

ALTOONA CITY COUNCIL MEETING &
2015 BUDGET/TAX MILLAGE/EIT INTRODUCTION MINUTES
WEDNESDAY – NOVEMBER 12, 2014 - 7:00 P.M.
COUNCIL CHAMBERS - 1320 WASHINGTON AVENUE, ALTOONA, PA

The meeting was televised live on cable Public Access Channel 14 and re-broadcast Thursday, November 13, 2014.

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

SILENT MEDITATION

PLEDGE OF ALLEGIANCE

ROLL CALL – taken by City Clerk Linda Rickens Schellhammer

Present: Councilmen Butterbaugh, Cacciotti, Cagle, Haire, Kelley, Neugebauer and Mayor Pacifico

Mayor Pacifico announced that Council will move to Executive Session following the Council meeting for the purpose of potential litigation

Mayor Pacifico announced that a resolution would be added to this agenda and City Solicitor Larry Clapper read the resolution as follows: authorizing a Deed of Easement between Benjamin A. Boyes and Kristine M. Boyes for the purpose of maintaining a garage, a portion of which encroaches onto the City's right-of-way known as Fifth Street, Altoona, PA, and has done so for many years, and to facilitate the sale of the property and further authorizing the Interim City Manager to execute all documents and the City Clerk to attest to same.

ALL PUBLIC COMMENT – Betty Restauri of 3910 Beale Avenue asked if Council had scheduled a worksession to discuss the noise ordinance

Brooke Charlebois of Penn State Altoona asked for a permit for THON canning exclusively for Penn State Altoona students, who raised over \$100,000 last year as opposed to the City allowing Penn State students from University Park; Ms. Charlebois stated there were conflicts with the University Park students this canning season; Council referred Ms. Charlebois to the City Clerk's Office

Maureen Miller of Beale Avenue asked for noise ordinance information and the status as well as Council's position on the noise ordinance and encouraged reversion back to the PLCB for the Cesare Battisti Club

PRESENTATIONS – none

MANAGER'S REPORT – the Managers Information Memo was distributed previously; there were no further questions or comments

RESOLUTIONS

a) approving the minutes of the Altoona City Council Meeting held Wednesday, October 22, 2014. (0142-14)

b) approving the Repository Bid submitted by Francis Rabuck Jr. of 1845 28th Avenue, Altoona, PA for property located at 2305 5th Avenue, Altoona, PA, (map no. 0106-14-11) (control no. 12-101130) in the amount of \$100.00 and further authorizing the Interim City Manager to execute all documents and the City Clerk to attest to same. (0143-14)

c) approving the Repository Bid submitted by Kelly Bookhamer of 1100 17th Avenue, Altoona, PA for property located at 1700-02 11th Street, Altoona, PA, (map no. 0101-02-158) (control no. 11-301140) in the amount of \$350.00 and further authorizing the Interim City Manager to execute all documents and the City Clerk to attest to same. (0144-14)

d) approving the Repository Bid submitted by Rebecca Jane Bathurst of 2011 5th Avenue, Altoona, PA for property located at 1521-23 20th Avenue, Altoona, PA, (map no. 0103-05-26) (control no. 12-216210) in the amount of \$300.00 and further authorizing the Interim City Manager to execute all documents and the City Clerk to attest to same. (0145-14)

e) authorizing a Deed of Easement (attached hereto) between Benjamin A. Boyes and Kristine M. Boyes for the purpose of maintaining a garage, a portion of which encroaches onto the City's right-of-way known as Fifth Street, Altoona, PA, and has done so for many years, and to facilitate the sale of the property and further authorizing the Interim City Manager to execute all documents and the City Clerk to attest to same. (0146-14)

the resolutions were read by City Clerk Linda Rickens Schellhammer; the consent vote was taken on all items and passed 7 to 0 with all present

ORDINANCES**Introduction**

An Ordinance amending the Code of the City of Altoona to add a new Chapter 647 to be entitled "Local Economic Revitalization Tax Assistance" and pursuant to the Local Economic Revitalization Tax Assistance Act said Ordinance will establish tax exemptions for real property located within deteriorated areas of the City designated by City Council, specifically for purposes of this Ordinance, certain parts of the downtown section of the City; providing for the implementation thereof, including the contingency of adoption of concurrent legislation by the County of Blair and the Altoona Area School District. (LERTA ORD.)

