

November 15, 2010

EMMAUS BOROUGH COUNCIL

**Emmaus Borough Council
Agenda
Monday, November 15, 2010, 7:00 PM**

1. Call to Order
2. Pledge of Allegiance
3. Personal Appeals, Part I
4. Community Minute
5. Special Presentations
6. Reading of Minutes

November 1, 2010

7. Decisions on Bids

2010 – 2011 Fuel and Oil Bid Results
Town Hall HVAC and Window Bids

8. Communications
 - a. Kris Melnick, Mission Chairperson, Faith Presbyterian Church of Emmaus – Thank you for opportunity to serve Emmaus.
 - b. Daniel Beers, Executive Director, Valley Housing Development Corp. – Thank you for response to recent emergency event at East Penn Place.
 - c. Phyllis Peters, Parish Secretary, Jerusalem Western Salisbury Church – Authorization to replace sign.
9. Borough Engineer's Report
10. Solicitor's Report
11. Unfinished Business, Part I
12. New Business
13. Unfinished Business, Part II
14. Items Not on Agenda, Subject to Rule 9
15. Mayor's Report

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16. Committee Reports

Public Works/(Highway, Water & Sewer) (Labenberg, Brown, Gilbert)

Next Meeting – December 2, 2010 at 3:00 p.m.

- a. I & I Elimination Report
- b. Weiders Lane Status
- c. H2O PA Grant
- d. Broad Street Reconstruction
- e. **South 12th Street Stormwater Project—Sidewalk Issue**

Health, Sanitation, and Conservation (Reinhard, Holtzhafer, Waddell)

Next Meeting – December 9, 2010 at 4:00 p.m.

- a. Refuse/Recycling with Raritan Valley
- b. Compost Options
- c. Borough Hall Energy Audit—HVAC and Window RFP's
- d. Emmaus and Upper Milford Joint Environmental Advisory Council
Recycling Event—November 14th
- e. Board of Health
- f. Riparian Buffer Ordinance
- g. Bollinger Land/Indian Creek Golf Course

Parks and Recreation (Barrett, Holtzhafer, Labenberg)

Next Meeting – December 7, 2010 at 3:30 p.m.

- a. Ice Rink/Skate Park
- b. Geese at Furnace Dam
- c. Emmaus Legion Baseball Field Project
- d. Legion Field Reconstruction Agreement and Leases
- e. Triangle Park – Use Requirements and Guidelines
- f. **EMSP Winter SnowBlast Festival – Triangle Use**

Public Safety (Gilbert, Barrett, Brown)

Next Meeting – November 17, 2010 at 11:00 a.m.

- a. Trailer Truck Parking
- b. Tractor Trailer Unloading
- c. Emergency Operations Plan – Review
- d. Civil Service Commission Rules and Regulations
- e. 200 Block of Seem Street – One Way Westbound
- f. Run Lehigh Valley 5K Race
- g. Animal Control Services—The Sanctuary at Haafsville

General Administration (Waddell, Barrett, Labenberg)

Next Meeting – November 17, 2010 at 9:00 a.m.

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- a. Shade Tree--Tree Fund
- b. Clerical Union Contract Negotiations
- c. Special Event Signs Ordinance

General Administration (continued)

- d. Cintas Update
- e. Website Upgrade
- f. Public Parking Spaces on Jubilee Street
- g. **Appointment of Doug Hall to the Shade Tree Commission (term expires 1/1/2012).**

Budget and Finance (Holtzhafer, Reinhard, Gilbert)

Next Meeting – November 18, 2010 at 3:30 p.m.

- a. **Bill List – Resolution 2010 – 33**
- b. Per Capita Tax Ordinance
- c. Act 44 Election
- d. **Proposed Preliminary 2011 Budget**

Community Relations/Development (Brown, Reinhard, Waddell)

Next Meeting – November 24, 2010 at 4:15 pm.

- a. Parking Deck Feasibility Study
- b. 2009 Anniversary Items and Contents of the 1959 Time Capsule
- c. Emmaus Main Street Program—West End Gateway Sign Presentation
- d. Streetscape Improvement Project
- e. Lanta Metro Meeting Update
- f. 1959 Time Capsule Items

Ad Hoc Committees (Holtzhafer, Barrett, Gilbert, Neely, Mayor Iobst)

Next Meeting – To be determined.

Community/School Relations

- a. Junior Council Member Draft Resolution Review and Application

17. Personal Appeals, Part II

18. Borough Manager's Report

- a. **Significant Revenue and Expense Items for First Half of November 2010**
- b. **Budget Request to General Authority**

19. President's Business

- a. Executive Session – Secretaries Union Negotiations

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20. Adjournment

Next Resolution #34
Next Ordinance #1074

The Emmaus Borough Council met in regular session on November 15, 2010 in Borough Council Chambers, 28 S. 4th Street, Emmaus, PA 18049.

CALL TO ORDER

President Gilbert called the Meeting to order at 7:00 p.m.

Lee Ann Gilbert, President	Present
Brian Holtzhafer, Vice President	Present
Michael Waddell	Present
Brent Labenberg	Present
Wesley Barrett	Present
Nathan Brown	Present
R. Erick Reinhard	Present
Winfield Iobst, Mayor	Present
Frank Procyk, Solicitor	Present
Craig Neely, Borough Manager	Present

PERSONAL APPEALS, PART I

A. Josephine Sadrovitz, 130 N. 4th St., asked what happened to the American Flag that was hanging in the Lower Level of Town Hall. Mr. Neely explained that the Flag is in his office and that the Borough is looking for an historical society to donate the Flag to. Mrs. Sadrovitz stated that in the early 1990's the Flag was taken to Harrisburg to be refurbished and that it dates back to the Civil War. She also stated that removing the Flag was disrespectful to veterans and Borough residents. Mr. Neely stated that Marge Heatly, President of the Emmaus Flag Day Association, authorized the removal of the Flag. Mr. Brown stated that he met with the Flag Day Association in June and that Mr. and Mrs. Sadrovitz were both present at the Meeting when removing the Flag was discussed. He also stated that the Borough is looking for a place to hang the Flag that will bring honor to it.

