I, LINDA A. KELLEHER, City Clerk of the City of Reading, Pa., do hereby certify, that the foregoing is a true and correct copy of the original ..... passed by the Council of the City of Reading, on the ..... day of ..... A. D. 20 10, Witness my hand and seal of the said City this ..... day of ..... A. D. 20 10.

..... CITY CLERK

Reading, Pennsylvania
Bill No. 26 of 2010

An Ordinance Adopting and Approving the Implementation of the Recovery Plan, dated May 6, 2010, Prepared by the Recovery Plan Coordinator Pursuant to the Municipalities Financial Recovery Act and Authorizing and Instructing the City Solicitor and City Clerk to Prepare for Enactment, Adoption and Execution any Ordinances, Resolutions, Agreements and Other Documents Necessary for the Implementation of the Recovery Plan.

WHEREAS, upon petition duly filed with the Commonwealth of Pennsylvania, Department of Community and Economic Development (hereinafter "Department") pursuant to the Municipalities Financial Recovery Act, Act 47 of 1987 (hereinafter "Act"), the City of Reading was declared a financially distressed municipality on November 12, 2009; and

WHEREAS, the Act provides that a Plan Coordinator be appointed for distressed municipalities and that a Recovery Plan be prepared by the Coordinator; and

WHEREAS, Public Financial Management was appointed as the Plan Coordinator (hereinafter "Coordinator") on December 7, 2009; and

WHEREAS, the Coordinator prepared in accordance with the Act the Recovery Plan, and on May 6, 2010, filed the Recovery Plan with the City Clerk; and

WHEREAS, following receipt of public written comments and following a public meeting on the Recovery Plan held on May 19, 2010, the Coordinator filed a revised Recovery Plan with the City on May 28, 2010; and

WHEREAS, the Council of the City of Reading has determined that it is in the City's best interest to adopt the Recovery Plan at this time.

NOW THEREFORE, be it ordained and enacted by the City of Reading, and it is hereby ordained and enacted by authority of the same as follows:

SECTION 1. The Council of the City of Reading hereby adopts the Recovery Plan for the City of Reading as prepared and submitted by the Coordinator on May 6, 2010, including subsequent amendments thereto, if any, pursuant to the Act, as amended. The Council of the City of Reading hereby approves the implementation of

the Recovery Plan for the City of Reading as prepared and submitted by the Coordinator on May 6, 2010, including subsequent amendments thereto, if any, pursuant to the Act, as amended.

SECTION 2. The City Clerk and City Solicitor are hereby authorized and instructed to prepare for adoption any necessary related ordinances, resolutions, agreements and other documents and revisions to ordinances, resolutions, agreements and other documents necessary to implement the Recovery Plan.

SECTION 3. Council President and the Mayor and other appropriate City officials are authorized and instructed to execute any and all documents necessary to implement the Recovery Plan.

SECTION 4. In the event that any provisions, section, sentence, clause or part of this Ordinance shall be held invalid, such invalidity shall not affect or impair any remaining provision, section, sentence, clause or part of this Ordinance, and the remaining provisions shall remain in full force and effect.

SECTION 5. All Ordinances or parts of Ordinances not in accord with this ordinance are hereby repealed insofar as they conflict hereby.

SECTION 6. This ordinance shall be effective ten (10) days after its adoption and approval by the Mayor, or repassage by City Council over the Mayor's veto, in accordance with Section 219 of the City of Reading Home Rule Charter, or as set forth in Section 221 of the City of Reading Home Rule Charter.

ORDAINED AND ENACTED into a law by Council on June 11, 2010.

