

The regular meeting of the Borough Council of the Borough of Sinking Spring was called to order on Thursday, June 4, 2009 at 7:00 p.m., at the Sinking Spring Borough Hall by President Stewart Wenrich. After the Pledge to the Flag, Regina Shade called the roll reflecting the following Council Members present:

Stewart Wenrich
Bruce Light
Barbara Kutz
Lawrence Schmidt
George Butkus
James Zerr (absent)
Elizabeth Sloan

Other officials present were: Mayor Clarence Noecker, Charles Fitzpatrick, Borough Solicitor, Robert Ludgate, Sr., Ludgate Engineering, Michael Hart, Public Works Director, and Regina Shade, Borough Secretary/Treasurer, who recorded the minutes of the proceeding.

APPROVAL OF MINUTES:

Mr. Light made a motion to approve the minutes from the May 7, and May 27, 2009 meetings seconded by Ms. Sloan. AYES – 6, NAYS – 0, ABSENT - 1 (Mr. Zerr); motion carried.

VISITORS:

The first visitor to address Council was Zia Mahmood of 4223 Hill Terrace Road. Mr. Mahmood was there addressing an incident that happened at the Sunoco on Penn Avenue in the Borough on May 20, 2009. He explained in detail his version of what had happened to him at the Sunoco on Penn Avenue. After a discussion Mr. Wenrich felt this should be turned over to the Safety Department for their review. Mr. Schmidt stated he will discuss this with the Mayor and then talk to the Chief.

The next gentleman to address Council was Mr. Peter Bludiu from Alcon. Mr. Bludiu had a map showing the expansion that they are proposing. The sketch at this point was strictly for informational purposes only. The sketch showed what they were hoping to do over the next ten (10) years or so. Nothing is set in stone. They are hoping to be adding 100 people to the company over that period as well. They hope to break ground in 2011. It was presented to the Planning Commission. Mr. Wenrich thanked them for bringing the information to Council as well as the public. He continued that this shows that Alcon is committed to the Borough. This is a win/win situation to both.

Mr. Jeff Smith of Mass Mutual addressed Council about the DROP Program. He stated this was something the police department was interested in looking at. This would need to be enacted by Ordinance if this is something Council would be interested in starting. A police officer is eligible based on age and years of service which the Borough has established by Ordinance. Once the person is eligible to retire they can complete the correct paperwork. The pension contribution for that person ceases. The municipality is no longer required to make pension payments for this individual. The police officer stays on the force for up to five (5) years working. You pay them;

VISITORS (cont'd) :

you just don't make a pension contribution for them. At the end of the five (5) years they must retire. The advantage is there is no pension contribution made for that person. It is usually a huge savings as that person is a high end paying employee. The benefit to the police officer is that they start receiving pension benefits as well as they are continuing to work. Those pension benefits are set aside into a private account which they have invest discretion over. Once they fully retire they can take all the money and roll it over to an IRA or some other pension retirement plan they might have. Reading and Spring Township are using this and he suggested we talk with them. Mr. Butkus had a question. He stated that we don't pay into their pension however once we set this up, they would receive a pension in addition to their salary. Mr. Smith stated it would go into a separate "hands off" account. They don't have access to it. They have investment discretion over this money. They can't access it until they retire from the police force. They can't do anything with this money until they retire from active duty. Mr. Butkus stated since they have control over it and they make bad investments, they can't come back to the Borough and make us replace the money lost. Mr. Smith stated he hasn't seen that come up as of yet. The State is responsible for paying them a monthly pension benefit and that is where it ends. What the "pensioner" does with the money is totally up to them. He can't imagine a scenario that would allow them to come back to the municipality and get their money back. It is irrevocable; once you are out you are out. Mr. Fitzpatrick stated earlier in that day, Ms. Sloan did forward him some information. Mr. Fitzpatrick forwarded that information to Mr. Keith Mooney, who has had some similar work with other municipalities regarding this same thing. He has some comments relating to this. Mr. Fitzpatrick suggested to Mr. Mooney to come to the workshop meeting and lay out his concerns. It is June 24th. It should be discussed with Council at that time. Ms. Sloan stated when they can retire is in their contract. Mrs. Shade stated it is set up by Ordinance. They must be fifty (55) years old and have twenty five (25) years in. Mrs. Shade stated at this point in time we have no one really close to that. The closest one (1) would be Officer Schweyer and he is several years away from the 55 years of age. Mr. Smith stated the contract has nothing to do with it; it is by Ordinance. It is voluntary. He thanked Council for their time.

COMMUNICATIONS:

Mrs. Shade stated there were no communications.

APPROVAL OF BILLS:

Mr. Light made a motion to pay the bills; seconded by Ms. Sloan. AYES -6, NAYS – 0, ABSENT - 1; motion carried.

REVITALIZATION PROJECT:

Mr. Ludgate stated they are making progress. He said the meetings are the third Thursday of the month; they are open and he encouraged everyone to attend. They also have committee meetings that night as well. The Design Committee is hoping to get some things going on Penn Avenue shortly. Mr. Ludgate stated they participated in the Memorial Day Parade and handed out little slips of paper with the website address on it. He went on to say there were over 600 hits from

REVITALIZATION PROJECT (cont'd):

people checking out this project. There is a lot of interest and in addition since the parade, people have checked out the site and are now asking if they can join up as well. The momentum continues.