The LERTA ordinance was read by City Clerk Linda Rickens Schellhammer and introduced by the Governing Body

Introduction

An Ordinance of the City of Altoona, in the County of Blair, Commonwealth of Pennsylvania, appropriating specific sums estimated to be required for the specific purposes of the municipal government, hereinafter set forth, during the year 2014. (2015 BUDGET) (FIRST READING)

The ordinance was read by the City Clerk who asked for a motion to introduce the Budget Ordinance; Councilman Haire motioned for the budget to pass the first reading; the City Clerk asked for a second to the motion and there was no second

At this time Council discussed the proposed budget as follows: Mayor Pacifico asked Council to discuss the budget at this time stating 6.3 mills is not necessarily good but there is reassessment coming and the Home Rule form of government coming; Councilman Butterbaugh reminded that Home Rule does not start until January 1st and nothing happening in this budget has to do with Home Rule; Mayor Pacifico stated revenue has to increase and Council should decide to do things with an incremental increase and Home Rule will reduce some of the property tax by transferring to Earned Income Tax and taking some of the burden off of the elderly residents on fixed incomes; Councilman Kelley stated it could be done now because we are in Act 47; City Solicitor stated the Act 47 Plan asked for the City to increase Earned Income Tax (EIT) beyond 511 purposes and it didn't ask for the City to increase the real estate taxes beyond 3rd Class City Code and it had the City going to the maximum of 30 mills hard cap with court approval; Councilman Haire asked if the City needs permission to raise EIT; Larry Clapper stated yes because it is under Act 47 and the City is already at the maximum under Act 511; Act 47 allows the City to go beyond the limit and to impose a tax on non-residents as well and is known as the commuter tax

Mayor Pacifico asked if Council could come to an agreement between all of Council and earmark the money for paving or to flight blight; Councilman Butterbaugh is in favor of allocating for paving; Councilman Haire asked for a number that all would be comfortable with and asked Council to consider a 3 mill increase split between paving and the reserve fund; Councilman Cagle stated raising taxes needs to be discussed; Councilman Haire stated Council can discuss it at this meeting; Councilman Kelley asked if this was in addition to what was covered in the proposed Capital Budget and it could have been discussed Monday night at the worksession; Councilman Haire stated the City has gone ten years doing 50% of the paving that needs to be done and the roads are deteriorating and they need to be caught up; 3 mills would provide over one half of a million dollars and some could go to paving and some to contingency

Interim City Manager Peter Marshall stated the 1.3 is in the capital budget and the 5 mill increase is permitted under the current revision of 3rd Class City

Code and they are two different areas; Councilman Cagle stated there are different scenarios and Council does not need to put anything in the contingency fund and Council does not need to raise taxes to the proposed level; Peter Marshall stated Council would be placing \$867,000 into contingency with a 5 mill increase; Peter Marshall also reminded Council that they would need to include the \$45,000 for Central Blair Recreation which is not currently allocated because the request came in after the proposed budget was complete; Councilman Butterbaugh asked about the need for the recreation money; Councilman Cagle stated they were operating on a budget from 1994 and they had an expense increase to include insurance; the Commission is also asking the other members, Logan Township and the Altoona School District, to increase their funding which is proportional; Councilman Cagle stated he agrees the streets are an area of concern but he is not sure if \$400,000 will have an impact

