

The workshop meeting of the Borough Council of the Borough of Sinking Spring was called to order on Wednesday, September 22, 2010 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
Edward Oswald
George Butkus
Elizabeth Sloan (absent)
Denise Stine (arrived 7:40 p.m.)
Dennis Leiby
James Pachuillo (absent)

Other officials present were: Keith Mooney, Borough Solicitor; Bradley Smith, ARRO Consulting; Robert Ludgate, Sr., Ludgate Engineering; Michael Hart, Public Works Director; Police Chief James Oxenreider, and Regina Shade who recorded the minutes of the proceedings.

VISITORS:

There were no visitors.

BUSINESS:

The first item on the agenda was bulk cleanup. Bulk cleanup will be October 13, 2010.

The next issue was the flu clinic which will happen on the same day, October 13th from 11:00 a.m. to 2:00 p.m.

Western Berks Ambulance Advisory Board was the next item on the agenda. Mrs. Shade stated last year when there was discussion about instituting the ambulance tax, one (1) of the prerequisites which the Borough along with three (3) of the other municipalities which agreed to pay their request, was to form an advisory type Board which would oversee how the money was spent as well as the information on how many calls were made from the Borough, how many calls total, those types of things. The Board would consist of representatives from each of the municipalities as well as the Borough Managers or Borough Secretaries. At last week's West Side Regional Emergency Management meeting, Mr. Leiby questioned how the other municipalities were paying for the ambulance and if they had established a tax were they happy with it. Mrs. Shade said that got her thinking and she remembered this Board was to be established however she heard nothing about it. Mrs. Shade contacted Mr. Leon Mazurie, Spring Township, Mr. Ron Seaman, South Heidelberg Township and Mrs. Kim Reifsnnyder, Lower Heidelberg Township to see if they ever heard anything to which the answer was no. On Thursday, September 23, 2010 there was going to be a meeting to discuss exactly how or where we should go from here. Mrs. Shade stated she contacted Western Berks Ambulance and she was informed that they were not on the Board. She thought this was odd but Mrs. Bonnie Page, Director of Western Berks Ambulance, stated that they were not on the Board. She said this was a committee formed by the municipalities

BUSINESS (cont'd):

not them. Mrs. Shade asked Mrs. Page didn't she feel a representative should sit on the Board as well; Mrs. Page did not have an answer. The meeting the following day was just to set out a strategy and see how we should proceed. Mrs. Shade asked Council to appoint a representative to sit on the Board. Mr. Oswald volunteered. Mr. Wenrich asked to refresh his memory. He thought if we established a tax the residents would not have to pay into the ambulance. Mrs. Shade stated you did not have to join the ambulance however if you needed an ambulance Western Berks would still bill your insurance company; Mr. Butkus stated or a business as well. Mr. Leiby said that West Reading as well as Wyomissing did not receive the proper answers to the questions that were asked so they did not join in. Mr. Leiby said we have the option to opt out. Mrs. Shade stated everyone has a copy of the Borough's contract. Mr. Leiby said the numbers that were given are numbers they gave us and that was some of the problems with West Reading and Wyomissing. Mrs. Shade said West Reading didn't contribute, she believed, because there was a contract set up a long time ago that allowed the ambulances to be stored at the West Reading Fire Station and that would be their contribution; however now they wanted it to be changed to allow them to still park their ambulances there but also make a monetary contribution. Wyomissing Borough had a different concern. This also caught Mrs. Shade's eye as well. Wyomissing usually received a letter asking for their donation however last year they did not. So, in December, someone from Wyomissing contacted Western Berks and asked if they wanted the money and to send them a letter requesting it or the money would go back into their General Fund. They never received anything asking for that money so it did go back into their General Fund. Mr. Leiby said this was true. There was a change of personnel at Western Berks. Mrs. Shade said that was a concern of hers if they needed the money so bad, why didn't they put something together and get it off to them. Mr. Leiby agreed. This is one (1) issue that I think will be addressed. Mr. Wenrich was glad this Board was being created. Mr. Leiby made a motion to appoint Mr. Oswald to be the Borough's representative on the Advisory Board; seconded by Mr. Butkus. AYES – 4, NAYS – 0; ABSENT – 3 (Ms. Sloan, Mrs. Stine, and Mr. Pachulo); motion carried.

