

A workshop meeting of the Borough Council of the Borough of Sinking Spring was opened on Wednesday, March 28, 2007 at 7:00 p.m., at the Sinking Spring Borough Hall, by President Lawrence S. Schmidt. After the Pledge to the Flag, Regina M. Shade called the roll reflecting the following Council Members present:

Lawrence S. Schmidt
James Zerr
Dennis Leiby (absent)
Bruce Light
Stewart Wenrich (absent)
George Butkus
Barbara Kutz

Other officials present were: Clarence Noecker, Mayor; Michael Hart, Public Works Director; Robert Ludgate, Jr., Borough Engineer; Charles Fitzpatrick, Borough Solicitor; and Regina M Shade who recorded the minutes of the proceedings.

TRADITIONS:

A slideshow was presented in regards to what their facilities look like. It is an independent living facility not assistant living.

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Mr. John Stine asked Council to make a consideration. Cacossing Avenue was made for parking only on one (1) side due to the construction. That construction has died off. He feels the time restraint on the parking is ridiculous. He stated residents are parking on the road around 4:30 and they are getting tickets. He is requesting that the signs come down. If construction does begin on the golf course at that time the signs could go back up or maybe even become one (1) way but for now it is not necessary. If we can't take it down then could we change the time to 4:00 instead of 5:00 p.m. Mr. Schmidt asked the streets committee to take that up. A brief discussion ensued. He had another question. Was there an ordinance in place for those signs? Mr. Fitzpatrick did not think so. Mr. Ludgate said we needed to check the master Ordinance. He believed it gave Council the right to create zones from time to time. Mr. Fitzpatrick knows that we did not create an Ordinance for Cacossing. Mr. Ludgate thought it might be temporary no parking. Mr. Light stated he will meet with his committee and have an answer by the April meeting.

The next visitor was Mr. Matthew Matussek of 1402 Hillpoint Circle. He received a letter from the Borough engineer stating he had some issues regarding his backyard. He met last summer with Mr. George Butkus, Mr. James Zerr, and Mr. Peter Eisenbrown. He thought everything was okay and he was not in violation. He is having some problems with his adjoining neighbor. Mr. Matussek stated exactly what he was doing in his backyard and stated he pulled all the appropriate permits. His neighbor is saying that his stormwater is being dumped into her yard cracking her foundation. A lengthy discussion ensued about his property. It was decided that Mr. Ludgate would go out during a heavy rainstorm and check for himself. If he is found to be in violation, the Borough

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will move ahead. This could end up just being a neighbor to neighbor complaint which the Borough will not be involved in however Mr. Ludgate did state that the original plan that was submitted to the Borough had a grading plan for the entire site. That plan had a swale graded between his house and the other house. His work has changed the original grading. He does not believe there was permit pulled to do that. There is also a sewer easement. If the sewer lines break and they need to get into repair it, it will not be brought back to the way it is today. Mr. Matussek agreed to that. Mr. Ludgate said that no one from their office stated that the wall cracked due to stormwater. Mr. Butkus asked how long the grading plan stays in effect. Mr. Ludgate said that in an approved plan they need to get approval from the Borough. It was agreed that Mr. Ludgate would come out in a heavy storm and see if he truly did alter the stormwater. Mr. Ludgate stated his property had been altered "a lot". Mr. Zerr made a motion to allow Mr. Ludgate to go out to his property and work with Mr. Matussek to get this to resolution and to hold up the NOV until that point; seconded by Mr. Light. Mr. Butkus asked what is the line between holding up the NOV and just giving in to two (2) neighbors. Mr. Fitzpatrick stated if there is a violation, if he altered the plan, then we will become involved. We have the right to compliance to what the plan said. A discussion ensued as to what might happen. AYES – 5, NAYS – 0, ABSENT – 2.

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The first item was the amendment to the zoning ordinance for the area of the golf course. Mr. Schmidt stated we will render a decision. The vote would be to authorize Mr. Fitzpatrick to proceed to advertise the amendment change. Mr. Light made a motion to adopt the proposed ordinance change to allow age restricted housing in an R-1 zoning district; seconded by Mrs. Kutz. A brief discussion ensued as to what is contained in the ordinance. Mr. Schmidt called for a roll call vote. AYES – 5, NAYS – 0, ABSENT – 2. It will be advertised for enactment at the May meeting.