Public Works Director Dave Diedrich stated they need to put down 15,000 tons per year to be on a 25 year cycle; in 2014 the City paid \$70.00 per ton at 1.5 million; a 25 year cycle is 7 miles so \$400,000 will get two more miles; \$800,000 will get four more miles; to be on the cycle the City needs to be on Dave Diedrich stated the City would need to do 12 miles per year which is a 15 year cycle; Dave stated the City has not even been close to a thirty or forty year cycle; Dave stated to be on a 25 year cycle and assuming all was okay when the cycle started would be four million dollars; there are streets that get paved more often due to the traffic volume; Peter Marshall stated Dave is talking about resurfacing only but if a road goes longer and longer it will cost more because it will take more than resurfacing as the road will need to be re-built and will involve more; Councilman Cagle asked what happens to the budget schedule if the budget isn't introduced at this meeting; Larry Clapper stated there are certain deadlines that need to be met; there is also a court hearing on November 21st; also in the court petition it was indicated that Council would introduce the budget at the November 12th meeting; the budget also needs to lay open to the public for twenty days from introduction; the millage petition was moved to November as opposed to December, January and even February because it only dealt with real estate and real estate tax bills go out in March so there was some play; under Act 47 the City is required to increase Earned Income Tax (EIT) and that begins January 1st and employers need to be notified; the City will already miss the first deadline of the Department of Community and Economic Development (DCED) where employers can go on the DCED website to get the EIT rate for their municipality in order to deduct from employee wages; the City has to notify individually and it will take time to do before January 1st; it is set up for the budget to be introduced at this meeting, advertised then lay over for twenty days and then adopt on December 10th

Councilman Butterbaugh stated there seems to be two different sides and Council needs to find a middle that all can agree on

Councilman Kelley stated he sees it as there are three different issues which propose three increases in the budget one is the new millage limit increase from 30 mills to 35 mills, the second is the proposed increase in per capita tax and the third is additional millage for debt service in the capital budget; Councilman Kelley stated the three issues need to be looked at individually and then Council can see if there is a consensus on any of them and then make a determination

Councilman Haire asked for the school District's fee for collecting per capita tax; Peter Marshall provided a hand out with the current cost and when he last spoke to the District it sounded like it would be less than 4%; Councilman Haire asked if anyone had a problem with moving forward with per capita being collected by the Altoona Area School District; Councilman Kelley stated he had a problem with it and the remainder of Council did not offer a response

Councilman Haire asked about the 1.3 mills for capital borrowing; Councilman Kelley asked to discuss the specifics of the capital budget on page 59 in the amount of 2.5 million dollars; Peter Marshall said it would be the issuing of bonds or a bank borrowing

Peter Marshall reviewed Capital Budget items as follows: \$15,000 is proposed for storm sewers; \$30,000 for police building security which is from the IT grant as the equipment is failing and over 15 years old; street resurfacing in the amount of six miles; curbing as a part of drainage system to replace old and deteriorated curbing; Peter Marshall stated money for curbing has never been budgeted for and this is just a start and would require the cost of resurfacing if the City did as much as needs to be replaced; ADA ramps are required each time a street is constructed and the amount budgeted is a start; street light conversion is for the change to LED lighting; traffic signal upgrades and guiderail could be anywhere; the City is using block grant money now for street light conversion which is tied to specific areas by income; there will also be \$250,000 from CDBG for street resurfacing; there is no money in the operating budget for streets other than block grant money (CDBG); the City will also be using \$250,000 for Broad Avenue for curbs and sidewalks; the City received a \$500,000 matching grant; the Fire Department will need new personal protective gear; Acting Chief Mike Tofano stated they are getting near the ten year deadline for replacement; the Parking Authority money is for maintenance on the parking garage to include repair, waterproofing and inspection; Councilman Haire asked if that is a normal expense that we give to the Parking Authority each year; Peter Marshall stated in the Capital Program it discusses the year 2015 through 2019 and their needs; Councilman Cagle asked about the IT expenditures and if the number was covered by the bond issue; Peter Marshall stated it was; Mayor Pacifico asked if there were any comments on the Capital Budget; Councilman Haire asked if Council would accept the budget as is and there were no comments; Councilman Haire asked if all were in favor of the 1.3 mills for the

capital program; Councilman Butterbaugh responded he is in favor; Mayor Pacifico stated they are true needs that the City must have