The next item was the Revitalization Committee. (The documents presented will be attached and become part of the minutes). Mr. David Meas, owner of Hair on the Avenue and Revitalization Chairman addressed Council first. They wanted to give a brief overview of what they have accomplished as well as what they would like to accomplish over the next few months and years. He stated it has been over 21/2 years since they were invited to be part of this movement for revitalization. The invitation came from the Borough of Sinking Spring and he thought it was quite an honor to be part of that. They have had many; many volunteers come in and put in over 2,000 hours of time. The 2009 value of those hours was \$20.85; that will come into play when they start talking about grants. Many of the volunteers are business owners within the Borough or people who have other jobs but see the critical need to do something to help the Borough. He owns three (3) properties. The Borough has had many opportunities over the last 21/2 years and Council has acted on these opportunities. Many on Council have seen the benefits of investing in the Borough and continue to do so and he thanked them. He said their role in this is to simply bring the suggestions to Council and act as an advocate. Mr. Michael Wise was the first person to address Council. He handed out a report and went over it. His report had to do with real estate and its trends over the last nine (9) years. He is with Prudential Landis. He explained the charts. We are becoming a community of renters as opposed to homeowners. It is not necessarily a bad thing it

BUSINESS (cont'd):

just comes down to what types of renters come in and how it affects the school district. After reviewing the reports and his findings, Mr. Wise left Council with this thought, " People in communities that live in the past eventually cease to exist; people in communities who live solely for the future seldom live long enough to enjoy them; but those that live for today, learn from the past and plan for the future have the best chance for success." He thanked Council. Mr. Bernie Campbell addressed Council next. His report was the return on investment for the JDH project. He showed and explained the charts. This was just real estate taxes. Mr. Campbell stated there was a 50% increase with the investment. The second chart shows the return on investment on the JDH property. We, the Borough, spent \$187,646.06 on acquiring the Nitka property. That came out of the General Fund. So, based on the transfer tax and the accumulation of tax throughout the year, that return on investment, should mean we will break even in five (5) years. He believes anyone that owns a business and needs to do some major infrastructure investment, if you can get your return from investment in five (5) years, you would jump at it. Mr. Campbell asked Council to please consider investing in the community so we can bring more returns like this to the community. Mr. Jim Adams addressed Council next on the Borough tax revenue. He had a chart as well. Mr. Adams said there was about 10 acres of land that JDH sits on. The overall project is about 30 acres. He said anticipate your tax revenues to triple. We need to get new tenants into the unoccupied buildings so the Borough can exist. Mr. Meas thanked everyone for allowing them to share these numbers with them. He said we are all in this together. This is the Revitalization of Sinking Spring. They are volunteers and they are just trying to help. They want to bring ideas on ways to keep our town on the move and make it vital and brilliant. He thoroughly believes that this community has a lot to offer. They will be coming back to Council next month with an actual budget. He would like to put out some of the dollars they hope to look for. They will be asking for a line item of \$50,000.00 out of the operating budget or potentially out of a capital budget depending on how Council so chooses to look at it. They will also be asking for an allocation for \$500,000.00 that would be set aside towards your line of credit. This is money that might never need to be spent unless we were given grants. This will allow them to go after a half million, a million, five million, or ten million dollar grants. He went on to say just because you have it as a line item as an allocation, that doesn't mean it will be spent. Just by putting it as a line item in a capital budget it allows them to begin writing grants for larger amounts of money to get a lot of what we are talking about, Mr. Meas said. The separating of a capital budget out of the operational budget is something they hope Council will look into. Mr. Butkus questioned if the half million dollar line will need to be used if we receive a grant. Mr. Meas says they would come back to Council if they would be given the grant. He stated again they have no control over the spending of the money that is Council. Mr. Meas explained how it would work. He also stressed again this is just a line item and before it was spent, Council would need to give its approval. He said currently we can't go after those types of grants because they need to show there is a match there. Mr. Butkus said but if you have it in your budget and you don't use it, it makes it harder to get it next time. Mr. Meas said it doesn't need to be a line item in the budget it is an allocation. Mr. Butkus said if we get the grant and then we say we can't get it or whatever doesn't it make it a lot harder for the next application because they got a grant but they didn't use it. Mr. Meas said absolutely. He agreed once you get the grant and then say no, it will be hard to get another grant. Mr. Butkus said so once you put it in, you should be prepared to spend it. Mr. Meas said yes. Mr. Butkus said, so it isn't just a matter of putting it there, you must be ready, willing, and able to spend that amount of