MILLER ENVIRONMENTAL:

Mr. Peter Juzyk gave the report for May, 2009. Sanitary sewer flushing was low. They continue to hit a lot of grit on James Street. They will eventually get through all of it. They have three (3) sections to go. Mr. Wenrich questioned where the grease might be coming from. A brief discussion ensued and Mr. Juzyk feels it is from the residential areas. The chlorine cylinder scale was received and installed by Miller personnel. The first quarter 2009 commercial IPP invoices were issued to permittees. Two (2) NOV's were issued for fats/oils/grease (FOG). Meetings have occurred with the two (2) businesses. They recommended some changes for them. On May 18th the plant was inspected by DEP. DEP is out of the Lancaster area. The plant and the records appear to be in order. The total monthly flow was 1,682,500 gallons; the average was 543,000 gallons. Total precipitation was 2.15 inches. There was one (1) violation however it was a laboratory error. The week prior, Miller sent a sample to the lab for a fecal coliform analysis. They notified us Friday afternoon that there was some type of contamination. That made the sample invalid. Mr. Lew Christy of Miller contacted them and inquired what kind of discipline will be given. They told him it will be handled internally. Miller is quite dissatisfied with them. Mr. Butkus stated since they called us and told us about the contamination does that give us any recourse with DEP. Mr. Juzyk stated he received a letter from the lab and it will be submitted to DEP. Mr. Christy stated in the past DEP has quite understanding in these types of instances. Mr. Schmidt asked if the rental of the sewer truck went okay. Mr. Juzyk said so far it has gone well. They have only used it two (2) days so far. They were looking at using it over the upcoming weekend to finish up. They are hoping they can finish it up on the third night however there is a possibility they might need the fourth night as well. There were no problems with the truck. The contributions by each municipality are returning to normal. Sinking Spring – 68.8%, Lower Heidelberg Township – 22.9%, and South Heidelberg Township – 8.3%. The first two (2) weeks in May the flows were still a bit high in Lower Heidelberg Township however the last two (2) weeks appear to have returned to normal. There was a small amount of grease that was removed from the manhole at the plant. This is where the Green Valley line and the Reedy Road interceptor join.

UNFINISHED BUSINESS:

The first item was the farm agreement for the sewer plant area. Mr. Fitzpatrick revised the agreement and sent it over to him. Mrs. Shade stated she physically did mail it to the farmer, Mr. Mark Garber. Mr. Wenrich stated this is a work in progress.

The next item was the PCTI Funding. No one in Berks County received any of this funding this time around. Mr. Schmidt said it was a shame. Once again we are behind the eight (8) ball. Hopefully the next round we shall get some. It was stated by a State Official that PENNDOT will need to look at how they are funding this. Mr. Ludgate after speaking with some officials believes there will be more funding coming down at a later date. A brief discussion ensued as to where the money actually went. Mr. Schmidt stated PENNDOT asked for some further information for the

UNFINISHED BUSINESS (cont'd):

intersection at 724 and Mull Avenue. He received the information to do certain items. This would be for a conceptual plan. Mr. Schmidt asked Mr. Ludgate what the price would be to do this plan. Mr. Ludgate gave Mr. Schmidt a not to exceed price of \$3,000.00. There is quite a lot of CADD work that needs to be done just to show PENNDOT what we are thinking about. Mr. Schmidt made a motion to authorize Mr. Ludgate to go ahead with the conceptual plan at a price not to exceed \$3,000.00 to show PENNDOT what we are really thinking about; seconded by Mr. Light. Mr. Ludgate explained all that goes into the concept plan. Mr. Butkus questioned if we could run into a problem if once the project starts and changes have to be made will PENNDOT state that this isn't want the concept plan showed. Mr. Ludgate stated that PENNDOT has a set of standards that have always been used and then they have the Smart Transportation Guidelines. The first thing we will want to do is put down that this plan will follow the Smart Transportation Guidelines. He gave a few examples. One of the examples he gave was that under the other guidelines a lane must be 12 foot wide. Under Smart Transportation they only need to be 10 or 11 feet. This means conceptually if we are able to smooth out traffic we could perhaps restore a parking lane on Penn Avenue for example under the Smart Transportation Guidelines. He went on to explain about a few other things under Smart Transportation. Mr. Butkus stated that did not answer his question, and he stated it again. He wants to know how much leeway we have off of the conceptual plan. The answer was it was just a "theory". Mr. Wenrich stated it is like putting plans in front of the Planning Commission. Then they comment on it. That is what PENNDOT is looking for...we must put something on the platter to show them. Ms. Sloan questioned how the meeting went regarding the Boscov property to which Mr. Schmidt stated it went very well. Mr. Butkus asked given the trouble we have had with cars on Penn Avenue, aren't we just engineering that problem back. Mr. Ludgate stated ultimately the plan will reduce the number of cars on Penn Avenue by using a parallel street. Once the traffic is streamlined it will make for less traffic. Currently there are roughly 33,000 cars a day in the block between Columbia and Mull; if you go beyond Mull, it is only 22,000 cars a day. The answer is that a large number of cars are coming in on Columbia and 724 and using Penn Avenue to weave to other streets. If we can introduce this new grid pattern, it is much more efficient. Mr. Schmidt stated that Mr. Butkus' question is well taken however he doesn't believe we can answer that at this point. He stated we will need to find out exactly what PENNDOT is thinking and what they will allow us to do. PENNDOT asked us for this, we didn't volunteer to do this. Mr. Butkus understands that. Mr. Schmidt feels somewhere down the line, when we get to the real engineering of it, there will be changes made. Mr. Schmidt stated we need to take one (1) step at a time. Mr. Wenrich asked for the vote. AYES – 6, NAYS – 0, ABSENT - 1; motion carried. Mr. Schmidt stated a meeting with JDH and they are happy. Mr. Ludgate stated after the meeting a group went up to the Queen Street intersection. They were looking at the guidebook. The traffic engineer for JDH stated if we are able to adopt the Smart Traffic guidelines we will be able to "reduce the taper." He explained about the taper. Mr. Schmidt asked Mr. Fitzpatrick where we stood with the property on Queen Street. Mr. Fitzpatrick said they were to meet at 11:00 on the same day that the others met on Queen Street however the attorney for the Nitkas failed to make the meeting. She was tied up in court. They are to meet the following week. Mr. Fitzpatrick stated due to timing constraints, we would need to take action at tonight's meeting to condemn the property. He said that does not change the Borough's willingness to negotiate with them. We had already obtained an appraisal. We can't wait any longer. We will delay and perhaps miss a deadline. He said all of this could be resolved if he could just meet with them. He went on