Vaughn Spencer, President of Council

Attest: _____
Linda Kelleher City Clerk

{J0804146.1}

Submitted to Mayor: _____
Date 6.11.10

Received by the Mayor's Office: _____
Date: 6/11/10

Approved by Mayor: _____
Date: 6/11/10

Vetoed by Mayor: _____
Date: _____

Act 47 Financial Recovery Plan
Summary of Implementation Initiatives

Ref.	Domain	Initiative Summary	Timeline	Responsible
PI01	Plan Implementation	Implementation Committees Established	June, 2010	Coordinator
PI02	Plan Implementation	Deploy Implementation Action Teams		Coordnator, Admin, Council
PI03	Plan Implementation	Establish a Citizens Advisory Committee	July, 2010	Mayor
PI04	Plan Implementation	Establish a Loaned Executive Program		Coordnator, Admin, Council
PI05	Plan Implementation	Publish a Performance Measurement Report	August, 2010	Managing Director
PI06	Plan Implementation	Increase Participation in Regional Organizations		Admin
PI07	Plan Implementation	Create Teams to Study Authority and Joint Working Options	August, 2010	Admin, Coordinator
DS01	Debt Service	Unfunded Debt Transaction		Finance Director
DS02	Debt Service	Terminate Swap Agreement on 2002 CABs		Finance Director
DS03	Debt Service	Terminate the 2008 Swap Agreement		Finance Director
DS04	Debt Service	Discontinue Use of Swoop Funding		Finance Director
DS05	Debt Service	Continue Efforts to Find Alternatives to Wastewater Capital Funding		Finance Director
DS06	Debt Service	Adopt, Comply With, Debt Policies		Finance Director
WF01	Work Force	Use Professional Assistance for Labor Negotiations		Managing Director, HR
WF02	Work Force	Establish Labor-Management Committee for All Employee Groups		Managing Director, HR
WF03	Work Force	Limit New Contract Enhancements		Managing Director, HR
WF04	Work Force	Eliminate FOP Expenditure Reduction Bonus		Managing Director, HR
WF05	Work Force	Eliminate Free Employee Parking		Managing Director, HR
WF06	Work Force	Ensure Collective Bargaining Agreements Comply with Recovery Plan		Managing Director, HR

WF07	Work Force	Implement Three-Year Wage and Step Freeze	Immediate	Managing Director, HR
WF08	Work Force	Implement Three-Year Wage and Step Freeze for First Level Supervisors	Immediate	Managing Director, HR
WF09	Work Force	Reduce Management Salaries by 2.5% in 2011	January, 2011	Managing Director, HR
WF10	Work Force	New Pay Scale for New Police Officers	January, 2012	Managing Director, HR
WF11	Work Force	New Pay Scale for New Firefighters	January, 2011	Managing Director, HR
WF12	Work Force	Freeze Longevity Pay and Eligibility		Managing Director, HR
WF13	Work Force	Reduce Holidays from 14 to 10		Managing Director, HR
WF14	Work Force	Retain the Right to Use Furlough Days		Managing Director, HR
WF15	Work Force	Adjust OT Eligibility Threshholds to Reflect Hours Actually Worked		Managing Director, HR
WF16	Work Force	Reduce Vacation Leave	January, 2011	Managing Director, HR
WF17	Work Force	Reduce Sick Leave Allotments	January, 2011	Managing Director, HR
WF18	Work Force	Amend Sick Leave Incentive Program	January, 2011	Managing Director, HR
WF19	Work Force	Improve Sick Leave Monitoring		Managing Director, HR
WF20	Work Force	Court-Related Overtime Reduction Strategy	January, 2012	Managing Director, HR
WF21	Work Force	Amend IAFF Overtime Calculation to Reflect Shift Change	January, 2011	Managing Director, HR
WF22	Work Force	Amend IAFF Minimum Overtime Provision	January, 2011	Managing Director, HR
WF23	Work Force	Remove Disincentive for Mutual Aid in IAFF Contract	January, 2011	Managing Director, HR
WF24	Work Force	Redesign Employee Health Care	January, 2011	Managing Director, HR
WF25	Work Force	Contain Post-Retirement Healthcare Costs	June, 2010	Managing Director, HR
WF26	Work Force	Other Health Care Cost Containment Measures		Managing Director, HR
WF27	Work Force	Enhance Light Duty Program		Managing Director, HR
WF28	Work Force	Retain Flexibility to Replace Employees After 6 Months		Managing Director, HR
WF29	Work Force	Retain Flexibility to Assign Firefighters to Other Duties as Needed	January, 2011	Managing Director, HR
WF30	Work Force	Review and Restructure Fire Academy Training	January, 2011	Managing Director, HR
WF31	Work Force	Change First Step in IAFF Grievance Procedure	January, 2011	Managing Director, HR
PN01	Pension/Post-Employment	Take Advantage of Act 47 Remedies	January, 2011	Finance Director
PN02	Pension/Post-Employment	Deposit 2007 Unpaid MMO Balances	September, 2010	Finance Director
PN03	Pension/Post-Employment	Do Not Provide Benefits Above Mininimums for Third Class Cities		Finance Director, Solicitor
PN04	Pension/Post-Employment	Comply with the Internal Revenue Code	January, 2011	Pension Administrator