BUSINESS (cont'd):

money. Mr. Meas said unlikely but yes. Mr. Campbell spoke but he was inaudible. Mr. Oswald stated this is a many step process so if we didn't want the grant we would be pulling out way before that would happen. So it would not affect us. Mr. Meas said correct. Mr. Meas stated they aren't going to be going behind Council's back and start writing five (5) million dollar grants. Mr. Butkus understood. Mr. Mooney said but you must have the ability to pull the money from somewhere. If you don't have a half million dollars coming in through tax money, you will need to float a letter of credit or you must do a capital improvements bond so you have the money available to you for the capital improvements. Mr. Meas said if he is correct we have a line of credit available up to \$10,000,000.00. Mr. Ludgate said that is the Borough's lending capacity. Mr. Ludgate started to say something about the line of credit however Mrs. Shade stated it is gone. Mrs. Shade said what they didn't use expired around the end of May. The borrowing capacity is in a very strong position according to the Borough auditor. A discussion ensued about setting up a capital budget. Mr. Adams asked how the Borough accounted for the \$187,000.00, Mr. Campbell had on his one (1) chart. He asked if that came out of the operating budget. Mrs. Shade stated it came out of the 2009 operating budget. Mrs. Shade explained that in 2008 we needed a tax increase however at the twelfth hour the sewer committee stated they need a 114% on average rate increase. Mrs. Shade stated she couldn't imagine placing this burden on residents and then asking them for a tax increase as well so she decided to hold off on asking for the tax increase until 2009. As we moved through 2009 and we became cash strapped, Mr. Fitzpatrick contacted Mr. Michael Setley, who works for Concord Financial. He came and addressed Council and told them that since we don't have a capital budget, we could go back for a period of three (3) years, take all of our capital purchases, come up with an amount, go before the DCED, get their approval and then go to the bank and ask for a loan to pay for these items. We got a million dollar line of credit. The \$187,000.00 shown on this report came from that line of credit. Mr. Adams asked if that came out of 2009 budget to which Mrs. Shade said yes. Mr. Mooney said the Borough sort of backed their way into a letter of credit or borrowing for capital items that spanned time. Mr. Butkus said now we are taking the loan payments out of each successive year. He wanted to know if that numbers reflects the interest. Mrs. Shade felt he was talking about two (2) different things. This \$187,000 number is what they used to acquire the Nitka property. The interest that we pay is on the whole amount that we used not just this number. Mr. Butkus said a portion of that interest would need to go against this amount. Mr. Mooney said that is why he said we backed our way into it because it became long term debt. He said that number will go up over time. Mr. Ludgate asked what the interest rate (big crack of thunder, inaudible). Mr. Leiby said if we pay that down, we don't have that to dig into anymore. Mrs. Shade said correct. What we didn't spend went back to the bank. We only had one (1) year to draw down so we do not have a line of credit anymore, Mrs. Shade said. Mr. Adams asked if there was an application to extend the line to which Mrs. Shade said no. He said it was not like they took it away. Mr. Mooney said we let it expire. They thanked Council again.

The next item was the joint traffic signal maintenance contract. Mrs. Shade said she received an e-mail from Mr. Ron Seaman of South Heidelberg Township. The traffic signal contract we had with Telco is up and he is willing to put out specs for the contract. Telco did a fine job. Mr. Hart said we will need to add the new traffic signal at Queen Street. Mrs. Shade stated she did inform Mr. Seaman of that as well. Mr. Ludgate received an e-mail that day that perhaps that traffic signal will be in blinking mode next week. It could be up and running. Mrs. Shade stated that Mr. Seaman will be here the next day perhaps he could give him the information on that pole at

BUSINESS (cont'd):

that time. Mr. Leiby said how much is it going to be? Mr. Butkus said he is going out to bid to get that amount. Mr. Leiby made a motion to authorize Mr. Seaman to go out and get bids; seconded by Mr. Butkus. AYES – 5, NAYS – 0, ABSENT – 2; motion carried.