UNFINISHED BUSINESS (cont'd):

to say that their attorney feels they are very receptive to trying to resolve this however he feels we should not wait just in case there is an issue. Ms. Sloan stated that this developer has no money down but they are interested, but where do we stand with them. She went on to say worst case scenario we could end up issuing a thing, taking over the property, paying for an appraisal, and this developer could still walk as there is no money on the table. She feels they are imposing deadlines on us that are costing us money but the loss is on our side. Mr. Schmidt stated that we have had at least two (2) or three (3) developers that have looked at that site, they wanted to develop there and it always fell through because of that building. They walked away. Sooner or later that building is going to have to be ours or we will never get that developed Mr. Schmidt said. That is the bottom line. If we don't take it this time, we will have to take it next time. Next time, the price might go up, of course it could go down. Ms. Sloan stated it probably won't go down anymore. It is slow. Ms. Sloan questioned if there is a situation where the developer might eat those costs to get it done. She wanted to know why that burden is on us. She questioned if we shall gather some of these costs in the negotiations of the project. Mr. Fitzpatrick stated getting a developer to help contribute to the acquisition of private property creates some legal issues, real serious legal issues. Ms. Sloan stated liability issues to which Mr. Fitzpatrick stated it has nothing to do with liability issues. Mr. Wenrich stated it would cost our actions for his gain or benefit. Mr. Fitzpatrick stated that was true and correct. Mr. Wenrich stated it is exactly as Mr. Schmidt said, we have had three (3) other developers come through and left cause of this. It is Mr. Wenrich's hope that if we do this, JDH will better that site. However, even if he walks away, we at least have the ground work set for the next developer. We need to get it done. We can't keep avoiding this. It has been thirteen (13) or fourteen (14) years of weeds growing. Mr. Wenrich feels fixing that intersection is a well made investment. Mr. Ludgate stated the developer is giving us a public transportation link through the project. This is very important. Mr. Schmidt made a motion to authorize the condemnation of the property owned by Mr. and Mrs. Nitka located on Queen Street subject to continuing negotiations with their lawyer; seconded by Mrs. Kutz. Mr. Butkus questioned how much money were we talking about. Mr. Fitzpatrick stated we need to go into executive session to discuss this.

EXECUTIVE SESSION:

Mrs. Kutz called for an executive session for a real estate matter at 8:05 p.m.

RECONVENE:

Council reconvened at 8:20 p.m.

UNFINISHED BUSINESS (cont'd):

Mr. Wenrich asked for a roll call vote. AYES – 5, NAYS – 1 (Mr. Butkus), ABSENT - 1; motion carried.

NEW BUSINESS:

The first item was the money requested by the Western Berks Fire Department. We need a payment of \$10,389.00. This is our first payment which was budgeted to be paid quarterly. Mr.

NEW BUSINESS (cont'd):

Fitzpatrick stated with the utility truck which cost \$183,500.00; he has spoke to Mr. Kevin Wagner at National Penn Bank. This is a tax free loan for us; however it would not be tax free for them. He said we should calculate what the debt service would be and reduce that from our obligation we contribute. Mr. Butkus questioned if we pay this out of the fire fund. The answer was yes. A brief discussion ensued. In order for this to work the new company will need to reimburse Sinking Spring Borough. Mr. Fitzpatrick feels this will work best for the Borough because we shall make sure the loan was paid and we can deduct it right off the amount we pay them. Mr. Butkus would like to get this in writing. Mr. Fitzpatrick said yes we should. Ms. Sloan stated it will be a contract. Mr. Light made a motion to pay \$10,389.00 to the newly formed fire department; seconded by Ms. Sloan. AYES – 5, NAYS – 1 (Mr. Wenrich), ABSENT - 1; motion carried.