The next issue was the Municipal Authority. Mr. Schmidt turned the floor over to Mr. Fitzpatrick. Mr. Fitzpatrick wanted to clarify a few points. He was contacted by a few members of Council to make a recommendation on the continuance of the Authority. He reviewed from standpoints of other municipalities in the County; he prepared a five (5) point dissolution form. Council then said to prepare a resolution declaring its intent to dissolve the Authority. It was done in this matter so that members of the Authority along with the residents would have the opportunity to respond. It was nothing more than a declaration of intent. It had no official capacity. Mr. Fitzpatrick feels that most people knew that. He stated that the Solicitor of the Authority has advised the Authority of that. It really did nothing more than express the opinion of most of Council that they intended to dissolve the Authority. Mr. Fitzpatrick has met with Mr. Hoffert, the Solicitor of the Authority. In addition, he dictated a letter to him to present to the Authority. The concern was that this was done without the Authority's input and in fact it is not done. It is not official until an ordinance would be enacted declaring the disillusionment. Mr. Fitzpatrick stated the forum tonight was a good chance for the Authority to give reasons why it should not be dissolved. Mr. Fitzpatrick stated there might be reasons not to disband them. He feels that it is important for municipalities to keep an "open mind" when it comes to these things. He came up with five (5) reasons why to disband. The letter he prepared for Mr. Hoffert contained the reasons why Borough Council was

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contemplating the disillusionment. Years and years ago the Authority was formed for the purpose of financing the sewer system. The law did not allow the Borough to finance the plant at that point in time. Since then the law has changed and it does permit municipalities to borrow money for that purpose. Authorities do continue, some have been dissolved. Some have become working Authorities. Mr. Fitzpatrick stated what motivated Council were the double expenses that were paid. It was estimated to be \$40,000.00. This was based on duplication of some of the expenses. It is unfortunate that some statements were made that the purpose of the Borough dissolving the Authority was to get their money. Mr. Fitzpatrick stated he made it clear at the last meeting, in the letter to Mr. Hoffert, and at tonight's meeting that it is illegal for the Borough to use Authority funds for things other than sewer purposes. Once again, he stated it is totally illegal. He knows that the City of Reading does it. He and Mr. Binder spoke about this several times and how inappropriate this was. The City of Reading has been put under restrictions as far as what it can do because the EPA has clamped down on them. He stated again the Borough can not use money that is devoted for sewer purposes for any other purpose other than sewer. This has been consistent. Regardless if the Authority has the money in their account or the Borough has it in its account it can only be used for sewer purposes. A comment was made that appeared in the paper today by Mr. Francis Butkus. Mr. Fitzpatrick stated Francis is a very knowledgeable man concerning the sewer system. Mr. Fitzpatrick admires Francis' dedication to the sewer system for years and years. However he does disagree with the statement that if the Borough takes over the system (he also stated that perhaps the newspaper had made an error) the sewer rates will go up. Mr. Fitzpatrick stated they will not go up merely because of the disillusionment of the Authority. That would not raise sewer rates. If we ever attempted to go into other municipalities we would need to get PUC approval. We have never done that it has always been by contract. There is also another point where it was stated that taxes would go up if the Borough took over the plant. The Borough has contracted with Lower Heidelberg Township, South Heidelberg Township and Spring Township for sewer services. These three (3) municipalities pay fees to the Borough for treatment of their sewer. It would be foolish and unfair to every person in the Borough to raise taxes for providing sewer service to these other areas. It would be appropriate to change sewer rates because then everyone who uses the system will pay. That means Lower Heidelberg, South Heidelberg, and Spring Township residents will pay the same rates as the residents of the Borough. That would only be fair. Taxes will not and should not be raised. It would be the most foolish thing Council could do because then these other municipalities would not be paying their fair share. That is why he gave that recommendation. Mr. Fitzpatrick again stated he appreciates and respects the work that not only Mr. Francis Butkus has done, but all the Authority members over the years. He continued that it would be absolutely wrong for him to say there is no other point of view. Now, is the time to discuss this issue. Mr. Butkus thanked Council for inviting them there that evening. He concurred with almost everything Mr. Fitzpatrick said. He stated that a few of the points were in error. He wondered who came up with this schedule of \$40,000.00. He feels there are minor duplications. Mr. Butkus wished someone would have checked better. Mr. Binder did collect \$16,000 in July and he did resign in April however he stayed on board till Mr. Hoffert was appointed. In addition, Mr. Binder was a bit "tardy" on submitting bills; this bill was for a several year period because he never put in a voucher for what he needed. There is an audit cost. For the amount of the cost of auditing does that mean it would cost the Borough nothing? He doesn't think so. For everything the auditor does he gets paid a fee, Mr. Butkus said. The large amount that was listed to