B. Otto Slozer, 121 E. Elm St., stated that he was on Council when the Flag was presented as a gift to the residents of Emmaus. He also stated that the Flag dates back to the Civil War and that it was disrespectful to the residents to have removed the Flag.

C. Randy Kraft, 4821 Linda Lane, Emmaus, PA, announced that the Emmaus Patch launched its website today at 1:00 p.m. He stated that the website can be viewed at www.emmauspatch.com and encouraged residents to visit it.

D. John Donches, 559 Minor St., stated that he attended the Parks and Recreation Committee Meeting on November 2, 2010 and encouraged Council to abolish the Legion

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Baseball Field Reconstruction Project and start over. He stated that there is no guarantee that the East Penn School District will help fund the Project.

E. Fred Boenig, 117 S. 6th St., stated that there was a large sum of money wasted on engineering costs for the original plan of the ballfield. He also stated that he agrees with Mr. Donches that the Project should be abolished and feels that Council should apologize to Mr. Donches for treating him negatively.

F. Frank Sadrovitz, 130 N. 4th St., feels that the Civil War Flag should not have been removed and that Council should have asked the residents before removing the Flag.

G. Anthony Groller, 1302 S. 10th St., agrees with Mr. Sadrovitz that the Flag should not have been removed. He asked Mr. Neely if Council and residents are aware that the Emmaus High School has a 99 year lease with the Borough concerning the Emmaus Community Park. Mr. Neely responded that he has supplied a copy of the lease to anyone that has asked. Mr. Neely also stated that the lease gives the High School a right to much more than it has ever asked for. Mr. Labenberg commented that he is a Veteran and did not know the history of the Flag. He commented that the Flag was brought up at two previous Council Meetings and there were no Personal Appeals about it.

COMMUNITY MINUTE – None.

SPECIAL PRESENTATIONS – None.

READING OF MINUTES

Motion by Dr. Waddell, seconded by Mr. Brown to dispense with the formal reading of the November 1, 2010 Minutes. There were 7 ayes. Motion carried.

Motion by Mr. Labenberg, seconded by Mr. Brown to adopt the November 1, 2010 Minutes as drafted. There were 7 ayes. Motion carried.

DECISION ON BIDS

Mr. Neely reported that on November 5, 2010, there was 1 bid received, from Farm & Home Oil Company, for the 2010-2011 Heating Oil, Kerosene, Unleaded Fuel, and Diesel Fuel Bids. The bid is for the period of December 1, 2010 to November 30, 2011.

Motion by Dr. Waddell, seconded by Mr. Holtzhafer to award the 2010-2011 No. 2 Heating Oil, Kerosene, Unleaded Fuel, and Diesel Fuel Bid to Inergy Propane, LLC, DBA Farm & Home Oil Company for the period of December 1, 2010 to November 30, 2011. There were 7 ayes. Motion carried.

Mrs. Gilbert stated that the Town Hall HVAC and Window Bids are also on the Agenda. Mr. Neely suggested that the bids be discussed during the Health, Sanitation & Conservation Committee Report.

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COMMUNICATIONS

a. Kris Melnick, Mission Chairperson, Faith Presbyterian Church of Emmaus – Thank you for opportunity to serve Emmaus. Mr. Brown thanked Faith Presbyterian for painting at the Lions Playground, and the community churches for supporting the Borough.

b. Daniel Beers, Executive Director, Valley Housing Development Corp. – Thank you for response to recent emergency at East Penn Place.

c. Phyllis Peters, Parish Secretary, Jerusalem Western Salisbury Church – Request for authorization to replace a sign at the corner of Keystone and Harrison Streets. Referred to the Public Works Committee.

d. Karen Poshefko – Resignation from the Emmaus Shade Tree Commission, effective December 31, 2010.

Motion by Dr. Waddell, seconded by Mr. Barrett to accept the resignation of Karen Poshefko from the Emmaus Shade Tree Commission, effective December 31, 2010. There were 7 ayes. Motion carried.

Mr. Neely and Mr. Barrett thanked Ms. Poshefko for her dedication to the Borough and the Shade Tree Commission. Mr. Barrett read correspondence from Ms. Poshefko about the proposed planting of a Memorial Tree at the Emmaus Community Park. Mr. Holtzhafer asked what is being memorialized. Mr. Barrett responded that the tree is being planted as a request to memorialize a family member.

Motion by Mr. Barrett, seconded by Mr. Brown to authorize Mr. Clapper to provide direction and plant a Memorial Tree at the Emmaus Community Park. There were 7 ayes. Motion carried.

e. Christopher M. Kocher, President, Wildlands Conservancy, 3701 Orchid Place, Emmaus, PA – Thank you to the Borough for the hard work and effort on the new South Mountain Gateway Trail located between Klines Lane and Weiders Lane.

BOROUGH ENGINEER'S REPORT – None.

SOLICITOR'S REPORT

Progress.

UNFINISHED BUSINESS, PART I – None.

NEW BUSINESS - None.

UNFINISHED BUSINESS, PART II – None.

ITEMS NOT ON AGENDA, subject to Rule 9 - None.

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MAYOR'S REPORT

Progress.

COMMITTEE REPORTS

a. Public Works Committee

Mr. Labenberg reported that the Committee met on November 4, 2010. Mr. Neely explained that there was a telephone pole knocked down in a vehicle accident at the northwest corner of 4th and Chestnut Streets. The facilities on the pole were a Victorian lantern, a Main Street Program video camera, and a street light. Bill Stanley, from Janet's Stained Glass, asked that the pole not be replaced. The Committee decided to not have the pole reinstalled, not reinstall the Victorian lamp, and ask the Main Street Program to relocate its camera. The Committee's rationale was that the new light location will offer more illumination to the intersection and the Victorian lantern does not offer much light.