The next item was Comast and the server. Mr. Hart stated our server is getting older and we need a new one (1) as LYNX no longer will support this old one. In addition, the County will no longer be supplying us with internet service. Mr. Hart has spoken to LYNX and had all the information we need. LYNX recommended going through Comcast. This is just for the admin side as the police will need to have more secure settings. Our cost for Comcast will be \$79.80 a month. That is just the access. Mr. Butkus inquired if this includes the Library to which Mrs. Shade stated no, the library is separate. Mr. Butkus asked some technical questions to which Mr. Hart gave him the information to review. Ms. Sloan questioned if it would make sense to sign a contract with them, so we know exactly what the rates will be. Mr. Fitzpatrick stated he does not know if they will give us any type of guarantee. A discussion ensued as to the cost of Comcast. Mr. Wenrich questioned if we received any quotes on the server. Mr. Hart stated it is all under LYNX who are affiliated with CO STARS; the price includes everything we need, \$12,392.60. We don't have to go out for bids. We extended the warranty for our old server for a year and the old system is starting to act up. Mr. Butkus was very happy with what we are getting with the computer. Mr. Leiby questioned if anyone has spoken to Mr. John Printz as we have a free website he thought. Mr. Wenrich stated this isn't for the website; this is for the computer itself. Mr. Leiby stated we went over to the County and we had a good website and now all the minutes aren't on there. Mr. Wenrich stated he was talking about two (2) different things. Mr. Schmidt made the motion to purchase the server and its components' for a cost of \$12,392.60; seconded by Mrs. Kutz. AYES – 6, NAYS – 0, ABSENT - 1; motion carried. Mr. Schmidt made a motion to call Comcast to supply the computer lines we need; seconded by Mr. Light. AYES – 6, NAYS – 0, ABSENT - 1; motion carried.

The Borough's responsibility for the annual stormwater facility inspections was next on the agenda. Mr. Ludgate stated back when the stormwater ordinance was adopted, it was basically imposed upon the Borough to adopt an Ordinance. Sinking Spring adopted the Ordinance just as it was written by DEP. We are located in the Tulpenhocken Water Shed. Mr. Ludgate found some problems with that Ordinance. The responsibility for ongoing inspections of a completed facility for a ten (10) year period after the facility has been built. We are all familiar that we are collecting a fee to cover the cost of improvements and the cost of inspecting the improvements that are being inspected. He read that the persons will be required to deposit a certain amount into the Borough's stormwater maintenance fund to help defray the cost. Under the Ordinance the facilities must be inspected. The Ordinance has a provision for collecting at the point prior to the construction for future inspections. Those collections have not been made. Mr. Ludgate read what the Ordinance

NEW BUSINESS (cont'd):

states. Mr. Ludgate stated we should do these inspections; he feels that we (Borough employees) could do this. Unless their inspections find something and they need to call in the Borough engineer the Borough's out of pocket will just be the employee's salary. In the future we need to get it done. The next issue, is that they want every stormwater facility get its own account on the books. Mr. Ludgate stated that some of the facilities will be one (1) catch basin for \$50.00 and Mrs. Shade will have to keep track of that on the books for ten (10) years. What can be done is to amend the Ordinance and correct this to a once and done lump payment that will go into the General Fund. We would estimate the cost of all the inspections. A clause will be added stating if something goes wrong, the owner will be billed the additional cost. The inspections are routine. Mr. Fitzpatrick stated he felt we had this already. This was put into effect right after the stormwater ordinance was adopted. It was an agreement. It stated that any developer must deposit a sum of \$10,000.00 to cover. Mr. Butkus thought we did receive something like that with Maria and Diane. Mrs. Shade stated that was escrow; to which Mr. Fitzpatrick agreed that was different. Mr. Fitzpatrick doesn't know why it hasn't been done. Mr. Ludgate stated it is not listed with the Ordinance. Mr. Fitzpatrick said it should be attached to the Ordinance. He said this was quite a few years ago, but he will look into this and see that we get it. It is Ordinance number 518. They believed it was adopted in the early 2000s. Mr. Wenrich requested that Mr. Fitzpatrick and Mr. Ludgate get together and review this. Mr. Fitzpatrick stated he will show him what was done in other municipalities. A brief discussion ensued as to this being done in other municipalities. This could also be done for individual homes as well, Mr. Ludgate said. Mr. Fitzpatrick never thought of this for a single residential type home. A discussion ensued. Mr. Ludgate stated this Ordinance did come along after most of our residential area was completed. A discussion ensued. Mr. Ludgate's concern is to get everything back on track. He will get together with Mr. Fitzpatrick. Mr. Sloan would not like to see this go onto residential properties. Mr. Wenrich explained that this is not for existing areas but for new construction. Ms. Sloan stated she understood however she did not want residents to be affected by this. Mr. Ludgate stated he understands her feelings however DEP might not feel the same way. Ms. Sloan stated she didn't care what DEP thinks. She doesn't represent DEP. Mr. Ludgate stated that DEP is "big brother". Ms. Sloan again stated she didn't care about DEP.