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ARRO Consulting was true. He wanted to examine why and where. He wanted to go back in history. Many years ago when he got on the Authority they met quarterly because the only thing they had to be concerned about were small items and finances. In the mid eighties some expansions were needed, and they did them. Other things came up and we did them, Mr. Butkus said. For a long time now, the Authority has been a pro active unit. In his opinion, the Borough has been a reactive unit. They react to whatever the problem is. For the last fourteen (14) years, they have been meeting because of the large expansion "we" (the Authority and Council) put on. The Authority was the lead dog because they had to force the former Council (long before this Council) to do anything. That shows lack of interest in the plant and poor planning. The Authority managed to get that plant expansion and upgrading done with very little dollars from the Borough. Outside contractors and developers paid for more than ¾ of it. This is what they hoped would have been done this time then mysteriously something happened. All at once everything dropped off. Spring was in line to come with us for somewhere between 300,000 and 500,000 gallons. South Heidelberg wanted 180,000 to 250,000 gallons. Lower wanted 135,000 gallons. Then all at once, it was like someone pulled a curtain down, Mr. Butkus said, and it didn't come about. The Authority saw into the future that some maintenance and upgrades, that the Borough did not do and was not planning to do was not taken into account. This comes down to rates. There was a mistake in the letter from Mr. Hoffert to Mr. Fitzpatrick about the Authority wanting to use the money in the reserve account. It did not come out right. It was to say, that Council should have had enough money in reserve accounts to do the necessary maintenance and upkeep. We are in fact, and ever since the plant was created been running in a deficit. We are not planning for the future. One of his examples that shows the Council is remiss is that a few months ago the Authority authorize the purchase of two (2) new drive gears for the plant. These are very critical for the plant. The plant runs 24/7, the gears are going. When one fails, Mr. Butkus questioned if anyone on Council knows how long it takes to get one (1). Their estimate from the manufacturer himself is nine (9) months. He asked Council, what would we do? We can drive down our streets if there our potholes. We can bring in tankers of water if needed but we can't go one (1) week without sewage. They have worked at this hard for almost forty (40) years and for free. They were dedicated so that we could have good quality service at a low price, but the price has been too low. The last time that he can remember that an accounting of our actual costs was when the bond issue was in 1994. That was when the bank said this is what you need to run. The exclamation from the Borough Council President at that time was "My God that is a 40% increase." Mr. Butkus said \$5.00 is a lot. That is all it was \$5.00. He looks at what the rates are here and then he looks at what his sewer bill is at his hunting camp in Potter County, he is paying \$55.00 up there. Why don't we have something that is realistic so that we have a cushion that when we need to do the maintenance to our sewer lines, that has sadly been neglected for a long time, we don't we have the money? A little at a time would have been better than a big shock. He realizes now that ARRO is reviewing and coming up with a schedule of what our rates should be. Why did it take this long? Is that good fiscal responsibility? We have been meeting one (1) night a month trying to put out the brush fires when in reality Council should have been doing that. Mr. Butkus asked Mr. Fitzpatrick if that the funds could not be used for nothing but sewer. Mr. Fitzpatrick stated that was true. He asked if the money could be borrowed. Mr. Fitzpatrick stated that every fund can be borrowed from. He had been through this. He gave a few examples. As long as it is repaid and repaid promptly, it is Mr. Fitzpatrick's opinion that it can be done. Mr. Butkus asked if there was a "fixture" in place when this

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is done. Mrs. Shade stated that on our books we must set up a due to and a due from account. If those accounts are not both "zero" when the auditors come in, that will be written up as a finding. The information is then turned over to the Commonwealth as well. We must pay all monies back on a timely basis. Mr. Butkus stated the upgrades that are needed cannot be put off. They are looking at a minimum of \$4.5 million dollars. "If those other municipalities would have kicked in, and it wouldn't have been municipalities, it would have been developers kicking in all that money, we would have just been in for some," Mr. Butkus said. He also wanted to inform the audience that when the bond issue was done in 1994 and changed over to a mortgage in either 2003 or 2004, what was picked up was a lot of the old bond from 1964. That was another piece of poor fiscal responsibility. We have a forty (40) year mortgage. The Authority did take \$600,000.00 which they felt obligated to; they could use it for capital improvements or for the reduction of the bond issue. They did pay down the debt. That resulted in a savings of \$283,500.00. Mr. George Butkus asked Mr. Francis Butkus to explain the money that was spent to ARRO Consulting. Mr. Francis Butkus stated one (1) issue was the hydraulic study. He explained that. Another item was the Mt. Home Road Project. He explained that issue. Mr. Butkus asked if the Mt. Home Road Project was dead or will that go on. Mr. Schmidt said as far as he was concerned ever single project that they have on their books will go on. He had no plans on stopping any projects. Mr. Butkus asked Mr. Fitzpatrick to convey that piece of news to Mr. Hoffert, solicitor for the Authority. Mr. Schmidt will not stop any project, that is not what this is about he said. Mr. Schmidt did take issue with some things that were said. Mr. Schmidt stated when he took over as head of sewers; he sat down with Mr. Butkus and gave him his support. Whatever they needed to do, he would do his best to help get it done. Mr. Schmidt stated Mr. Butkus brought up about the gear box issue. As soon as he was aware of it, he told Mr. Roger Hillibush to order them. He was aware that it did take nine (9) months to order them. Mr. Schmidt questioned if they were ordered. Mr. Butkus stated they were. They were ordered the prior month. Mr. Schmidt thought they were to be ordered prior to last month. Mr. Butkus stated there was a problem with a fluctuation of price. We did order two (2) of them. Mr. Schmidt stated we did do that. He does feel that Council has been responsive; maybe not as fast as they should have been, but they did respond. He took issue to that. Mr. Schmidt made an offer to Mr. Butkus a year to a year and a half ago to become a working authority. He asked Mr. Butkus if he remembered that. Mr. Butkus stated they did talk about it. He believed that Mr. Butkus said he polled his members and that he did not get any response from his people. Mr. Schmidt asked if that was correct and Mr. Butkus stated it was. At that time, Mr. Schmidt told him that we may have to do something about that in the future. He did not know what he was going to do, but he "begged" the Authority to take this over so that Council does not have to deal with all these issues. Mr. Schmidt continued that they have tried. He gave Mr. Butkus credit for trying. Mr. Schmidt stated that they got into a big discussion about many things on Council, and they said maybe if Council can take this over and form another committee, keeping people involved, that is the way to go. That is why Mr. Schmidt wanted this to happen. The Authority has the right to spend money without coming to Council, Mr. Butkus said. Mr. Fitzpatrick agreed. Mr. Butkus stated they did that as a courtesy. Mr. Schmidt said that you didn't need to come to Council. Mr. Butkus said that was correct or when they made agreements with other municipalities. They did that out of courtesy and they wish they would have been given the same courtesy. Another problem that he has is that the sewer committee knew nothing about this. Mr. Schmidt agreed, he made an error and will take full responsibility for that. Mr. Butkus wanted to look at this logically. He questioned if the Council's plate is full and the make up of Council can