Mayor Pacifico asked if Council was in favor of the 5 mills and if not what would be acceptable; Councilman Kelley stated he could not support an increase above the cap; Councilman Butterbaugh stated it could be argued both ways; Councilman Butterbaugh proposed a 2 ½ mill increase instead of 5 mills; Peter Marshall stated 2 ½ mills equals \$430,450 which could go toward streets and paving, blight removal in terms of lot clean up or demolition, or, split ½ and ½; Councilman Haire proposed \$100,000 toward blight and \$285,450 toward paving and \$45,000 in the general fund for the Recreation Commission; Councilman Butterbaugh agreed, Councilman Cacciotti agreed, Vice-Mayor Neugebauer agreed and stated he is happy to see money for recreation; Mayor Pacifico agreed; Larry Clapper stated this would raise millage 2 ½ mills to 32.5 mills and the budget ordinance would include the increase in debt millage

City Clerk Linda Rickens Schellhammer repeated the question for a motion for the budget to be introduced and pass the first reading with the amendments made tonight which was made by Councilman Haire and seconded by Councilman Butterbaugh; a vote for the budget to pass the first reading was taken and passed 5 - 2; Councilman Cagle voted no; Councilman Kelley voted no

ORDINANCES

Introduction

An Ordinance of the City of Altoona amending the Code of the City of Altoona Chapter 646 entitled "Taxation" by deleting and repealing Article VIII thereof entitled , "Earned Income and Net Profits Tax", and replacing the same with a new Article VIII, to levy a tax on earned income and net profits of both residents and certain non- residents of the City of Altoona in excess of the limits established under the local tax enabling law as permitted by the municipalities financial recovery act for general revenue purposes and to levy a tax on earned income and net profits of both residents and certain non-residents for the special purpose of raising revenue to defray costs related to the pension plans of the City of Altoona; requiring tax returns; requiring employers to withhold and remit tax; and related provisions. (EIT ORD.)

The ordinance was read by the City Clerk and motion for introduction was made by Councilman Butterbaugh and seconded by Councilman Haire; a vote was taken on the introduction and passed 7 to 0 with all present

Introduction

An Ordinance of the City of Altoona, in the County of Blair, Commonwealth of Pennsylvania, fixing the tax rate for the year 2015. (2015 TAX MILLAGE)

The ordinance was read by the City Clerk and motion for introduction was made by Vice-Mayor Neugebauer and seconded by Councilman Butterbaugh; a vote for the tax millage ordinance to pass the first reading was taken and passed 5 – 2 with all present; Councilman Cagle voted no; Councilman Kelley voted no

DISCUSSION ITEMS & ANNOUNCEMENTS– Mayor Pacifico thanked Parade Marshal Floyd Dutton and the Blair County War Veterans Council for the excellent job they did putting on the Veterans Day Parade

Mayor Pacifico thanked Representative McGinnis for getting the 17th Street Bridge renamed

Mayor Pacifico announced that he appointed Councilman Butterbaugh and Councilman Haire to the Transition Committee and Vice-Mayor Neugebauer to serve as the alternate member

City Clerk Linda Rickens Schellhammer read an email from Government Study Commission Chairman Wayne Hippo stating he appointed himself, Richard Fiore Jr. and Robert Kutz to the Transition Committee with Beverly Green as the alternate member

The appointments are contingent upon the certification of the election by the Blair County Board of Elections.

MEDIA – media attendance included Bill Kibler, *Altoona Mirror* and Steve Willet, WRTA and Ben Manning, WTAJ TV-10 who had several questions of Council and staff

ADJOURNMENT – by Mayor Pacifico at 8:45 p.m.