Mr. Neely reported that there will be a 2 foot by 6 ½ foot inlet box installed across the northbound lane of South 12th Street, as part of the stormwater project, to help with water flow. He also reported that there will be a Public Meeting about the Broad Street Reconstruction Project on December 1, 2010 at 7:00 p.m. in Council Chambers. The Meeting will be advertised in the East Penn Press as a Public Works Committee Meeting and all properties on Broad Street will receive notice about the Meeting.

Mr. Neely reported that Guy Washburn lives at 1443 Pennsylvania Avenue and that his is the only property that is part of the South 12th Street Stormwater Project that is required to replace curb and sidewalk. Mr. Washburn's property has a surface drainage culvert on the west side along the road, which he has been maintaining. The Project includes eliminating the culvert and installing storm sewers. Mr. Clapper determined that the sidewalk will need a small retaining wall on the back side because of an existing grade. The work would normally be the responsibility of the homeowner. Mr. Washburn is employed by the Borough in its Public Works Department and recalled a similar project from 2001 in which the Borough installed a box culvert on the west side of Kline's Lane, at its intersection with Main Street, in place of a dangerous open concrete culvert, which installation was part of the repaving of Klines Lane. The Borough paid for the installation of curb and sidewalk over the new box culvert, and well to the south of the intersection, all to the benefit of Jim Flexer, the property owner. Mr. Washburn approached Mr. Neely and spoke to Jeff Clapper about the fact that the Borough paid for Mr. Flexer's sidewalk as part of that drainage improvement project, and wants to know what makes his situation different than Mr. Flexer's to justify his having to pay for all of the improvements. Mr. Labenberg reported that the Committee discussed striking a middle ground with Mr. Washburn and voted to have Mr. Washburn pay for the installation of the curb, while the Borough would pay for the sidewalk and the small retaining wall. Mr. Labenberg stated that there was a motion previously made for the homeowner to pay for all work that is needed. He also stated that at that time it was thought that there would be no need for a retaining wall. He asked Solicitor Procyk the proper procedure for this situation. Solicitor Procyk responded that a new motion will need to be made including the change that is needed. Mr. Labenberg noted that the Project is under Budget.

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Motion by Mr. Labenberg, seconded by Mr. Brown to require Guy Washburn to be responsible for only paying for the installation of curbing at his property located at 1443 Pennsylvania Avenue.

Mr. Barrett asked if the Sidewalk Ordinance differentiates between a road reconstruction project and a road resurfacing project. Mr. Neely stated that the South 12th Street Project is a stormwater reconstruction project but that the roadwork is a resurfacing project. Mr. Holtzhafer questioned whether 1443 Pennsylvania Avenue is the correct address for Mr. Washburn.

Mr. Labenberg amended his Motion, and Mr. Brown amended his second.

Motion by Mr. Labenberg, seconded by Mr. Brown to require Guy Washburn to be responsible for paying for the installation of curbing at his property with the Borough paying for the sidewalk and retaining wall. There were 5 ayes, 2 opposed (Reinhard, Barrett). Motion carried.

Progress.

b. Health, Sanitation, and Conservation Committee

Mr. Reinhard reported that on October 13, 2010 the Borough received two bids for the HVAC and window work. A bid was submitted by Burkholders for the HVAC in the amount of \$102,870. The allocated amount for the project is \$49,800. The bid submitted by Onda-Huyett for the windows was \$19,740. The amount allocated for the project is \$16,840. The only way to award the project is to award both at the same time because the HVAC needs to be in place to do the windows as a result of currently having window air conditioners. The Committee voted 3-0 to reject both bids because there are not enough funds to complete the project. Mr. Labenberg asked if the project would be less expensive if it was completed in phases. Mr. Reinhard responded that Gray Connective performed an Energy Audit and had the project being completed in phases. Burkholders worked in conjunction with Gray Connective on the proposal amount but the bid was for a different amount. Mr. Holtzhafer stated that he recalls that the proposal amount for the HVAC was \$25,000. It was then determined that a page was missing from Grey Connective's proposal and the new amount was for \$49,000. Then the bid amount came in at \$102,870.

Motion by Mr. Reinhard, seconded by Mr. Holtzhafer to reject the bid submitted by Burkholders for the HVAC in the amount of \$102,870 and the bid submitted by Onda-Huyett for the windows in the amount of \$19,740. There were 7 ayes. Motion carried.

Mr. Reinhard reported that the Committee has an estimate, though not a final number, on renting a screener and grinder for the Compost Site.

Mr. Reinhard reported that Mr. Neely and the Public Works Staff compiled a list of commercial dumpsters that Kathy Yaindl input into an Excel spreadsheet that lists the

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commercial entity, the hauler, and whether it has recycling and refuse containers. Follow up will occur with the entities to ensure compliance with the Borough's Solid Waste Ordinance.

Progress.

c. Parks and Recreation Committee

Mr. Barrett reported that the Main Street Program requested use of the Triangle and permission to serve alcohol on the Triangle on February 4, 2011 from 5:00 p.m. to 10:00 p.m. The Committee recommended by a 2-1 vote that Council grant the request.

Motion by Mr. Barrett, seconded by Mr. Labenberg to authorize the Main Street Program to use the Triangle and to serve alcohol on the Triangle on February 4, 2011 from 5-10 p.m. There were 6 ayes, 1 opposed (Holtzhafer). Motion carried.

Mr. Barrett reported that the Committee discussed the Legion Baseball Field Reconstruction Project. The Committee will move forward with reviewing the Project.

Progress.

d. Public Safety Committee

Mrs. Gilbert reported that the next Committee Meeting is scheduled for November 17, 2011 at 9:00 a.m.