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vary every two (2) years. How many times has committees changed not to mention Council in the best six (6) to eight (8) years. Mr. Schmidt stated a large turnover. Mr. Butkus stated exactly where is experience, and dedication? Mr. Fitzpatrick stated he does not want to get into an argument over this, but Council has the right to change the composition of the Authority. They can not appoint members. That can change over the years too. Mr. Fitzpatrick stated that was one of the reasons that he feels the residents of Sinking Spring are better off with Council being directly responsibility for this. They are elected by the people. If they raise rates or if the system is not in proper order, the people can come to them. They can get rid of them. Mr. Fitzpatrick knows of municipalities that have formed authorities to take the burden of raising rates off the Council. They would not look bad if the rates go up. Mr. Fitzpatrick does not feel that is right. Mr. Biggs asked how many Councilmen knew this would hit the floor last month. Mr. Schmidt stated it was 4-3. Mr. Biggs stated how can you call yourself Council, he knew no laws were broken as they can meet two (2) or three (3) at a time, but still wondered how they could do that. Mr. Biggs stated the sewer money that is there can only be used for sewer, correct. Mr. Biggs stated that you can borrow from that money at any time. Mr. Fitzpatrick stated yes, but the money must be returned to that fund in a timely matter. Mr. Biggs asked Mr. George Butkus if we gave the fire company a certain amount of money. Mr. George Butkus stated he did not know if we gave the fire company a certain amount of money. He then asked if he was referring to the prior month when we lent the fire company money to pay for their loan payment. Mr. Biggs stated that was what he was talking about. He then asked where the money was lent from. Mr. George Butkus stated the sewer revenue account. The money will be returned to the sewer account as soon as the tax money starts coming in, just as was done last year, Mr. George Butkus said. It was done last year. Once we get a few years in, the fire account will be solvent enough that we should not have to borrow money from other funds, Mr. George Butkus said. Mr. Biggs asked Mr. Francis Butkus about the reserve fund or the continece fund the Borough was to have. He questioned if this contingency fund was to be funded by the sewer revenue account to which Mr. Francis Butkus said yes. Mr. Biggs asked further that to the best of Mr. Butkus' knowledge there is no contingency fund. Mr. Francis Butkus stated that there is none. Mr. Biggs continued to Mr. Francis Butkus, why wouldn't there be one. Mr. Butkus stated the sewer rates have been too low. The rates are artificially low and that did not leave enough money to create these funds, Mr. Francis Butkus said. It was talked about in the original bond and in the lease agreement. Mr. Fitzpatrick stated there are two (2) funds actually. One (1) is an operating fund. The Borough must maintain he believed six (6) months of operating revenue to cover operating expenses. Mr. Butkus stated he thought it was a year and a half. Mr. Fitzpatrick stated it was not that much; it was only six (6) months. The second account was what he believed Mr. Francis Butkus was referring to. It is a maintenance account. The maintenance account, if there is a surplus over and above the six (6) month cushion, it is to be in this maintenance account. It is not mandatory, Mr. Fitzpatrick said. He looked into this a number of times. We have talked about it a number of times. Whether it was to be mandatory or not, that is another question, but it is not at this point. It does not say that a surplus must exist. Mr. Biggs had another question. The gear pumps is that the Authority's responsibility or should that have come through Council. The public should know that it is \$72,000.00. Mr. Butkus stated the engineer felt it could have gone either way. However Mr. Butkus stated in technically the Borough should have done it has they are responsible for all upkeep. Mr. George Butkus stated that at the budget workshops last year, it was recommended that we spilt the cost between the