PN05	Pension/Post-Employment	Eliminate Firefighters OT from Pension Calculations for New Firefighters	January, 2011	Finance Department, Managing Director
PN06	Pension/Post-Employment	Eliminate the DROP Program		Finance Department, Managing Director
PN07	Pension/Post-Employment	Explore Defined Benefit Program for New Employees	December, 2010	Finance Department, Managing Director
PN08	Pension/Post-Employment	Make Partial Pension Payment Earlier in the Year	January, 2011	Finance Department
PN09	Pension/Post-Employment	Explore Defined Contribution Plan for Retiree Medical Costs		Finance Department, Managing Director
PN10	Pension/Post-Employment	Eliminate Post-Retirement Life Insurance for New Hires	January, 2011	Finance Department, Managing Director
OM01	Office of the Mayor	Work With Council on Ordinances Required to Enact Recovery Plan	Ongoing	Mayor, Council, Clerk
CC01	City Council	Enact Ordinances Required Under Act 47 Recovery Plan	Ongoing	Council, Clerk
CC02	City Council	Hold Annual Town Hall Meeting on the City's Progress	Ongoing	Council, Clerk
CA01	City Auditor	Support Recovery Plan Implementation, External Audits	Ongoing	City Auditor
CA02	City Auditor	Establish Process for Responding to External Audits	Ongoing	City Auditor
CA03	City Auditor	Complete Post-Completion Audits on Capital Projects	Ongoing	City Auditor
FI01	Finance Department	Cash Flow Reporting and Monitoring		Finance Director
FI02	Finance Department	Develop Annual Budget Document		Finance Director; Tax/Budget Manager
FI03	Finance Department	Create a System to Charge Back Expenses to Departments		Finance Director; Tax/Budget Manager
FI04	Finance Department	Quarterly Financial Reporting		Finance Director
FI05	Finance Department	Strengthen Procurement Controls	July, 2010	Finance Director, Purchasing Manager
FI06	Finance Department	Establish Process for Coordinating, Responding to External Audits		Finance Director, Auditor
FI07	Finance Department	Fund Balance Policies		Finance Director
FI08	Finance Department	Transfer Tax Collection to Other Entities		Finance Director, Tax/Budget Manager
FI09	Finance Department	Eliminate the Call Center or Equivalent Costs ($160,000)		Finance Director
FI10	Finance Department	Centralize Billing and Other Administrative Functions		Finance Director
FI11	Finance Department	Reduce Manual Processes		Finance Director
FI12	Finance Department	City-Wide Reduction of Non-Personnel Expense by 12.5%		Finance Director, Department Heads
FI13	Finance Department	Monitor and Manage Utility Services		Finance Director
FI14	Finance Department	Develop a Performance Management System		Finance Dirctor
IT01	Information Technlogy	Move IT Support for the Police to Berks County	December, 2010	Finance Department, Police
IT02	Information Technlogy	Help Other Departments Improve Their Use of Technology		Managing Director, IT, Department Heads
IT03	Information Technlogy	Pursue Shared Services for IT, Other Services, with Berks County		Managing Director, Finance