Progress.

e. General Administration Committee

Dr. Waddell reported that the Committee is recommending the appointment of Doug Hall to the Shade Tree Commission to a term expiring on 1/1/2012.

Motion by Dr. Waddell, seconded by Mr. Barrett to appoint Doug Hall to the Shade Tree Commission to a term expiring on 1/1/2012. There were 7 ayes. Motion carried.

The next Committee Meeting is November 17, 2010 at 9:00 a.m.

Progress.

f. Budget and Finance Committee

Mr. Holtzhafer read Resolution 2010-33, authorizing payment of the November 15, 2010 Bill List, as follows:

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Bill List	\$ 345,956.62
Payroll #22	\$ 104,916.95
Payroll Taxes	\$ <u>32,706.22</u>
Total	\$ 483,579.79

Done this 15th day of November 2010.

Motion by Mr. Holtzhafer, seconded by Mr. Reinhard to approve the November 15, 2010 Bill List. There were 7 ayes. Motion carried.

Mr. Holtzhafer reported that Mr. Neely prepared a summary of the Proposed 2011 Budget, a Proposed 2011 Budget containing the 2011 Capital Reserve column, a Capital Reserve Fund with a 2011 alternate column, Exhibit A, which is a 2010 to 2011 Cash Carryover Worksheet, and Exhibit B, 2011 Road Expenditures. Mr. Holtzhafer reported that the 2011 Preliminary Budget is a balanced budget with no tax increase, and no increase in water or sewer fees. Mr. Neely clarified that the budget will only be balanced if Council approves the 2011 alternate Capital Reserve Budget. Mr. Holtzhafer stated that he does not believe there is a need to review the Proposed Budget line by line. Mr. Holtzhafer entertained questions on the 2011 Proposed Budget.

Mr. Neely stated that two significant issues facing the 2011 Budget are how much to budget for wage increases and health insurance. He reported that the Budget and Finance Committee met with the Department Heads, and that Mr. Reinhard left the meeting early, with the two remaining members of the Committee voting to include 3.9% raises across the board for non-union employees, which is consistent with the Public Works Contract and the newly signed Police Contract. He also reported that the Committee voted to keep health insurance coverage the same and to not require non-union employees to contribute to health insurance coverage. He asked Council to decide on wages and health care contributions for non-union employees. He stated that he also needs direction on how much to budget for the Secretaries Union and reminded that negotiations have not been completed. He stated that the 2011 alternate Capital Reserve Fund was devised to balance the budget. He also stated that he has not had a conversation with Chief Reiss since he added the 2011 alternate column, but has had a conversation with the other Department Heads and they are comfortable with it.

Mr. Holtzhafer began the discussion on page 22, Capital Reserve Fund. He entertained questions about the 2011 and 2011 alternate columns. Mr. Holtzhafer asked Mr. Neely if Exhibit B, 2011 Road Expenditures, is fully funded between Water, Sewer, and Public Works. Mr. Neely stated that it is not funded by Water or Sewer, but it is being funded by Liquid Fuels and the Capital Reserve Fund.

Mr. Reinhard questioned why Council is still including \$350,000 as its contribution toward a new aerial truck, when the bid for the truck was lower than the Fire Department originally estimated. He suggested that Council could save money by budgeting less for the purchase. Mr. Holtzhafer responded that a memorandum was prepared about the funding of the fire truck and that the \$350,000 is it. Mr. Neely responded that Chief Reiss is present and will answer questions about the purchase. Mr. Barrett asked Chief Reiss if \$350,000 is needed to secure the rest of the funding for the fire truck. Chief Reiss stated that the Fire Department

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originally asked for \$500,000 but was asked by Council to scale it back to \$350,000. He stated that there is a 2% loan for \$150,000, which is the maximum loan amount for the purchase, the \$350,000 from the Borough, and the rest will come from the Fireman's Relief Fund. Chief Reiss also stated that the current aerial truck failed the annual certification and is being serviced. He stated that the old truck will have a higher resale value if certified and estimated the old truck to sell for about \$50,000. Mr. Reinhard stated that he would like to see a spreadsheet of the breakdown of the purchase. Mr. Holtzhafer stated that a spreadsheet was handed out detailing the purchase but that Mr. Reinhard left the Budget and Finance Committee Meeting before Chief Reiss explained why the \$350,000 is needed. Mrs. Gilbert stated that Council committed \$350,000 to the Fire Department towards the purchase and that is the amount that should be budgeted. Dr. Waddell responded that he agrees with Mr. Reinhard and would like to see a spreadsheet of the breakdown of the purchase. Mr. Neely read a memorandum prepared by Chief Reiss with the breakdown of the funding for the aerial truck. The total cost of the truck is \$670,000, which includes the repayment of a loan on the existing pumper of \$30,850, which needs to be paid to be eligible for the \$150,000 loan. Lettering, radios, and equipment installation is \$15,045. The proposed funding is \$350,000 from the Borough, \$95,000 from the Fireman Relief's Fund, \$14,000 from fundraising efforts, a \$150,000 2% loan, \$11,000 from the State Fireman's Grant, and \$50,000 from the sale of the old truck. Mr. Neely asked Chief Reiss if the sale of the old truck is for more, would the amount required from the Borough decrease? Chief Reiss confirmed that it would. Dr. Waddell asked what would happen if the current aerial truck was sold for less than \$50,000. Chief Reiss responded that the Fire Department would request the extra funding from the Fireman's Relief Fund. Mr. Brown thanked Chief Reiss for attending the Council Meeting and answering questions about the fire truck purchase.

Mr. Brown noted that under the Capital Reserve Fund there is a line item to replace a heat pump. He asked Chief Reiss about the location and age of the heat pump. Chief Reiss responded that it is located in the multi-purpose room on the northern side of the building and is 31 years old. Mr. Holtzhafer reviewed the line items included in the Fire Department's Capital Outlay and thanked Chief Reiss for attending the Meeting.