The next item was the Terrace final land development plan. Mr. Ludgate had a recommendation from the Planning Commission for conditional approval. This plan has been around for about three (3) years now. There are four (4) pieces of correspondence and some of the conditions are pretty strong. There is a condition about a retaining wall. Mr. Ludgate spoke with Mr. Mooney. He suggested if Borough Council is inclined to grant conditional approval, he would like the Solicitor to prepare a specific agreement and have the developer sign it before conditional approval is granted. If Council agrees to this he would recommend this issue be tabled that evening. There is time until the meeting in two (2) weeks. We can get a specific agreement. He is concerned as it is a complex project. It is located up behind the Dairy Queen on the hill. Mr. Leiby asked what the other concerns were. Mr. Ludgate said the water system; there are still stormwater issues that haven't been resolved; there are five (5) comments from the water company that have not been addressed as well as comments from the sewer engineer. Mr. Smith of ARRO said they have concerns too. Mr. Butkus asked Mr. Smith to enlighten them on some of the issues with the sewer. Mr. Smith said they need more detail on the financial security. They need to get their permits. The other matter was the proper dedication of the private and public sewer lines as it relates to that subdivision. Some will remain private and some will become public. Those are their concerns. This is mainly on the paperwork side of things not the engineering issues to which Mr. Smith yes. Mr. Butkus made the motion to authorize the Solicitor to prepare the agreement; seconded by Mr. Leiby. AYES – 5, NAYS – 0, ABSENT – 2; motion carried.

Mr. Ludgate has the report from STV. This report will be part of the minutes. Mr. Ludgate read some of the report. Mr. Ludgate read this sentence under Conclusions and Recommendations. "STV has performed the "first cut" T.I.S. for the Revitalization Area of Sinking Spring. The Revitalization Plan of Sinking Spring generally improves the overall traffic flow and alleviates traffic congestion." This answers the question that the County has been asking us. The answer is yes, the plan works. He continued, "The environmental assessment concluded that there are no significant items hindering project progress." This plan is feasible. The LUPTAP committee is finishing up their draft report and you were given the opportunity to comment on the report. Mr. Butkus received a copy and Ms. Sloan. Ms. Sloan actually attended their meeting. He would like to schedule a public meeting to be held here. He would like the traffic engineer to come in and present his report and address any questions the public might have as well. He would also like the LUPTAP report to be presented and exposed. People will be able to ask questions there too. He was hoping to have that meeting scheduled for October or the beginning of November at the latest. Our contract with DCED does require a meeting for LUPTAP. We are not required to have a public meeting for the traffic impact study but he feels it is a good idea. They can ask questions. Mr. Wenrich asked how long he projects that meeting to take. Mr. Ludgate said it is kinda up to the public, but for presentation purposes probably about a half hour each. Mr. Ludgate was thinking we could forfeit our October workshop for this. It is a normal Wednesday evening that they would be there anyway. For purposes of the LUPTAP we would need to advertise. Mr. Butkus said we would need to advertise for the public because this would be the best way to dispel any rumors about what is or isn't in the report. Mr. Ludgate said that would work fine. Mr. Oswald said what

BUSINESS (cont'd):

about the budget. Mr. Wenrich said we still have the November main meeting and workshop meeting as well as December main meeting. Mr. Butkus said we could schedule additional budget meetings. Mr. Oswald said that is fine but he doesn't want to run in to the problems we had this year. Mr. Leiby said you aren't really replacing the meeting you are going to have it ahead of the meeting to which Mr. Wenrich said no. It would be in place of the meeting. Mr. Butkus said couldn't we perhaps put some time in on the budget if the meeting doesn't take that long. Mr. Wenrich said maybe. If there aren't a lot of people in the crowd asking questions then of course but given the controversy of this he is expecting many people to show up. This is a regional study so we will be inviting many other people from different municipalities as well as the utilities companies, BARTA, Wilson School District, the Berks County Planning Commission just to name a few. There are six (6) municipalities involved in this study. He is expecting a full house. Mr. Leiby thinks it is a great idea. A brief discussion ensued as to what type of ad to put into the paper. Mrs. Shade questioned what time do we want to start the meeting. It was decided to keep it at 7:00 p.m. Mr. Ludgate feels the technical people would be willing to stick around and answer questions after the meeting as well. The date is October 27th. It is the fourth Wednesday of the month. Mrs. Shade feels there is some confusion when the workshop meeting is. It is the fourth Wednesday of the month not the last Wednesday of the month. This month we had five (5) Wednesdays.

