

December 1, 2014
Middletown, PA 17057

The December 1, 2014 meeting of the Middletown Borough Council was called to order at 7:00 p.m. by Council President Christopher R. McNamara.

Following the Pledge of Allegiance, the following Council members answered roll call: John Brubaker, Anne Marino Einhorn, Benjamin Kapenstein, Robert Louer, Victoria Malone, Christopher R. McNamara, and Scott Sites. Council members Tom Handley and Sue Sullivan were not present for this meeting.

Also present were Mayor James H. Curry III, Borough Manager Tim Konek and Borough Secretary Amy Friday.

Councilor Kapenstein made a motion to amend the meeting's agenda to move the Executive Session and Public Comment prior to the 2015 budget presentation. The motion was seconded by Councilor Louer and approved by a unanimous aye vote. Councilors Handley and Sullivan were absent from voting.

The meeting opened with a brief executive session during which Council discussed matters pertaining to real estate. Following the executive session, Council acted on two matters it had discussed in that session.

Councilor Louer made a motion authorizing the Borough Council President to execute an agreement with Arrow Land Solutions, LLC which would allow the Borough and its solicitors to enter into talks with PENNDOT and its real estate representatives. The motion was seconded by Councilor Kapenstein and passed by a unanimous 7-0 vote. Councilors Handley and Sullivan were absent from voting.

Council President McNamara explained this measure paves the way for negotiations regarding PENNDOT's plans to acquire the old highway department shed off Grant Street as part of the AMTRAK station project.

Councilor Kapenstein made a motion to give Borough Council President the authority to execute a proposed agreement with the Greater Middletown Economic Development Corporation which would establish a plan for GMEDC to repay the Borough \$17,192 which must be repaid to the state as a result of an audit of a grant which was passed through to GMEDC. The motion was seconded by Councilor Malone and approved by a 6-0 vote, with the condition that it be reviewed by the Borough's solicitor prior to the agreement being executed. Councilor Einhorn abstained and Councilors Handley and Sullivan were absent from voting.

Public Comment – Action Items on Agenda

Dawn Knull, 123 State Street

Ms. Knull commented on the winter weather maintenance plan. She asked if there is a signed contract with PENNDOT to do our state roads. Council President McNamara stated the winter weather maintenance plan is different from the contract that we had with the State, which will not be signed due to a pending manpower issue within the public works department in January 2015. Ms. Knull commented on PENNDOT's list of roads to plow and where Middletown falls on that list. Council President McNamara stated last year's contract with PENNDOT was a snow removal contract, not a contract to plow streets.

Jack Still, 37 West Emaus Street

Mr. Still commented on the winter weather maintenance plan stating he can understand not doing the flat roads, but you are going to look foolish when you get up hills.

Rachelle Reid, 448 Grant Street

Mr. Reid commented on where Middletown is going to be on PENNDOT's list to plow stating they will be at the bottom of the list. She reported if we get a blizzard, Middletown will be forgotten and may get a pass through once every five hours and that depends if PENNDOT can keep up with the interstate. Ms. Reid said you are going to have a problem if you can't get that fire house out to Frey Village.

Diana McGlone, 805 Adelia Street

Ms. McGlone asked each Council member to donate either money or a gift card for their Holiday House Decorating contest. She mentioned they solicited businesses as well to donate and/or sponsor some of contests. Ms. McGlone reported the entries are free for residents of the Borough and the homes will be judged by Mayor Curry and his family.

Ms. McGlone requested each Council member donate their stipend for the month of December and/or a \$25 gift card and she extended an invitation to Council President McNamara and Chief Bey to join Mayor Curry on the outing. She mentioned the donations can be given to her or Mayor Curry by December 13, 2014.

Councilor Einhorn stated she will donate a gift card from one of the local businesses.

Ms. McGlone recommended the contest be announced on the Borough Facebook page and website. She said it is open to Middletown residents only with the possibility of extending it to neighboring towns next year.

2015 BUDGET PRESENTATION

Mr. Mark Morgan, the Borough's financial advisor under the Early Intervention Plan, presented the proposed 2015 budget. The full spending plan will be posted on the Borough's web site and available for public inspection in a few days once the public presentation version is prepared and advertised.

Mr. Morgan stated, due to the combination of a 24-percent increase in health care coverage costs, and the fact that the first annual payment from United Water under the water-sewer lease agreement is not due until January of 2016; the Borough is facing a revenue shortfall of approximately \$725,000.