Mr. Holtzhafer reviewed Police Department Capital Outlay and noted that the difference between the 2011 and 2011 alternate columns is the elimination of Line Item 410.750, Computer/Phone. He also noted that Line Item 410.746, Police Cars, is for the purchase of one police car instead of 2.

Mr. Holtzhafer reviewed Ambulance Department Capital Outlay and noted that Line Item 412.660, Storage Improvements, is eliminated in the 2011 alternate column. Mr. Labenberg noted that Line Item 412.760, Computer Software, increased in the 2011 alternate column. He asked if it is because there are more specific prices for the items requested. Mr. Brown stated that it includes hardware as well as software and noted that the Ambulance Corps is still using Windows 98.

Mr. Holtzhafer reviewed Public Works Capital Outlay and noted that Line Item 430.700, Dump Truck, is eliminated in the 2011 alternate column and that Line Item 430.749, Road Construction, decreased from \$150,000 to \$85,803. Mr. Labenberg read Exhibit B, proposed road work for 2011, which includes: Harrison Street - Macungie Avenue to Cedar

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Crest Boulevard, which will complete Harrison Street; John Street - Walnut Street to Ridge Street, which is a reconstruction project; Railroad Street – 3rd Street to Short Street, which is also a reconstruction project; and, Spring Patch Repair. Mr. Holtzhafer stated that also included in the Public Works Department Capital Outlay is the completion of the 12th Street Storm Water Project and the Broad Street Reconstruction Project.

Mr. Holtzhafer reviewed Park/Pool Capital Outlay and noted that Line Item 452.811, Pool Equipment, is \$12,000, Line Item 452.813, Replace Roof/Bath House, is \$6,000. He noted that the amount budgeted is for repairing the roof, not replacing it. Line Item 454.818, Legion Baseball Field, is \$43,776 and there is a new pool vacuum for \$6,500. Mr. Reinhard questioned the line item for the Legion Baseball Field allocation. He stated that since the funds came from bond money, how could the Borough proceed to reallocate the funds? Mr. Neely responded that the Borough would need to submit an application to DCED to reallocate the funds. Mr. Neely noted that Line Item 452.811, Pool Equipment, is budgeted for \$12,000 and includes new guard chair ladders, a new handicap ramp, because the old one broke, 4 guard chair platforms, and new hoses for the pool.

Mr. Brown complimented Police Chief Faust for his effort with the 2011 Proposed Budget. He asked if Line Item 410.750, Computer/Phone, in the amount of \$18,000, would replace all of the equipment or if it would only replace part of it. Mrs. Gilbert responded that the amount would replace half of the equipment.

Mr. Holtzhafer reported that the Budget and Finance Committee discussed wage freezes. Mr. Holtzhafer stated that he believes a potential wage freeze was perceived negatively by the Department Heads. The Committee determined that a wage freeze was not needed. Mr. Reinhard responded that the Borough's Earned Income Tax has only increased \$107,000 since 2002. He explained that this represents the resident's wages of the Borough of Emmaus funding the line item. Over that period of time, it represents approximately a 2% increase. The millage has increased over \$1.28 million since 2002. He thanked the Department Heads for their hard work, and the non-union employees that are not guaranteed raises by union contracts. He stated that the Borough needs to look at wages from an objective standpoint and look at what the economy is providing. He also stated that he does not believe Council has done its due diligence with the union contracts to make sure that they are in line with the economy.

Mr. Brown thanked the Budget and Finance Committee for its hard work on the budget and thanked all Borough employees for "making the Borough an awesome place to live." He stated that if the Borough had asked the non-union employees to contribute to their health insurance, it would have saved approximately \$18,000-\$20,000 but his perspective is that because the non-union employees were not required to contribute, the employees went to the doctor when needed and remained healthy. The Borough received a refund of \$156,000 from the health insurance cooperative, which far outweighs the amount that would have been saved. He believes that morale suffered last year and that it is time to compensate employees for their hard work. He recommended a 3.9% increase for all employees. He stated that Chief Faust, Chief Nonnemacher, Chief Reiss, and Jeff Clapper worked with Council as a team and he appreciates their hard work for the Borough.

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Mr. Labenberg stated that he does not believe it is fair to give everybody the same pay raise. He believes that employees should be judged by position and performance. He stated that he can only speak of the Department Heads that he is familiar with, but suggested that Jeff Clapper and Chief Faust have saved the Borough thousands of dollars and are deserving of bigger increases than others. He stated that he is not aware of anyone that gets a “free ride” on insurance and that all employees need to start contributing to health care benefits, even if it is 1%. Mr. Holtzhafer asked Mr. Labenberg if he would like to make a motion. Mr. Labenberg responded that he would not be making a motion at this time. Mr. Reinhard commented that employee wages and health care contributions will be discussed during an executive session. Mr. Holtzhafer stated that the goal of the Meeting is to formalize the 2011 Budget so that a budget can be voted on at the first Council Meeting in December. Mr. Neely asked for direction on wages and insurance so that he can prepare the 2011 Budget.

Motion by Mr. Reinhard that all non-union employees receive a 2.5% wage increase instead of a 3.9% wage increase. Motion died for lack of a second.

Mr. Holtzhafer stated that the Main Street Program requested \$7,500, instead of a \$15,000, contribution. Mr. Barrett asked if the Main Street Program initiated the decrease or if it was initiated by the Budget and Finance Committee. Mrs. Gilbert stated that it was discussed at the last Budget and Finance Committee Meeting. Mr. Holtzhafer read a letter from Gene Clock, President of the Main Street Program, requesting \$7,500.