CB01	Capital Improvement	Create an Annual Capital Improvements Plan	Mayor, Finance Director
CB02	Capital Improvement	Increase Involvement in CIP Process By Other Departments	Mayor, Finance Director
CB03	Capital Improvement	Enhance Communication Between City, Utilities	Mayor, Finance, Public Works
CB04	Capital Improvement	Capital Budget Financing	Mayor, Finance Director
HR01	Human Resources	Establish a First Source Employment Referral System	HR, Managing Director, Business Analyst
HR02	Human Resources	Complete a City-Wide Job Study; Update Job Descriptions	HR
HR03	Human Resources	Establish a Performance Review Process	HR
HR04	Human Resources	Strengthen Employee Training	HR, Department Directors
HR05	Human Resources	Continue to Create Internship and Apprentice Opportunities	HR
HR06	Human Resources	Study Span of Control	HR
HR07	Human Resources	Outsource Payroll Processing	HR
HR08	Human Resources	Develop a Performance Management System	HR
RM01	Risk Management	Develop Policies to Review Employees' Driving Records	HR, Department Directors
RM02	Risk Management	Obtain Damage Estimates to Improve Cost Recovery	HR
RM03	Risk Management	Review Excess Liability Coverage	HR
RM04	Risk Management	Update Insurance Specifications	Solicitor
HC01	Human Relations	Evaluate HRC Staffing	HR
LW01	Law	Manage and Reduce the Use of Outside Council	Solicitor
LW02	Law	Revies All Statutes, Ordinance & Charter to ID Outside Counsel Needs	Solicitor
LW03	Law	Implement a Time Tracking System	Solicitor
LW04	Law	Use Professional Assistance for Labor Negotiations	Solicitor
RL01	Library	Participate in Restructuring of Library	Managing Director, Council
FD01	Fire Department	Change Shift Schedule	Managing Director, HR, Fire
FD02	Fire Department	Restructure EMS Basic Life Support Staffing Plan	Fire Chief; Deputy EMS Chief
FD03	Fire Department	Establish Part-Time EMS Positions for Vacancies, Stand-By Events	Fire Chief; Deputy EMS Chief
FD04	Fire Department	Implement Engine Company Inspection Program	Fire Chief; Deputy EMS Chief
FD05	Fire Department	Evaluate Further Consolidations of Fire Stations	Mayor, Managing Director, Fire Chief
FD06	Fire Department	Adjust Alarm Ordinances to Reflect Costs	Fire Chief; Fire Marshall
FD07	Fire Department	Institute an Incident Response Fee	Fire Chief; Finance Director

FD08	Fire Department	Improve Department Use of Technology		Managing Director; Fire Chief; Finance
FD09	Fire Department	Pursue Joint Purchase of Ladder Truck; Intergovernmental Initiatives		Fire Chief
FD10	Fire Department	Develop a Performance Management System		Managing Director; Fire Chief
PD01	Police Department	Continue Discussions Re: Moving Dispatch to County		Managing Director; Police Chief
PD02	Police Department	Reduce Headcount in 2012		Finance Director; Police Chief
PD03	Police Department	Explore Regional Bomb Squad		Police Chief
PD04	Police Department	Intergovernmental Cooperation Initiatives		Finance Director; Police Chief
PD05	Police Department	Discontinue Leasing of Patrol Cars		Finance Director; Police Chief
PD06	Police Department	Improve Cost Recovery for Private Duty Overtime		Finance Director; Police Chief
PD07	Police Department	Full Cost Recovery for Coverage of Reading Housing Authority		Finance Director; Police Chief
PD08	Police Department	Resume Billing for Burglar Alarms		Finance Director; Police Chief
PD09	Police Department	Establish Arson Investigation Unit with Fire Department		Fire Chief; Police Chief
PD10	Police Department	Track Overtime by Category		Finance Director; Police Chief
PD11	Police Department	Establish a Performance Management System		Managing Director; Police Chief
PW01	Public Works	Review City Fleet Policies, Practices and Needs		Director of PW, Purchasing, Managing Director
PW02	Public Works	Develop Comprehensive List of City Vehicles	July, 2010	Director of PW
PW03	Public Works	Explore Fleet Maintenance Contracts with Other Entities		Director of PW; Garage
PW04	Public Works	Initiate E-Bay Sales of Surplus Vehicles and Equipment		Director of PW, Purchasing
PW05	Public Works	Develop Multijurisdictional Vehicle and Equipment Organization		Director of PW, Purchasing, Managing Director
PW06	Public Works	Initiate Second Shift at Garage for Routine Maintenance		Director of PW; Garage
PW07	Public Works	Purchase and Implement Use of Fleet Management Software		Director of PW; IT
PW08	Public Works	Charge Back Expenses to Departments		Managing Director; Finance; Public Works
PW09	Public Works	Explore Public Works Apprentice Program (Fleet Maintenance)		HR; Public Works
PW10	Public Works	Explore Contract Maintenance of All Parks		Director of PW
PW11	Public Works	Evaluate Parks; Close, Dispose of Under-Used Parks		Managing Director; Director of PW
PW12	Public Works	Combine Parks and Property Maintenance Divisions		Director of PW
PW13	Public Works	Transfer Engineering Division to Administration Division		Director of PW
PW14	Public Works	Maintain Transfers from the Sewer Fund		Finance Director, Director of PW, Solicitor
PW15	Public Works	Establish and Maintain a Utility Cut Permit Program		Director of PW; Engineering