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Borough and the Authority. A brief discussion ensued on the gear boxes. Mr. Butkus stated that if the Authority did not do this, and being of the mindset of a non working authority, it would have been the Borough's responsibility to do it. This is what the sewer committee is to do. He did give credit for the televising of the lines. It should have been done 39 years ago. These are all high cost items. Mr. Butkus stated it does not matter if it is in the budget or not, how much is it costing us, if we don't do it is a better question. We can save who knows how much by repairing our inflows and leaks. This should have been done. The Authority decided that as the permittee they will do it. Someone has to. Mr. Schmidt said to say that Council was neglectful in the past, he can't say he was not here. He did say that he feels over the last several years that Council has stepped up. They bought the cameras. They did Park Avenue. Mr. Butkus said that was his idea and bought by the Authority. Mr. Schmidt said yes but as soon as they heard about it, they went out and did it. Mr. Schmidt asked if that was not true. Mr. Butkus said that was true. We have been stepping up to the plate. He said they are trying. The issue of the upgrade, he feels strongly we need a head end addition, and screens they will be done. That brings up the clarifier which will be done. The other item is the reed beds. That will be done too. Mr. Butkus stated we won't have a choice once the Chapter 94 goes through. Some of the other items that are mentioned probably won't be happening. Nothing that has been talked about here will be stopped, Mr. Schmidt said. Mr. George Butkus questioned the Authority money that was raised from tapping fees that must be used for capital expenditures, does that have to stay that way, or can that be used for operating expenses. Mr. Fitzpatrick is not 100% but he thinks that in the lease agreement it must only be used for capital. Mr. George Butkus stated what happens if the Authority is disbanded, does the lease agreement still hold. Mr. Fitzpatrick stated the theory for tapping fees is to be used for capital improvements. He has never done an investigation or has he seen one (1) done on this, but he believes the purpose of tapping fees is for capital improvements. Mr. George Butkus stated he has seen it used for other purposes and it has cost quite a problem. Mrs. Shade stated that when the Borough had the tapping fees in our sewer revenue account, we were not allowed to touch it for anything but capital improvements. Mr. Ludgate agreed. This was per the auditor. Mr. Ludgate stated that one (1) part of the tapping fee is to be used to pay off debt, the second is for capital improvement, and the third part is to be used for a maintenance fee for the system. The tapping fee legislation breaks it down this way, Mr. Ludgate said. Most Authorities put in has capital reserve. Mr. George Butkus questioned the expense sheet and other then getting rid of the secretary fee wouldn't this work have had to been done by someone anyway. Mr. Fitzpatrick stated that was true but we added the total fees to ARRO last year and it was about \$88,000.00 for the Authority alone. But we do have duplications. We have an engineer who attends our meetings; we have one that attends the Authority meetings. We have people meeting in their offices about these things, and billing each entity for that expense. Mr. Binder and Mr. Fitzpatrick met about capacity issues, about agreements that were double the expenses. There was so much duplication. He arbitrarily told Mrs. Shade to use the 10% figure as duplication, it could be 15%. Mr. Francis Butkus stated ARRO fees are like \$200 to \$300 to keep them on board, the rest is due to the projects. Mr. John Stine stated it was ridiculous for the Borough to tell Mr. Hillibush to order the gear boxes because the Borough didn't have the money to buy them. Mr. Schmidt stated that was not true. Mr. Stine stated if Council knew they needed them why weren't they ordered in January. Mr. Schmidt stated because they were delayed. A discussion ensued as to whether this was an emergency or not. Mr. Biggs stated that maybe Mr. Schmidt is right, maybe there are too many hands in the pie.

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His second question was in regards to a gentleman who lives on Park Avenue. He has had a barricade up for about six (6) to eight (8) months now. He understands that he was contacted about raising those sewer vents. There was another issue. His sewer lateral leaks pretty badly. Did anyone address that issue? He wondered if we dropped the ball on that too. Mr. Hart stated he did not know about the lateral. Mr. Stine stated that someone should let them know. Mr. Stine stated that Council didn't take care of any of those laterals back there. Mr. Ludgate stated it is crystal clear that the laterals are the homeowner's responsibility. Council should have told them back in September or October that it was their responsibility not just sit on it. Mr. Stine stated the third question was this another ploy by Council to sell off the sewer plant and the rest of the Borough to Spring Township? Mr. Schmidt stated absolutely not. That is not in the plan. There is no pending deal with Spring Township. Mr. Stine wondered why we changed to Spring Township for our yard waste site. Mr. Schmidt was ordered by Council to pursue the procedure of perhaps going with Spring Township as they do the recycling site and so were we. Mr. Schmidt went and talked to them about the yard waste and in addition he was also asked to talk to them about fuel (gasoline) costs as well. We were given a cost of \$5.00 per person. We sat down and looked at that and came to the conclusion we can't run that site for that amount. It was best for us to give them our yard waste site. Mr. George Butkus stated the sites are only ¼ mile apart. Getting them to the site was another issue which Mr. Butkus explained. Mr. Stine wanted to know why we stopped using our people and the chipper we could get for free. Mr. Fitzpatrick feels that the topic now is the Authority and we should stick to that topic. Mr. Biggs said the Mr. Butkus made the comment that there were several builders, Spring Township, and one (1) or two (2) of the Heidelbergs really interested in the plan. Mr. Biggs did not know what happened however he has access to these builders at the highest levels, he continued, that their plans will move ahead. They are going to need these hookups and they will be moving ahead. Two (2) years ago these other municipalities were going to go into this. It was not going to be an upgrade but an expansion. We would have got a then price of 18.5 million dollars free. It would have cost us next to nothing. He knows one (1) of these builders that would have handed us a check for \$3 million dollars and never hiccupped. Mr. Biggs does not know who "torpedoed" this. Mr. Biggs quoted the Mayor and said "if it ain't broke, don't fix it." He then stated that Council has so much on its plate. He continued to say that Mrs. Shade has put a quarter of a million dollars into the Borough's coffers. He asked do you want to dump more work on her. She should be looking for this type of stuff. He wondered why we wouldn't want to take advantage of someone like Mr. Francis Butkus. Mr. Fitzpatrick stated back in 1995 we were very fortunate to have a contractor who really helped us out. We sold him capacity as he believed South Heidelberg backed out on what they needed. We were glad that he stepped up and bought the additional capacity that the Authority allowed them to use in different municipalities. He is not sure the environment is the same in those other municipalities today. He doesn't know that for sure. He has heard that some municipalities want to restrict residential development. He is not sure but that might be one (1) reason for the backing out. Mr. David Binder appeared in front of Council a few years ago and presented the plans for the expansion and how they were going to be doing the funding. Mr. Fitzpatrick was in favor of it when it was presented at that time. There was some objection about expanding but whenever you can get someone else to pay for the expansion why not. Right now, it appears it is not available. We can't enter into a contract with a developer without the approval of the municipality to say that is the capacity for them. We enter into the capacity agreement with them. Mr. Biggs stated you really