Mr. Holtzhafer asked for further questions about the Proposed Budget. Mr. Labenberg noted that on Page 17 there is a reduction of Line Item 448.837, Storage Tank Savings. Mr. Labenberg stated that he did not like the fund being depleted. Mr. Neely explained that the Storage Tank Savings Fund is not being depleted. The amounts in the prior year columns are for deposits into the Fund and that the Fund has over \$300,000 in it. He explained that the line item represents contributions to the Fund.

Mr. Reinhard noted that the Budget has 65% of Mr. Neely’s salary allocated from the Water and Sewer Fund, the Treasurer has 64%, the Public Works Director has 77%, and the Assistant Public Works Director has 75%. He asked if the allocations are accurate considering the time spent in those areas. Mr. Neely responded that the percentages were assigned in 2008 when Mark Vasoli was Interim Borough Manager, and was reviewed by Al France, the Auditor. Mr. Reinhard asked if it is an accurate breakdown of time spent. Mr. Neely responded that he does not know. Mr. Reinhard noted that under Refuse and Compost, in 2008 there was a surplus of \$142,000 and 2009 there was a surplus of \$120,000. He stated that year-to-date the Borough could be looking at a \$210,000 surplus, but the budgeted amount is \$162,000. The budget for 2011 is a \$214,000 surplus. He noted that there is a large surplus remaining in the General Fund, which is a reason there is a large carryover for the year and believes the budget may be out of balance. Mr. Labenberg explained that what Mr. Reinhard was stating is that it appears that the Water, Sewer, and Refuse revenue seem to be supplementing the General Fund. Mr. Labenberg stated that last year when the refuse contract changed he suggested lowering the Refuse rates and does not believe that other funds should be subsidizing the General Budget. He stated that he was unaware such a large percentage of the Water and Sewer Fund are paying wages. Mr. Reinhard agreed with Mr. Labenberg and stated that he was hoping in 2010 there were going to have expense

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parameters in place to help control spending. Mr. Holtzhafer responded that the Budget and Finance Committee followed the advice of the Auditor in determining how the wages are allocated. Mr. Brown asked for further clarification. Mr. Labenberg responded that he believes it is unfair for residents to pay an inflated refuse rate when the Borough does not pay that amount to pick up the refuse.

Mr. Neely explained that it is very difficult to determine the exact percentage of time that is spent by each employee in each area. He further explained that there is a great amount of administrative time spent addressing refuse issues and there is a lot more spent on refuse than just the contracted services. Mr. Neely noted that there was not enough flexibility in the 2010 Budget to address this issue. He suggested that in 2011 he could try to monitor the percentage of time spent in each area and the Budget and Finance Committee could begin to address it mid-year. He stated that the issue is not as cut and dry as it is being made to appear.

Mr. Reinhard stated that the revenue is going to services and questions whether the Borough is offering more services than it can afford.

Mr. Holtzhafer asked Council if there are any motions needed related to any specific line items to be changed before Mr. Neely is told to move forward with the 2011 Budget and prepare the appropriate Ordinances and Budget for the December 6, 2010 Council Meeting.

Mr. Neely explained that in his summary memorandum he noted that there is not an actual Parks and Recreation Fund. It is maintained merely as an accounting fund that requires the Borough to make a Transfer from the General Fund to accommodate the fact that revenues from the parks always falls far short of expenses. Mr. Neely stated that after a discussion with the Borough Treasurer, Christine Snyder, they are proposing to eliminate the Parks and Recreation Fund as a separate Fund, and take the General Revenue Section of the Parks and Recreation Fund and move it to General Revenue in the General Fund, and take expenses, which are Park and Pool, and move them to Expenses in the General Fund. Mr. Reinhard commented that he believes that the Park Fund is a "quality of life" fund. It is not a necessity and keeping it separate will allow the Borough to show the deficit that is run by maintaining a "quality of life" perk. He cautioned against moving the items.

Mr. Labenberg asked if the line items would remain the same. Mr. Neely responded that they would. Mr. Labenberg asked if in the budget, there are ever funds transferred from one line item to another. Mr. Neely responded that there are not. Mr. Labenberg asked if this were to happen, would Council need to approve it? Mr. Neely responded that it would.

Mr. Barrett stated that the park will always lose money because it is a utility and asked Mr. Reinhard for clarification on his concern. Mr. Reinhard responded that he believes if the line items are moved, they will be more hidden and it would be more difficult to create a clear picture of the "quality of life" standard at the park. Mr. Barrett asked for further clarification. Mr. Neely explained that if you refer to page 13, Parks and Recreation Fund, the first section is the only Revenue Section that is found in the Parks budget. That section would be moved to the end of General Revenue in front of Miscellaneous Revenue. The Swimming Pool and Parks expenses would remain. The words Recreation Fund would be taken out of the title and it would become Recreation Expenses with a Total Expenditures line. In order to compare the

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revenue and expenses, one would need to refer to the Total Revenue line for Parks/Pool and the expenditures line for Parks/Pool and compare the two. Mr. Holtzhafer stated that Line Item 392.010, Transfer from General Fund, would no longer be necessary because there would be no need to calculate a transfer. Mr. Neely stated that Line Item 492.050, Transfer to Parks, would also no longer be necessary. It is merely an accounting transfer on paper and there are no actual funds being transferred.

Motion by Mr. Labenberg, seconded by Dr. Waddell to direct Mr. Neely to move the Parks and Recreation budgeted items into the General Fund. There were 6 ayes, 1 opposed (Reinhard). Motion carried.