PW16	Public Works	Improve Department Use of Technology		Managing Director; Finance; Public Works
PW17	Public Works	Continue to Explore Establishing Reading Recreation Commission		Mayor, Managing Director, Council
PW18	Public Works	Develop a Performance Management System		Director of PW
PW19	Public Works	Create a Stormwater Utility		Managing Director; Finance; Public Works
PW20	Public Works	Evaluate Special Assessment to Recover Street Expenditures		Managing Director; Finance; Public Works
PW21	Public Works	Resolve Public/Private Ownership of Street Lighting		Director of PW
PA01	Authorities	Negotiate Additional Annual Payments from RAWA		Managing Director; Finance; RAWA
PA02	Authorities	Negotiate Additional Annual Payments from RPA		Managing Director; Finance; RAWA
PA03	Authorities	Explore Options for Additional Authorities to Provide Services		Finance Director; Department Directors
PA04	Authorities	Explore Transfer of City Employees to RAWA		HR; Finance Director
CD01	Community Development	Establish Additional ZHB Meetings to Resolve Backlog		CD Staff
CD02	Community Development	Close Out Upaid CD Loans		CD Director; Finance Director
CD03	Community Development	Improve Department Use of Technology		CD Director; IT
CD04	Community Development	Update Comprehensive Plan		CD Director; Grants Coordinator
CD05	Community Development	Develop a Performance Management System		CD Director
CE01	Property Maintenance	Clear Rental Housing Inspection Backlog		Business Analyst
CE02	Property Maintenance	Institute Two-Year Permitting and Inspection for Rental Housing		Codes Administrator; Police Chief
CE03	Property Maintenance	Consider Expanding Shift Coverage to Include Evenings, Weekends		Managing Director; Codes Admin; PD Chief
CE04	Property Maintenance	Improve Department Use of Technology		Business Analyst
CE05	Property Maintenance	Cross-Train Fire and Building Inspectors		Codes; Police; Fire; CD Director
CE06	Property Maintenance	Assemble and Systematically Deploy Codes Enforcement Teams		Codes; Police; Fire; CD Director
CE07	Property Maintenance	Increase 'No Show' Fees for Codes Inspections		Codes; Police
CE08	Property Maintenance	Consider Adding Pre-Sale Inspections		Managing Director; Codes Admin
CE09	Property Maintenance	Develop a Performance Management System		Codes Administrator; Police Chief
HS01	Housing	Designate a Housing Manager	August, 2010	Mayor; Managing Director
HS02	Housing	Develop a Comprehensive Housing Strategy		Mayor; Managing Director; Housing Czar
HS03	Housing	Evaluate Use of CD Funds		Managing Director; CD Director; Housing Czar
ED01	Economic Development	Develop Local ED Partnership and Strategy		Mayor, RRA, CD Director; Diversity Officer