Mr. Schmidt stated he was at a meeting the prior week in regards to the Western Berks Ambulance Association. He went on to say it was very interesting. Nothing was finalized but lots of questions were raised. They are to meet again on July 28th and he has requested Mrs. Shade to attend as many of the questions involve finances. He spoke to her and Mr. Fitzpatrick about this issue. They are asking for a full membership for the Borough to support the ambulance. He stated that at the meeting a year ago, we had decided to phase in some of the costs they were looking for. According to them, things have been downhill since then. There were many items brought up how we can subsidize them. There was talk about putting a tax out for this from the General Fund. Mr. Wenrich questioned why do we need that? Mr. Fitzpatrick stated if we didn't put it in a separate fund and if something comes up that we need money, we will need to use that money. If we set up a tax and a separate fund is open that money will be only earmarked for that purpose. Mr. Wenrich stated Western Berks sends out cards to each residence to have them belong to their association. Now, they are asking for us to put a tax into effect. Mr. Schmidt stated no. It would end up being a tax for us as we don't have enough money in the General Fund to give them what they are looking for. Mrs. Shade stated according to what she read they would do away with billing each house

NEW BUSINESS (cont'd):

individually. Mr. Butkus stated so the Borough as a whole would buy the membership to which Mr. Schmidt said correct. Mr. Wenrich said then if he uses Western Berks he won't have to pay a cent and Mr. Schmidt said yes. Mr. Schmidt explained how the individual insurance will figure into this. If you are a member and you paid your dues; they will bill your insurance company. Whatever your insurance company will pay whatever they deem responsible. An invoice will be sent to you for the difference. However if you are a member they then right off the difference. They must send you a bill for the difference, even if you are a member. Mr. Schmidt said this is an option. Mr. Fitzpatrick stated originally they tried to portray this as you don't have a choice. They went on to say that a new act was passed stating that every municipality must supply emergency medical service. This is for fire and ambulance. We are not obligated to supply any certain amount of money, though. We are only obligated to secure some type of service. We do contribute money and we have been contributing money. We have no obligation to enact a tax or give any more money, Mr. Fitzpatrick stated. That is not what we will hear from the EMS people. They will come in and say you must contribute a certain amount. That is not true. Mr. Schmidt stated Medicare people don't have full coverage and that is where they get "hooked." Medicare will pay less than 20% of that bill. After Medicare pays, they will send it to their supplemental insurance company and they will pay whatever they pay, then if they are members the rest gets written off. If you are not a member, you are then responsible. Mr. Wenrich questioned how much they were asking for. Mr. Schmidt said in the two (2) year plan, this year they want \$24,060.00. At the end of the term it would be \$48,120.00. One (1) of the other options that was being discussed was to put an ambulance in the fire houses. That might then reduce the amount of money we might need to contribute. Mr. Wenrich stated Western Berks has a station at Kerry Irwin; they have a big building at the end of their route (Robesonia), and he believes there was another location Mrs. Shade stated they have them at the West Reading Fire Station. Mr. Wenrich questioned how many areas do they need to store their vehicles? Mr. Schmidt stated Western Berks did not like that idea; that came from Wyomissing Borough. Ms. Sloan asked who else is involved in giving money to this. Mr. Schmidt said Bern Township, Marion, Womesldorf, Heidelberg Township, Lower Heidelberg Township, South Heidelberg Township, Robesonia, Wernersville, Spring Township, and Wyomissing. West Reading contributes space to keep their vehicles. They are looking at the year 2012 when they are expecting a deficit of \$715,900.00. They are going by households not residents. According to their records we have 1,604 households. Mr. Schmidt stated if the Borough joins as a municipality the individual households pay nothing. Mr. Butkus stated it works out to be roughly \$30.00 per household. Mrs. Shade stated when she was first made aware of this and they were thinking of the tax, she thought of the old saying "No taxation without representation." She feels that some type of board be established perhaps an advisory board with representatives from each of the contributing municipalities. Mr. Schmidt stated according to the information he was given the highest paid paramedic is making \$14.00 per hour. Mr. Wenrich questioned where all the money is going. Mr. Hart explained the difference between and EMT and a paramedic. Mr. Wenrich stated let them show us their books. Mr. Schmidt stated they are willing to do that. Mr. Butkus stated what they are asking us to do is to have our residents buy into their plan. Mr. Schmidt stated from Sinking Spring he believes they are getting about a 27% return of the envelopes they send out. Mr. Butkus stated that when a non member resident uses the ambulance, they aren't eating those costs as they bill them for what the insurance company does not pay for. Mr. Fitzpatrick stated they are still getting the full amount from the insurance company whether you are or aren't a member. The membership at that point is just gravy for them. Mr. Wenrich

NEW BUSINESS (cont'd):

questioned if this was just food for thought to which Mr. Schmidt said yes. There is another meeting July 28th and he will be taking Mrs. Shade along as well. Mr. Schmidt stated it is very, very complicated. Mr. Wenrich has no qualms with the emergency services however where is it going to stop. Mr. Butkus questioned what the membership is per household. It is \$65.00, he thought for a regular household and \$50.00 for a senior citizen household. Mr. Schmidt feels a lot more talking has to be done with this.