Mr. Neely referred to page 10, Planning and Zoning, and stated that, historically, Emergency Management, Civil Service Commission, Health Department, and Refuse/Composting all fell under the Planning and Zoning Tab on the electronic spreadsheet. He explained that he will be preparing two versions of the budget and move Emergency Management, Civil Service Commission, Health Department, to the first section, General Government Expenses. He also explained that he will be moving, Page 12, Library and Contingency Equity Reserve to General Government Expenses. This will leave the Public Works page with Public Works Department, Street Cleaning, Traffic Lights & Street Signs, Curb/Sidewalk, and Street/Road Maintenance. The Refuse/Composting Heading, which includes Staff Wages, Contracted Services, and Lehigh County Charge, will move to the Public Works page. Mr. Reinhard asked for clarification on where Mr. Neely plans to move the Refuse/Compost Heading, which includes, Staff Wages, Contracted Services, and the Lehigh County Charge. Mr. Neely responded that they will be moved to the Public Works page and revenue will remain the same. Mr. Reinhard stated that he would like more detail included, and believes that changing the location will make it less visible to track where the revenue for the collection of refuse and the refuse composting expenses are going. Mr. Labenberg asked Mr. Neely if staff wages for Refuse/Composting will be under Public Works, to which Mr. Neely responded that the heading will be Refuse/Composting and there will be two line items under it. Mr. Neely also responded, in regards to Mr. Reinhard's concern about visibility of contracted services, under General Government Administration, there will be a heading that states Refuse Services and under it will be one line item, Contracted Services. Instead of having Contracted Services under Refuse/Composting as one of three line items, it would now have a heading and be the only line item under that heading, and it will be closer to the revenue item for it. Mr. Neely did not see how there could be any concern about visibility of the line item for Refuse/Contracted Services. It will be more visible and easier to track if it is moved. Mr. Labenberg stated that Mr. Neely will be providing a sample budget that Council will be able to review and suggest changes if needed.

Motion by Mr. Labenberg, seconded by Dr. Waddell to authorize Mr. Neely to make the changes to simplify the appearance of the Budget. There were 6 ayes, 1 opposed (Reinhard). Motion carried.

Mrs. Gilbert reminded that a motion is needed to direct Mr. Neely to draft the budget with either the 2011 or the 2011 Alternate Capital Reserve Budget List.

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Mr. Barrett stated that in a General Administration Committee Meeting there was a discussion of possibly changing how the newsletter is prepared. He believes that the new formatting through a third party would be of no cost to the Borough, but would include advertising, and would look more like a magazine. Mr. Barrett asked Mr. Neely how much is budgeted for printing and postage. Mr. Neely responded that printing is budgeted at \$14,000 and a majority of it is for the newsletter. He also responded that the postage budget is \$14,000, but the amount includes all postage. Mr. Holtzhafer responded that he believes South Whitehall Township uses this type of format and it is colorful, nice and advanced, but includes a majority of advertising. Mr. Barrett stated that Lower Macungie Township's first newsletter will be coming out in November with this format and an advertising representative approached his business. He was informed that the newsletter is paid for through advertising. He stated that he brought it up only because it may save money. Mr. Labenberg responded that he supports it because it could save the Borough \$20,000. Mr. Barrett responded that more information is needed. Mr. Brown responded that it is a great idea but needs to be referred to the General Administration Committee. Dr. Waddell responded that he will place the item on the Committee Agenda.

Motion by Mr. Labenberg, seconded by Mr. Brown to direct Mr. Neely to draft the 2011 Budget using the Alternate 2011 Capital Projects List. There were 7 ayes. Motion carried.

Mr. Reinhard asked whether, if the budget is drafted in this manner, does the full amount of \$350,000 designated for the Aerial Fire Truck need to be expended? Mr. Neely responded that just because an item is budgeted for an amount does not mean that the full amount must be expended.

Mr. Holtzhafer asked Mr. Neely if he needs any other information for the preparation of the Budget. Mr. Neely responded "no." Mr. Holtzhafer thanked Mr. Neely for preparing the 2011 Budget.

Progress.

g. Community Relations, Planning and Development Committee

Mr. Brown thanked the Emmaus Main Street Program for its due diligence in decreasing its requested amount from \$15,000 to \$7,500 and recognized its efforts for the community. He stated that the Program will be attending the next Committee Meeting on November 22, 2010 to discuss the West End Gateway sign and the Program's contributions to the Borough and its accountability to Borough Council.

Progress.

h. Ad Hoc-Community/School Relations Committee

Progress.

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PERSONAL APPEALS, PART II

A. John Royer, 763 Henry Drive, asked if the flooding problem on Macungie Avenue will be repaired. Mr. Labenberg responded that the Public Works Committee has a list of prioritized projects. South 12th Street is being completed now, with Keystone Avenue and Macungie Avenue being next. He stated that it depends on how much is in the Budget for the work. An Engineering Study is first followed by the actual work. Mr. Royer asked if there will be an Engineering Study performed. Mr. Labenberg responded that it will not occur in 2011.

B. Otto Slozer, 121 E. Elm St., stated that the Civil War Flag is a significant historical artifact of value and is almost 150 years old. He stated that the Flag was stored behind glass to preserve it. Mr. Neely responded that the Flag needs to be stored so that it is not in contact with the air. Mr. Slozer responded that the Flag was intended to be stored in a glass case and it was to be displayed in Borough Hall for the citizens of Emmaus to view as an historical artifact. Mr. Slozer stated that he has heard that individuals who are opposed to the Baseball Field Project do not want kids playing on the Field. He stated that nothing could be further from the truth and that Council would have to agree that the opponents of the Stadium have said that they want the children as well as the East Penn School District playing on the Field. He believes opponents of the Project are more in favor of kids playing on the Field because they want to see the football program use the Field as well.