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don't think these developers worry about that, their feelings are that Councils change every two (2) years. Mr. Biggs said the thought of stopping development is ludicrous. It is going to happen....you can take that to the bank. He does understand what Mr. Fitzpatrick is saying, but it won't happen that way. It will happen, it is just a matter of holding out, Mr. Biggs said. Mr. Schmidt asked Mrs. Moser of Lower Heidelberg if she would like to address Mr. Biggs' statements. Mrs. Moser stated that they are following their zoning. Their zoning does not warrant in certain areas for sewer to be located there. They don't need that capacity. As a township, they follow their zoning. Zoning is the law of the land, she said. Their zoning is based on three municipalities. Mr. Biggs wished her luck but he feels that development will happen. Mrs. Moser said development will happen but where it is laid out to happen. Mr. Biggs stated that was good, that was the Heidelbergs. Mr. Biggs knows where the money lies, and that will dictate where the development will happen. Mr. Butkus asked that we talk to Spring Township and get them to take the Spring Township residents only sign down from their yard waste site. It appears to be confusing our residents. Mr. Schmidt will do that. Mr. Light asked Mr. Butkus why Spring dropped out of the expansion. He was talking about a piece of land behind Hofmann Industries. Mr. Butkus stated that the developer dropped out. A brief discussion ensued. Mr. Light questioned what the reason given was. Mr. Butkus stated they gave them no reason. Mr. Light questioned why they didn't pursue it more. Mr. Butkus said it was pursued via the engineers and attorneys for both parties. Their engineers convinced them that they didn't have to contribute. They could put a band aid on their plant and that would fix their problems according to Spring's engineers. Mr. Butkus feels there is more to this than that....it was political. Mr. George Butkus asked about our plate being full. Last year when our audit was being preformed it was caught that a billing error had occurred by another municipality. Apparently the error was going on for quite some time. It is now corrected to some degree. His question since we were unaware of this, are we biting off more than we can chew because of this. That is a big hunk of change. He does not want to mention the municipality. Mr. Schmidt wanted to answer his question with another question. It was missed by the Borough, but it was also Authority money as well. Mr. George Butkus stated the Authority had no jurisdiction over billing. Mrs. Shade stated some of the money we are going after is for tapping fees in the area behind what use to be the Sinking Spring Drive-In. Mr. Butkus said that was true but the biggest part is for the rates. Mr. Ludgate said that it was an under reporting on that particular entities part of the number of connections. It is a multifaceted problem. Mr. Butkus agreed. Mr. George Butkus stated if we can't keep track of the billing are we going to be able to do this. In addition, he heard the comment that "oh, we can't raise taxes or rates, it is an election year." If Council is afraid of doing this, then the Authority can do that. If the rates are too low, we will be getting into a hole. He wondered if we might be getting into a bigger mess. He agrees that it should be an operating authority. Mr. Schmidt feels his points are good ones. Once again, he takes full responsibility for not informing the three (3) other members of Council on the resolution, but now it is out on the table. We will need to make a decision. Nothing has been done other than the resolution. Council needs to sit down and have a heart to heart on this matter. He feels it is now time to move on. Mr. Biggs questioned Mr. Schmidt. He continued that you asked Mr. Butkus to become a working authority and he polled the authority and the answer was no. He does not recollect that at all. He said is it that we want this all under one (1) roof. Mr. Schmidt said that there had been some discussions between him and Mr. Francis Butkus over the years. Mr. Butkus has said that past Councils were not interested. Once again, he can't speak for them, but when he got