Mr. Hart and Mr. Butkus met with the gentleman from Four Leaf Energy Company on the electric. The next step is to have a signed agreement which would allow them to come out here and hang their sizing devices on the equipment. This would let them know what size capacitor we would need. This will cost us \$315.00. He is estimating on what he saw, that would give us an 8% savings. Mr. Butkus stated he did tell us that we don't pay the sizing fee up front. They figure out how much they can save us. If you decide to go ahead with this, they just role that cost right in. If they find out they can't save you any money, they don't charge you a thing. The only time you would pay that fee would be if they show you that you could save money and you choose not to be move ahead with them. Then you must pay their fee. Ms. Sloan made the motion to have Four Leaf Energy Company come out to size our capacitors; seconded by Mr. Butkus. AYES – 6, NAYS – 0, ABSENT - 1; motion carried.

The next item was the backup for the Berks County Cooperative Council in case Mr. Hart is unavailable and a decision needs to be made on the price of electric. Mr. Butkus made the motion to appoint Mrs. Shade as Mr. Hart's backup for the Berks County Cooperative Council purchase of electric; seconded by Mr. Schmidt. AYES – 6, NAYS – 0, ABSENT - 1; motion carried.

The next item was the surety for Brookfield Manor both phases. He believes the total for both phases is somewhere in the area of \$500,000.00. The estimate of the work that is left is in the area of \$200,000.00. They have asked for release. Mr. Ludgate stated the question in his mind was how much should we retain. He feels we should retain around \$260,000.00. Mr. Butkus stated he thought there is still work to be done. A brief discussion ensued. Mr. Fitzpatrick feels we should keep \$470,000.00. Mr. Wenrich feels we should just keep it all for now. Mrs. Shade stated they owe us quite a bit of money and they keeping telling her, they can't pay us until we release their money. Another discussion ensued. Ms. Sloan stated she isn't releasing anything. Mrs. Kutz thought it was decided quite some time ago we weren't releasing any money until the project was complete. Ms. Sloan made a motion to continue to hold the money in escrow until such time the work is completed; seconded by Mrs. Kutz. AYES – 6, NAYS – 0, ABSENT - 1; motion carried. Mr. Fitzpatrick stated once Ludgate certifies that all the improvements have been completed we shall enter into a maintenance agreement with them where they post the security. It will be a new LOC. Mr. Fitzpatrick stated we have had some real issues with this development. To say to Mr. Jim Elliott that we are going to retain the \$260,000 which he can get released to apply to a maintenance bond, when this is completed is the proper approach. He might get very upset for saying that however he feels this is the way to go. Mr. Butkus asked what they owe us General Fund money for. Mrs. Shade stated she was not sure of the exact amount; however they owe us for legal fees, engineering, things like that. We received money upfront however that money has long been spent and now we are trying to collect for the bills that have been incurred throughout the development of this area, Mrs. Shade said. We have billed them throughout this process however

NEW BUSINESS (cont'd):

they will pay us when we release the money and since we have not released any money from the escrows, they have not been paying us for quite some time. Mr. Fitzpatrick stated it is there, so let's keep the money there. Mrs. Shade stated there is another issue with the playground taxes as well. We paid the taxes on the property where the playground is located. Wright-Elliott did not pay the taxes on that property so the Borough did out of its General Fund. We did not own it at that time. Mr. Fitzpatrick stated we shall need to collect that too. Ms. Sloan questioned if we should be sending them a letter. Mrs. Shade stated they know it to which Mr. Fitzpatrick agreed.

Mr. Harting stated he heard a lot of money being spent here and we have a budget every year. Where are we getting this money, he asked? At this point in time with the tax of the fire company shouldn't be paid on the basis of the two (2%) percent discount. Now we are beyond that. Could we have the report known to you how much of that taxes are really there; because now you are hitting a quarterly fee for the fire company? We just made that decision tonight that they are going to pay the \$10,000 quarterly. If when the quarterly payment comes due all the taxes that may be delinquent is not there where is that money going to be taken from to pay that? Because .55 should be there but if it is not there by any report of the tax collector or anybody else, we don't know if a quarter of that money is going to be there. Where are you going to get the rest of it? Are you going to get it from the General Fund until the other people pay the penalty? These financials to me don't make sense; you're spending money. You spent so much for Ludgate tonight. You spent money for Comcast. You actually put that in the budget; when you state the budget at the next meeting and you say you're on budget or you're not on budget. This doesn't make sense to him. He wondered if they knew where he was coming from. Mr. Fitzpatrick stated he wasn't sure what he was saying. Mr. Fitzpatrick asked him if he was questioning whether the appropriations this evening been provided for in the budget. Mr. Harting stated that is what he is questioning. Mr. Harting stated every time you come there, they are taking here and they are taking there. He then asked if in the beginning of the year when they passed the budget was that money there. He went on to say that the money is there now because the taxes are now in delinquency or in the full rate of 2% and he said the tax collector says in the rate of the percentile of what the money should have been at that particular time. Mrs. Shade said we have about \$100,000 to collect in real estate taxes according to the tax collector. The server that we requested this evening was a budgeted item for this year. We knew this was coming. There is money put aside each year for engineering fees as well as legal fees, she said. There is money set aside for the Revitalization Project as well. All those items are hanging out in the vestibule on our approved budgets for 2009. They are there for everyone to review. It is posted. She continued she will be reading at the end of the meeting where we stand finically for both the General as well as the Sewer Fund. What you won't hear this evening is the Library or Fire Fund balances. When the task force was put together they took the budget that was in place and created this year. The money that comes out of the fire fund is taken directly out of the money collected and put into the fire fund. Mr. Harting said that is the point. He said it should say "x" amount of that money has been collected for that fund from the tax collector. Mr. Fitzpatrick stated you can't do it that way. There are times when expenses occur prior to the receipt of revenues. You can't match it up during the course of the year with the exact collection of revenues. Mr. Fitzpatrick stated what Mr. Harting is saying is that by now we should have collected the \$10,000 in the fire tax. Mr. Fitzpatrick stated we probably have. But it doesn't always work that way all the time. There are revenues that are received during the course of the year. For example, the Earned Income Tax, the Local Services Tax; they come in over the course of the year.