C. John Donches, 559 Minor St., asked how much money was saved because the sewer flows were reduced. Mr. Neely responded that there was none other than a small amount on the user charge paid to Allentown, which he detailed in a comprehensive report in 2009. Mr. Neely stated that the I & I Elimination Program is required by the Environmental Protection Agency. He also stated that there are 13 municipalities that contribute sewage to Allentown and they are all required to comply with a Program. Mr. Neely explained that the Program is required by Federal Order and the Borough is four years ahead of the rest of the municipalities. He also explained that when there are heavy rainfalls heavy flows from residential sanitary sewers contribute to causing the Allentown treatment plant to overflow so that sewage bypasses the plant and goes directly into the Lehigh River. Mr. Neely stated that the Borough would be in violation of the Federal Order and would be environmentally irresponsible to not pursue the Project. Mr. Donches believes that it should be mandatory to record all Committee Meetings. He stated that the Borough has committed \$250,000 to the Emmaus Main Street Program since 1995 and that the Shops of Emmaus costs the Borough nothing. He reminded that the Program was supposed to be independent in three years and believes that the line item should be removed. He stated that the remaining \$40,000 to \$50,000 that was not used for the Baseball Field Project should be used to fix pavilion roofs because they generate revenue. He also stated that the ballfield is not going to bring in any revenue the way it is now and the focus should be on repairing items not creating new items. He stated that for 45 years there has been no maintenance performed on the existing structures.

D. Frank Sadrovitz, 130 N. 4th St., asked why there was no communication to the residents about the Flag being removed. Mr. Brown stated that there was a meeting with the members of the Flag Day Association in June 2010, and that all of the members, including

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Mr. Sadrovitz, were in agreement about removing the Flag. Mr. Brown stated that the intent is to honor the Flag and the people that founded the Borough in 1859 by hanging items obtained from the 1959 Time Capsule.

E. Lynn Donches, 559 Minor Street, asked how much is budgeted in the 2011 Alternate Capital Reserve Fund for the Ballfield Project. Mr. Holtzhafer responded that the amount is approximately \$43,000 and is the balance of the \$100,000. Ms. Donches questioned if there is a personnel review process in place for Borough employees. Mr. Neely said not currently. Ms. Donches stated that she is confused about how wages are determined because they are split between departments. Mr. Neely advised Ms. Donches that the 2010 Budget is posted on the Borough website and she can determine the wages by adding up the line items under each Department. Ms. Donches asked when the proposed 2011 Budget will be posted on the Borough website. Mr. Neely responded that it will be posted after Council approves the first reading. Ms. Donches asked what would need to change for Parks and Recreation to support itself.

F. John Eyer, 331 N. 2nd St., stated that he wants to clear the record about comments that were previously made about the Emmaus Youth Association. He explained that the football program is willing to move and placing a fence at the Field will not prevent the public from using the Field. He stated that he is tired of half-truths about EYA and referenced an article in the Morning Call that he authored, in which he stated that the EYA raises \$6,000-\$8,000 per tournament. He verified that it is a true statement but that the EYA does not keep the money. The money remains in the Borough and is used to repair fields, help with equipment purchases, and to lower the cost for youths involved with EYA.

BOROUGH MANAGER'S REPORT

Mr. Neely advised that the Significant Revenue and Expense Items for the 1st half of November 2010 are in the Council binders, and offered to entertain any questions about them.

Mr. Neely reported that the Borough's pension obligation for 2011 is \$547,112. He stated that although Council is able to pass a balanced budget with no increases, the pension obligation substantially affects the budget. For the 2009 Fiscal Year, the General Authority deviated from past practices and graciously allowed the Borough to use its contributed funds for general operating expenses. It has been the Authority's position to fund capital expenditures. The Town Hall HVAC and Town Hall Window Bids were \$42,000 over budget, such that they needed to be rejected. Mr. Neely suggested that Council authorize him to submit a written request of the General Authority asking that the funds that were allocated for the Town Hall HVAC and Window bids be contributed to the Borough for the specific purpose of establishing an escrow fund for helping to defray the 2011 responsibility to satisfy the Borough's MMO for its pensions. It would be a line item and a separate account set up in the bank as a Pension Escrow and would be a revenue item that would be added to the 2011 Budget. Mr. Labenberg asked if the amount that is currently budgeted now is the current responsibility for the pension. He also asked if this Escrow Fund would earn interest and be used for future pension increases. Mr. Neely responded that it would be used to towards the 2011 obligation, which is paid in 2011. Mr. Neely stated that the Escrow Fund will give flexibility when preparing the 2012 Budget. Mr. Labenberg asked if the amount could remain

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in an Escrow Fund until it is needed. Mr. Neely responded that he will ask the General Authority to place stipulations on how the Escrow Fund is used. Mr. Labenberg asked if Mr. Neely has any idea of the direction the Pension Fund will take in 2012. Mr. Neely responded that he believes it will be similar to 2011.

Mr. Brown asked if there was a "Plan B" if the bids were received too high for the Town Hall HVAC and Window Upgrades. Mr. Reinhard responded that the bid specifications would need to be rewritten and placed out for bid. Mr. Brown stated that he is faced with a very difficult decision because he understands that the pension increases are looming but there are also issues such as window replacement and other capital expenditures. Mr. Neely stated that the General Authority needs to spend the money in 2010.

Motion by Mr. Holtzhafer, seconded by Mr. Reinhard to authorize Mr. Neely to submit a written request of the General Authority asking that the funds that were allocated for the Town Hall HVAC and Window bids be contributed to the Borough for the specific purpose of establishing an Escrow Fund for helping to defray the 2011 responsibility to satisfy the Borough's MMO for its pensions. There were 6 ayes, 1 opposed (Labenberg). Motion carried.

PRESIDENT'S BUSINESS

Mrs. Gilbert recessed the meeting at 10:00 p.m. for an Executive Session.

Mrs. Gilbert reconvened the meeting at 10:48 p.m. with no official action taken.

Motion by Mr. Barrett, seconded by Mr. Reinhard to adjourn. There were 7 ayes. Motion carried.

The Meeting of the Emmaus Borough Council adjourned at 10:48 p.m.

Craig B. Neely
Borough Manager

Transcribed by: Paula Weiant
Administrative Assistant
November 18, 2010