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on board, they hired Miller Environmental. Mr. Schmidt believes that was a good move. Mr. Butkus said it was the best move ever made. Mr. Schmidt went to Mr. Butkus and told him that as long as he was on Council he would take care of Council to the best of his ability. He said that Council has done more in the past five (5) years than were ever done. Mr. Francis Butkus agreed that they did more than what was done prior. Mr. Schmidt said he did approach Mr. Butkus about becoming a working authority to get Council out of it altogether. Mr. Biggs did not know about the operating thing until that evening and he sees what Mr. Schmidt is saying. Mr. William Moser said this should be considered a business. The Council and the Authority both have jobs to do. Businesses are looking to downsize that is what we should be doing. If a joint board is put together, that will be the best of all worlds. You will have the knowledge of both boards. It would be an infrastructure committee and probably save money. Mr. Mensch feels that the sewer authority is doing a good job, why get rid of them. The money that will be saved will just ruin what you got going, he said.

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The next item was the clerk position. Mr. Zerr stated he would like to have an executive session for this. We could move on and deal with this later, he said. Mr. Stine had a question or two. Mr. Schmidt said before they go into executive session they will come back to him.

The next item was the Police Mutual Aid Agreement. The agreement is between us and the Borough of Wyomissing, West Reading, and the Township of Spring. It is part of the Emergency Management Agency. The Chief has looked at it along with the Mayor. The Chief forwarded it to Mr. Fitzpatrick. All parties are in agreement with it. Mr. Zerr made a motion to authorize Mr. Fitzpatrick to advertise the Police Mutual Aid Agreement the way it was written for adoption; seconded by Mr. Light. The Mayor thought it was a good idea; there are a few things that need to be watched. Mr. Fitzpatrick explained that is only needed when backup is needed. This would be in an emergency situation only. AYES – 5, NAYS – 0, ABSENT -2; motion carried.

The Easter Egg Hunt is Saturday, March 31, 2007 at 11:00 a.m. rain or shine at the fire company.

Bulk cleanup will be Wednesday, April 25, 2007.

Officer Dennis M. Moyer has chosen to run for Mayor of the City of Reading. The General Borough Code does not allow an officer to run for public office and retain a police officer job. He decided to hand in his resignation. Mr. Zerr made a motion to accept his resignation with regret; seconded by Mr. Butkus. AYES – 5, NAYS – 0, ABSENT – 2; motion carried.

The next item was the new by laws for the West Side Emergency Management Agency. Mr. Schmidt asked Mrs. Shade to explain. Mrs. Shade stated that two (2) rules needed to be amended. The first is that they are no longer will be requiring two (2) members to attend each meeting. Only one (1) member is needed and the second will be an alternate. The second issue is that we must pass a motion stating they must go out to bid for items over \$10,000.00. Mr. Zerr made a motion to

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authorize the both amendments; seconded by Mr. Light. AYES – 5, NAYS – 0, ABSENT – 2; motion carried.

The next item was our fee schedule. Mr. Ludgate explained from time to time we need to update our fee schedule and that is usually done by resolution. The first thing changes the fee from \$2.00 to \$4.00 for the Uniform Construction Code per permit. The second reason for the change is to establish Section 109 it clarifies the fees for the zoning hearings. The UCC Appeals Board we have established here will hear the appeals for the Uniform Construction Code. The County's is now up and running but we must execute that form. Mr. Ludgate explained that the applicant will pay all the fees. The other item establishes flat fees. A brief discussion ensued. Mr. Ludgate is asking for approval of the new fee schedule. In addition, he is asking if Council would like to enter into an agreement with the County's Appeal Board. If they do that, they will need to amend this resolution again. Mr. Zerr made a motion to accept this resolution establishing the fees, change the fee to \$4, and accept the Borough's UCC Board; seconded by Mrs. Kutz. AYES – 5, NAYS – 0, ABSENT – 2; motion carried. The other item that was given out was the form of the appeal to the Sinking Spring Borough Council in regards to the International Property Maintenance Code. They are asking for that approval as well. Mr. Zerr made a motion to approve the appeal to Borough Council for the International Property Maintenance Code; seconded by Mr. Butkus. AYES – 5, NAYS – 0, ABSENT – 2; motion carried. Mr. Zerr made a motion to table the agreement for the County Appeals Board pending review by Mr. Fitzpatrick and the rest of Borough Council; seconded by Mr. Butkus. AYES – 5, NAYS – 0, ABSENT – 2; motion carried. Mr. Stine questioned who are appeals board was? Mr. Ludgate stated it was Mr. Paul Roth. Mr. Stine questioned if he fit the criteria. The answer was yes.