NEW BUSINESS (cont'd):

It all comes together to pay the bills. Mrs. Shade stated every Council person receives a financial statement in their packets every month. She went on to say this year we budget \$697,000.00 for this year. So far year to date, we have taken in \$ 598,620.10. So basically we are off the \$100,000.00 that was cited earlier. She went on to say we have a Local Enabling Tax. This is for Per Capita, Real Estate Transfer Tax, and a few more. We budgeted \$750,750.00 for the year. So far this year we have taken in \$244,596.68. This is short because this one houses our Earned Income Tax which generates about \$100,000 to \$125,000 per quarter. This could reflect only one (1) or perhaps (2) payments to some of these accounts with more to follow the rest of the year. We do this for every fund. Mr. Harting stated so in five (5) months we only took in \$100,000.00 on the books. Mrs. Shade stated no we took in everything but \$100,000.00. Mr. Harting stated you now have the situation where people aren't working so Earned Income Taxes are going to be down to which Mrs. Shade stated that was true. We sell real estate; people won't have the real estate money, so that's not coming in. He stated you did not anticipate this did you. Mr. Fitzpatrick stated that we did anticipate this and Mrs. Shade said we did anticipate a loss of revenue. Mr. Harting stated okay that is what is in his mind because the economy going the way it's going, the projections are there so people aren't selling real estate so you aren't getting the money. Mr. Fitzpatrick stated we spoke about this at length at the time of the budget. Within that figure you are figuring you are going to be out at the end of the year, your budget will be balanced. Mr. Wenrich stated that is what we are shooting for. Mrs. Shade stated anything can happen and that could change that. Mr. Harting said we should stop some of this excess spending. Everybody has a wish list; I want this-I want that. There is a point in time where you got six (6) months to live within your budget. We know things are going downhill. Mr. Wenrich stated we have taken drastic measures already since the beginning of the year. Every committee, every Councilperson that is in charge of their committee has made some major reductions in their spending. The expenditure for the server is a necessity. If your server crashes we are out of business; we are done. The traffic study of the intersection is money that is coming out of the Revitalization budget. It has to be done. No if, ands, or buts. Unless we want to have that land sit vacant for another thirteen (13) years, we must make the move. Right now with the infrastructure push, if we don't get our act together there is another municipality that will have our money, Mr. Wenrich stated. I would hate to see that blight continue to grow because we wouldn't spend the money or invest the money. We are not spending the money; we are investing it in our future. We aren't sending it off to California, New York, or New Jersey. The same way with Four Leaf Energy, this is a place where we can stand to save up to eight (8%) percent or possibly more on our electric bill with a minimum investment. This investment could pay off itself within a year. In 2011, you might as well triple that to eight (8%) percent savings if we can get it in. Mr. Harting stated we need a bulldog watchdog on it. As I come to these meetings I keep hearing this money going and I just don't know where in the world it is going. How can you anticipate all these engineers and everything else? I have been here a couple of years now, three (3) times because of funding necessities, you have raised the permit fees and that is all because you are adding over and above what you just weren't making. So you asking permit fees, building fees three (3) times over the last four (4) years. When he was on the Planning Commission, he heard this all the time, you need to have permit fees. He then said he was finished.

Mr. Fitzpatrick stated we are having the closing for PENNVEST on the 16th of June. We must have all the papers into them by the 9th. One of the papers that Mr. Schlott wanted executed was apparently a form that is now being placed in all contracts that are using stimulus monies. We

NEW BUSINESS (cont'd):

must take steps to offer work to disadvantaged business enterprises based on gender and race. This is on the contractors; we must certify that we told them to do that. He has documents that Mr. Wenrich must sign saying just that. Mr. Butkus made a motion to authorize the signature of these documents by the people authorized to do so for the PENNVEST loan; seconded by Mr. Light. AYES – 6, NAYS – 0, ABSENT - 1; motion carried; included within that are the contracts for both Wickersham and Hirneisen Electric. Mr. Butkus made a motion to authorize the execution of both of the contracts; seconded by Ms. Sloan. AYES – 6, NAYS – 0, ABSENT - 1; motion carried. Mr. Fitzpatrick stated we must pass a reimbursement resolution. PENNVEST wants this. We have borrowed money from National Penn. As we pay the contractors, we shall draw down from National Penn. As we get reimbursed from PENNVEST, PENNVEST wants us to agree that we shall use those funds to pay down the loan. Mr. Butkus made the motion to have Mr. Wenrich sign that as soon as we get the PENNVEST reimbursement we shall use that money to pay down the interim financing; seconded by Mr. Light. AYES – 6, NAYS – 0, ABSENT - 1; motion carried.

