in the Police Department was removed from the Budget after the retirement of the former Deputy Chief. *2013 Budget = \$70,005 and 2014 Budget = \$0*

Overtime – Expenditures in this category are projected to increase based on year-to-date and anticipated expenditures. *2013 Budget = \$85,000 and 2014 Budget = \$100,000*

Court Time – Expenditures related to paying for Police Officers to attend court are projected to increase primarily due to year-to-date expenses and anticipated future expenditures. *2013 Budget = \$70,000 and 2014 Budget = \$85,000*

Police Clothing Allowance – Expenditures related to providing uniforms for City police officers are expected to decrease in 2014. *2013 Budget = \$75,000 and 2014 Budget = \$70,000*

Police Training – Because of a substantial loss of experience and officers with specialized training, the Police Department will need to provide additional training for new officers. *2013 Budget = \$18,000 and 2014 Budget = \$30,000*

Police Academy Training – This expenditure item is reduced because of a change requiring police officer applicants to have Act 120 Certification, thus eliminating the need to send newly hired officers to the academy for Act 120 Certification. *2013 Budget = \$20,000 and 2014 Budget = \$0*

Fire Department:

Overtime – This expenditure item is expected to decrease in 2014 based on a policy changes reducing call out time, which has already been put into effect, along with staffing funded through the SAFER grant. *2013 Budget = \$275,000 and 2014 Budget = \$225,000*

Vehicle Repairs – Expenditures related to maintaining the Fire Department fleet are expected to increase in 2014 based on the anticipated needs of the fleet. *2013 Budget = \$50,000 and 2014 Budget = \$63,000*

Misc. Equipment & Matls. Fire – expenditures related to small equipment and materials are anticipated to increase in order to cover costs previously paid from Capital Improvement funds. *2013 Budget = \$11,500 and 2014 Budget = \$21,500*

Public Works – Highways and Streets:

The cost of some of the materials needed to perform street cuts is projected to increase for 2014.

Road Materials Street Cuts: *2013 Budget = \$75,000 and 2014 Budget = \$85,000*

Road Materials Stone: *2013 Budget = \$3,000 and 2014 Budget = \$4,000*

Landfill Costs – Based on anticipated usage in 2014, the expenditures budgeted for use of the Landfill are projected to increase. *2013 Budget = \$8,000 and 2014 Budget = \$10,000*

Fleet Maintenance:

Fuel-Vehicles – This line item is projected to increase due to an anticipated increase in the price of fuel. The 2014 budgeted expenditure for this line item is based on \$4 per gallon less applicable taxes. *2013 Budget = \$375,000 and 2014 Budget = \$392,000*

Vehicle Repairs (W/O Fire & Police) - Expenditures related to maintaining the City fleet are expected to increase in 2014 based on the anticipated needs of the fleet. *2013 Budget = \$40,000 and 2014 Budget = \$50,000*

Debt Service:

TRAN Interest – The amount budgeted in this line-item for 2013 is based on an anticipated borrowing of \$4.5 million at 2.5% interest. In 2014, the TRAN will be reduced to \$4 million with a similar interest rate expectation. The reduction in the size of the TRAN is a step toward implementation of Recovery Plan Initiative DS03, which calls for the City to reduce reliance on short term cash flow borrowings. *2013 Budget = \$125,600 and 2013 Budget = \$100,000*

Miscellaneous Expenditures

Contingency 2013 Budget = \$91,493 and 2014 Budget = \$494,158; although increased this is smaller than what was projected by the Act 47 Plan

Questions:

Councilman Haire asked about the Information Technology Consultant; Mr. Strohm stated the consultant is currently being used in the police department

Councilman Butterbaugh stated the longevity pay in the police department is going from \$179,000 to \$131,000 saving \$48,000 which makes up for \$12,000 for training for new officers

Mayor Schirf asked how the Information Technology Consultant position is working and how often he is called; IT Manager Victor Curfman stated it is working well and the amount of time spent varies and depends upon the

projects; Chief Freehling stated there were initial problems communicating with the 911 center and the new CAD system but that has been worked out; Fire Chief Tim Hileman also stated the IT Consultant serves as a volunteer as the Deputy Emergency Management Coordinator for the City

Mayor Schirf commented that fire overtime is two times as much as police overtime and asked why and if it can be reduced; Chief Hileman stated if someone is off on vacation or with an injury or off sick that position has to be filled by another person and there will be overtime as safety staffing is the most important; the wellness program will help in the future as well as the three new hires the City will receive due to the SAFER grant and one other new hire the City will receive who is replacing a long term injury

Mr. Strohm stated November 13th is the date of the budget introduction but he can address minor changes that night prior to introduction if needed

DISCUSSION ITEMS – no further discussion items

MEDIA – media attendance included Bill Kibler, *Altoona Mirror*, who had several questions of Council and staff

ADJOURNMENT – by Mayor Schirf at 8:00 p.m.