Mr. Stine questioned the need for a full time person. As a Councilman for 71/2 years and as an employee, he walked through the office many a day when the secretaries were looking for things to do. In addition, the high school girl was looking around. Eight (8) years ago we were looking to bring someone in and do an analysis of exactly how many people it would take to run that office. It might be money better spent bringing someone in to do that study instead of hiring another person. He feels that would show the type of people we should have in here and that the people that are in there, you aren't getting the work from that you should. Mr. Zerr stated based on the auditor's findings; they suggest that parts of the duties be segregated. Based on that information and the job description compiled by the two (2) secretaries, and the public works director they feel there is enough work to put on a full time person. The job description has been gone over many, many times. The need is there. He does agree to some of his comments, but we are concerned about putting a part time person in there, do the training and another job comes along and we lose that person. We have wasted all the money and time on training. We then have to do the process all over again. The census has not been done in awhile. We would also like to do a revitalization of Penn Avenue; this person could be involved in this as well. Mr. Biggs stated office works ebbs and flows. He is in favor of the position. This would free up Mrs. Shade to find us more money. Nothing upsets him more than when he comes in and sees Mrs. Shade doing "menial" things. She has nine (9) years in Wyomissing. She probably did more work in one (1) year there then she would do in five (5) years here. We need to let our real talent do her work and the clerical work; we need a clerk to do. She found us a quarter of a million dollars, that is a lot of money, Mr. Biggs said. He feels we wouldn't

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have found it, if she didn't find it. The retraining process...how long have we been doing that, Mr. Biggs questioned. Mr. Zerr thanked him for his comments along with Mr. Stine. Mrs. Schmidt, the tax collector, stated that eight (8) or nine (9) years ago our tax base was \$300,000.00. Today it is over \$600,000 due to the rapid development here in the Borough. This has got to have created more work than what was here four (4) or five (5) years ago. That is her comment to why a third person is needed. In addition, she agrees with Mr. Biggs, it ebbs and flows, everyday you can't be swamped. Four (4) out of five (5) days you are. Another item that has come to us since she became tax collector is the sewer billing. That use to be done by Ludgate, we now do that in house. She (Ms. White) has her hands full just doing that and then she is doing the accounts receivable, accounts payable, etc. Mrs. Schmidt stated she sees that because she sits next to her doing tax time. Mr. Stine questioned why is she not the treasurer then? Mrs. Schmidt said that is not accounting that is the clerical end. Accounting is the profit and loss statements, the balance sheets, the budgets. Mr. Stine said okay. Mr. Falter asked if Council plans on making the audit report public to the residents of Sinking Spring. Both Mr. Zerr and Mr. Schmidt stated yes, it is a public document. Mrs. Shade stated it is published in the newspaper as well.

Mr. Biggs stated that the streets in the Borough were in excellent shape after the last two (2) storms. Mr. Ludgate agreed. His street in Spring Township looked nothing like our Borough streets. Mr. Biggs thanked Mr. Hart and the road crew for the excellent job they did. Mr. Light agrees. Mr. Light explained this past snowstorm we had two (2) disasters with our trucks. The spreader went down on one (1) truck. We lost the truck, the oil hose busted out in the cab. The second truck lost its rear tire. Mr. Hart contacted Borough of Wyomissing and they were willing to give us help. They salted our roads for us. They arrived here at around 12:30 p.m. They salted heavy due to the concern of the roads refreezing that evening. Mr. Biggs stated that our road crew always does a fantastic job.

Mr. Zerr made a motion to authorize the Civil Service Commission of the Borough of Sinking Spring to become active for the purpose of choosing a new police officer; seconded by Mr. Butkus. AYES – 5, NAYS – 0, ABSENT – 2; motion carried. The Public Safety Committee would like the Civil Service Commission to view the changes that were requested and make their recommendations. He gave three (3) copies to Mr. Falter. It was Mrs. Shade's understanding that the Civil Service Commission was going to meet with the Mayor and the Police Chief on the recommendations and then if they were in agreement on the recommendations, then the changes would be placed in front of Council. The Mayor concurred with Mrs. Shade's thoughts. A brief discussion ensued.

PUBLIC COMMENT:

Mr. Harting stated that it was on tape now that there will be no commercial in that area. (Golf Course). Mr. Ludgate stated that you can't go to the Zoning Hearing Board for a use variance, as there is no such thing. We have been asked to amend our R-1 district to allow another residential use. The concern from our Planning Commission was what they were proposing was okay, but don't put any commercial element in at all. Mr. Fitzpatrick stated what they proposed is in the Ordinance. Mr. Ludgate agreed.

PUBLIC COMMENT (con't):

Mr. Harting was concerned about the PA American Water project and how long it will be going on. He said that Ralph Avenue has become two (2) ways. Mr. Stine stated that enforcement of the one (1) way is not happening. Mr. Stine stated they would rather ticket people for no parking then going after enforcement of one (1) way streets. Mr. Harting explained how it is working on Ralph Avenue. Mr. Weaver asked how long will the project be going on? Mr. Ludgate stated that Mr. Hart received a call stating the project should be over within three (3) days. Mr. Ludgate does not feel that it will be done in three (3) days.

EXECUTIVE SESSION:

Council went into an executive session for personal matters at 9:40 p.m.

RECONVENE:

Council reconvened at 10:44 p.m. No action was taken.

ADJOURNMENT:

Mr. Zerr made a motion to adjourn at 10:45 p.m.

Respectfully submitted,

Regina M. Shade, Borough Secretary/Treasurer