Mr. Morgan presented three options for addressing the shortfall:

1. Drawing an additional \$780,000 from the Electric Rate Stabilization Trust Fund
2. Raising property taxes by 0.5 mills and increasing electric rates by one cent per kilowatt hour, or
3. Increasing electric rates by one cent and cutting two positions from the Borough's work force.

Council also suggested possibly being able to cover the shortfall with funds that would be leftover from the initial upfront payment from United Water, most of which is designated to be used to pay off the Borough's debt and to fund the unfunded post retirement obligations (pension and other retiree benefits) to Borough employees.

Councilor Louer made a motion to advertise all three options while referring the matter to the Finance Committee, which will meet December 8, 2014. The Finance Committee will make a recommendation to the full Council at its December 15, 2014 meeting. The motion was seconded by Councilor Malone and approved by a unanimous 7 – 0 vote. Councilors Handley and Sullivan were absent from vote.

Councilor Kapenstein made a motion to adopt Ordinance 1309 establishing the rates, service charges and fees as provided in the municipal water and wastewater utility system concession and lease agreement.

This ordinance brings the language, in the Borough's water-sewer rate ordinances, into conformity with the terms of the lease agreement with United Water. This does not increase current rates.

The motion was seconded by Councilor Malone and approved by a unanimous 7 – 0 vote. Councilors Handley and Sullivan were absent from vote.

Councilor Malone made a motion to authorize the Borough Assistant Finance Director, Linda Houser, to establish bank accounts with PSDLAF for the Water/Sewer Lease transaction.

This measure allows Borough staff to establish a number of separate fund accounts in conjunction with the United Water lease transaction. One fund will be designated for the portion of the money from the lease deal which will be used to fund the Borough's obligation to each of the Borough's pension plans (police and non-uniform).

The motion was seconded by Councilor Louer and approved by a unanimous 7 – 0 vote. Councilors Handley and Sullivan were absent from vote.

Councilor Brubaker made a motion to approve the Transparency Matters, LLC Police Department proposal.

This is a proposal to enter into an agreement with Transparency Matters LLC for a "diagnostic assessment audit" of the police department. Police Chief John Bey had requested the assessment through the Public Safety Committee.

The motion was seconded by Councilor Louer and failed by a 6 – 1 vote, with Councilor Louer voting in favor of the motion. Councilors Handley and Sullivan were absent from vote.

Council members voting against the proposal cited their concerns about the costs, since the agreement established an hourly rate for Transparency Matters' services and did not give a complete total or contain a cap. Also, Council members stated they would like to be provided with more detailed information about the scope of the proposal.

Councilor Brubaker made a motion to approve the Transparency Matters, LLC Police Department proposal with a limitation of a \$10,000 cap set on the total cost for services. The motion was seconded by Councilor Louer and failed by a 4 – 3 vote with Councilors Louer, Brubaker and Council President McNamara voting in favor of the plan; Councilors Sites, Einhorn, Kapenstein and Malone voting against the plan. Councilors Handley and Sullivan were absent from vote.

Councilor Louer made a motion to adopt the Winter Weather Maintenance Plan.

The Public Works Department's revised winter weather maintenance plan makes provisions for the changes needed due to the water-sewer lease.

The motion was seconded by Councilor Brubaker and approved by a 5-2 vote, with Councilors Einhorn and Kapenstein dissenting. Councilors Handley and Sullivan were absent from vote.

Councilor Louer made a motion to recommend awarding the demolition bids for projects #1 and #3 to SDL Construction, LLC. project #1 in the amount of \$20,580.00 and project #3 in the amount of \$29,900.00 and to acknowledge project #2 to A.T.O. Excavating, Inc. in the amount of \$9,800.00 and project #4 to SDL Construction, LLC. in the amount of \$45,650.00.

Borough Manager, Tim Konek, reported one project involves the demolition of two homes that were part of the FEMA/PEMA HMGP flood buyout program and another involves the demolition of the small building on the northeast corner of Union and Emaus streets, which are owned by the Middletown Industrial and Commercial Development Authority. The ICDA will pay for that project, which was made a part of the Borough's bid project in an effort to achieve some economies of scale.