Ms. Sloan asked where we stand with Traditions. Mr. Butkus stated he could answer that. They are in a state of paperwork nightmare. Last he spoke to them; they were intending to move forward with the project. Their one (1) backer fell through, but they did get another backer. Tentatively, they are looking between eighteen (18) months and two (2) years. That is the rough time line for breaking ground. In the next several months they would like to enter into a “layaway” for sewer capacity. He explained how this will happen. A brief discussion ensued. Ms. Sloan questioned if the project was still on, to which Mr. Butkus stated it was.

The last item was an agreement to allow us to have access to the electronic PENNDOT system. Mr. Hart stated that was for the Rt. 422 Corridor Project. It is going to be placed in the Borough Hall and we need that to view the records. Mr. Butkus made a motion to authorize the execution of that document; seconded by Ms. Sloan. AYES – 6, NAYS – 0, ABSENT - 1; motion carried.

COUNCIL PRESIDENT – STEWART WENRICH:

Mr. Wenrich stated if anyone has looked at the Sinking Spring spring recently, it is very, very sad. There is trash and everything else in there. Weeds are high. Something needs to be done. It looks like a trash receptacle. Mr. Light questioned where the trash comes from. Mr. Wenrich stated there is all kind of stuff in there coming from the trucks coming down the road. Mayor Noecker questioned is we could get the bank to keep that cleaned. Mr. Hart questioned who owned that. Mr. Wenrich and Mayor Noecker stated it is on the bank property; however they have given up the right of way. Mr. Butkus stated that got real complicated a few years ago and some harsh words were exchanged. They originally agreed to keep up with the weeds but not to keep up with the maintenance of the wall. Mr. Wenrich doesn't think the wall is bad; it is just the weeds and trash. Mr. Butkus questioned if we could authorize our guys to go in and clean it up. Mr. Wenrich stated if we go in there with our road crew, can we bill the property owner to which Mr. Fitzpatrick stated we can. Mr. Harting stated this would be a very active Eagle Scout project. Mr. Wenrich stated we could ask the playground to clean it up as well, but his question is who knows what is down in there. He is sure there snakes down there along with any other debris. Mr. Butkus made a

COUNCIL PRESIDENT – STEWART WENRICH (cont’d):

motion to have our guys cut the weeds and clean up the trash and bill the property owner; seconded by Ms. Sloan. AYES – 6, NAYS – 0, ABSENT - 1; motion carried. Mr. Francis Butkus questioned if you have a problem with the owner doesn’t the clean stream’s act talk to that to which Mr. Fitzpatrick stated not weeds. Mr. Francis Butkus stated the trash would. A brief discussion ensued. We shall send them a bill and see what happens.

TREASURER’S REPORT:

General Account

Opening Balance – May 31, 2009		\$236,436.79
PLGIT		9,063.32
Invest	Recreation	49,501.52
	General Invest	4,309.49
	To be Paid	<u>(41,699.98)</u>
	Total Acct Funds	\$257,611.14

Sewer Account

Opening Balance – May 31, 2009		\$103,335.24
PLGIT		61,043.20
Invest	Sewer Revenue	320,980.04
	To be Paid	<u>(12,093.63)</u>
	Total Acct Funds	\$473,264.85

Mr. Butkus questioned if we could put the report on the website. Mrs. Shade stated this part is actually part of the minutes and placed on the website. Mr. Butkus questioned if the paid bills can actually be put out there as well. Mr. Wenrich stated we can look into it. Ms. Sloan stated she noticed we paid some more money back to the sewer. She questioned if all the money has been paid back to which Mrs. Shade stated not yet. Mr. Wenrich stated we are getting there.

Mr. Light made a motion to accept the Treasurer’s Report; seconded by Mr. Butkus. AYES – 6, NAYS – 0, ABSENT - 1; motion carried.

COUNCIL PRESIDENT – STEWART WENRICH:

Mr. Wenrich questioned Council on their thoughts about the meeting on July 2nd. He thought of moving the meeting to mid July. We would incorporate the regular meeting and the July workshop into one (1) meeting. Mr. Wenrich was looking at the July 15th date. Mr. Light made a motion to have a combined meeting on July 15, 2009; seconded by Mr. Schmidt. AYES – 6, NAYS – 0, ABSENT - 1; motion carried. Mr. Wenrich thought it might be a bit easier as a lot of people take vacation the week of July 4th.

RECREATION – BARBARA KUTZ:

Mrs. Kutz stated the parade was a success. She thanked everyone for their participation and help. The original expenses were about \$1,400.00. We received about \$500.00 in donations,

RECREATION – BARBARA KUTZ (cont'd):

bringing our cost to roughly \$900.00. It was a very nice day. Mr. Wenrich feels it was money well spent. Wernersville will be having the parade next year.

ADJOURNMENT:

Mr. Light made a motion to adjourn the meeting at 9:57 p.m.

Respectfully submitted,

Regina M. Shade
Borough Secretary/Treasurer