Borough Manager, Tim Konek, reported the low bidders were acknowledged for the demolition of a flood damaged commercial building at 725 Maple Street and two blighted properties – a fire damaged home on South Catherine Street and the "leaning house" at the corner of Nissley Street and Mattis Avenue. Those contracts cannot be rewarded until the property acquisition process is completed, but by acknowledging the low bids, those bids will remain valid until March of next year.

The motion was seconded by Councilor Brubaker and approved by a 4 – 3 vote, with Councilors Sites, Kapenstein and Einhorn dissenting. Councilors Handley and Sullivan were absent from vote.

Public Comment

Jack Still, 37 West Emaus Street

Mr. Still commented on the electric rate by ordinance and stated when we had the PPCA; the electric rate changed every month.

Mr. Still commented on taxes versus electric rate and stated there are more electric meters than there are buildings so he doesn't how raising the taxes is better than raising the electric.

Mr. Still commented on the Borough garage and he stated he hopes the Borough will still retain a mechanic on staff.

Mr. Still inquired if any arrangements have been made to relocate the laundry mat and stated this would be a pretty good business that you would not want to lose.

Rachelle Reid, 448 Grant Street

Ms. Reid commented on Mr. Still's comment of the electric rate fluctuating stating they also had a multiplier in there that made a difference month to month.

Diana McGlone, 805 Adelia Street

Ms. McGlone commented on the electric rate and 2015 budget, citing the raising of the electric rate by 1-percent and taxes. She reported hearing over a month ago that the Borough will be debt free with the water and sewer lease and those words were portrayed on the Borough's Facebook and website pages and press releases, as well as going to the extent to target and

discredit her in the Borough Newsletter in which she and her Attorney are still waiting for a retraction as the Borough Manager of Schuylkill Haven indicated in written correspondence to her and her Attorney that they are looking at that.

Ms. McGlone commented on the 2015 budget and cited spending on the proposal for the police department as well as the cost of the new police station, which was requested by the former Chief of Police. Council President McNamara corrected Ms. McGlone stating the new police station was a decision of this body.

Rachelle Reid, 448 Grant Street

Ms. Reid commented on the new police station is there as a result of when she was on council. Ms. Reid recommends Ms. McGlone leave the issue alone stating it is a battle you can't win.

Mike Bowman, 100 Wilson Street

Mr. Bowman commented on the winter weather maintenance plan asking about the sidewalk maintenance on Union, Main and Vine Streets.

Mr. Bowman commented on raises in retirement pay and medical benefits for some of the council members, stating the Borough still covers 100-percent of retirees and current employees. He asked when are we going to start cutting back on some of this.

Old Business

Councilor Sites discussed the Disabled Parking Space policy and provided Council with a proposed revamp of the policy provided by Jeffrey Miller, Borough Code Enforcement officer. He stated this will be discussed on Wednesday at the Public Safety Committee meeting.

New Business

Councilor Louer made a motion to authorize the Chief of Police to conduct ride a longs in accordance with the guidelines and that the Chief furnish a report to the Mayor and Public Safety Committee on a monthly basis as to who and how many are occurring.

Mayor Curry stated you are trying to circumvent the chain of authority. He stated the Chief already has his order on what to do with ride a longs. Mayor Curry stated you can pass that, but you don't have operational powers, so he will do what I say.

Councilor Brubaker asked why some people were allowed to ride and others were not. Mayor Curry stated now that Chief Bey is onboard anybody is welcome to do ride a longs, but you must submit a request to the Chief and he and the Chief will review it and get the people to sign off on the forms and then we will assign them to an officer. He stated what we are not going to have is the same people riding with the same officers. Mayor Curry said we are trying to establish a relationship between this body and the police department and he will assign you with the people you won't get along with and then perhaps we will better the relationship that way.

The motion was seconded by Councilor Malone and failed by a 5 – 2 vote, with Councilor Louer and Council President McNamara voting in favor. Councilors Handley and Sullivan were absent from vote.

Councilor Brubaker made a motion to approve and authorize the installation of bullet proof glass, hardening the surrounding wall and installation of a steel security door at the Police Department by 911 Rapid Response in the amount of \$6,084.63.

This was a request by Chief Bey to make the police secretary/reception area of the police station more secure.

The motion was seconded by Councilor Sites and approved by a unanimous 7 – 0 vote. Councilors Handley and Sullivan were absent from vote.

Councilor Louer made a motion to adjourn. It was seconded by Councilor Malone and approved by unanimous consent. At 9:00 p.m., the meeting was adjourned.