Mr. Hart informed Council that South Hull Street will be closed for the week of October 4th. The railroad will be coming through to repair some rails. It will closed at Columbia and out to James. The roof project has begun at the Brookfield playground. It is going very well. We had allocated \$30,000.00 for the project. As of that date he has almost half of the materials needed and we are at \$2,725.00. By doing this in house it is quite a savings. He is estimating around \$6,000 will be the top end. He will need to rent some equipment. We have advertised for the hiring of a street employee. We advertised for two (2) weekends and we received about 75 applications. He reviewed them and he has it narrowed down to six (6) that he considers serious candidates. He was looking for guidance from Council. Mr. Oswald said you are working with these people day in and day out, he trusts his judgment. Mr. Butkus said he feels Mr. Hart should narrow it down to two (2) or three (3) and then have Mr. Hart forward the paperwork to them because they do the hiring. Mr. Leiby agrees. The last item is the electric service for the pole building. He explained about the electric and heating work. He isn't concerned about the heat but they need the electric before someone gets hurt. Mr. Wenrich asked if he had an estimate on the electrical work to which Mr. Hart said no. He needs to get plans drawn up for it as it is a commercial building. That is what he is asking Council for. The plans need to be approved. Mr. Butkus asked for a ballpark figure. Mr. Butkus made a motion to authorize Mr. Hart to get electrical plans drawn up at a cost not to exceed \$2,500.00; seconded by Mr Leiby. Mr. Leiby asked how many amps. It will be 200 in both. AYES – 5, NAYS – 0, ABSENT – 2; motion carried. Mrs. Shade asked Mr. Hart if he wanted Council's input on how much they wanted to pay the new employee. Mr. Hart was thinking in the area of \$13.50 to \$14.00 to start. A discussion ensued as to what Mr. Matt Zerr is being paid. Mr. Hart said, we have one (1) person at \$25.00 per hour, another person at \$18 something and, Mr. Zerr in the area of \$14.00. He doesn't feel the range should be so drastic. Mr. Leiby said that was because of the percentage raise increases. Mr. Hart feels their pays should be similar.

Mr. Leiby said at their budget meeting Mr. Pachuillo was very concerned about the amount of money the Library Fund has. Mrs. Shade stated she did talk to Mr. Pachuillo about that. He

BUSINESS (cont'd):

asked if in a bind, can we take that money like we do the sewer money. They only lost \$2,000 last year and we gave them \$33,000.00. Mrs. Shade stated we can't touch that money because they get PA Access money, federal money, the Friends of the Library gives them money so the money is not only from the Borough. She did say two of the employees at the library do collect pension, perhaps we can have the Library Fund pay for that expense as well as rental space. They do pay for their disability and life insurance. The Borough pays for all their cleaning. He said if there is a way to do square footage perhaps we can do that. Mr. Hart did measure the square footage. He doesn't want to take a nickel away from the Library but he was just thinking if there is a way for them to contribute to the cost that might be a good thing. Mrs. Shade said they do pay for their own utilities. They pay their own phone and internet as well as UGI and electric. Mrs. Shade asked Mr. Mooney if they could pay for their portion of the cleaning and pension. We pay their water so perhaps we can charge them for their portion of the water as well. Mr. Mooney said it would be reimbursing for indirect costs. Mr. Oswald asked how much money to they have? Mr. Shade stated it is around \$280,000.00 give or take. Mr. Oswald said we might need to tell the Library at some point you are going to need to operate off the access. Mr. Leiby stated you don't want to mess up what the County gives them though. Some of this is restricted too because they get money from the Friends of the Library. People make donations, Mrs. Shade said as well.

Mr. Ludgate stated if anyone wants a full copy of the report to just let him know. This is just the first draft.

Miller Environmental has Amendment #3. Mr. Mooney said they came down an additional \$5,000 however Mr. Schlott is reviewing that document. He explained by July of next year another amendment will be needed dealing with the phosphorous levels. He hopes to bring something to Council in two (2) weeks. Mr. Butkus said adding the chemicals and the sludge will significantly increase their costs so that will be passed on to us. Mr. Wenrich said so basically in 2012 we will be looking at a sewer increase. Mr. Butkus said that will be up to Council. Mr. Wenrich stated I don't want to hear we are the cheapest in the County till we did a sewer project. Mr. Mooney said by July of next year when this happens we will only have a couple of months with Miller before their contract is up.

Mrs. Shade stated at the last Council meeting, Council voted on the MMO's. Shortly after that meeting she received a call from PMRS regarding the police pension plan. There was \$15,000.00 in non allocated funds so that reduced our payment to about \$48,000.00 give or take. That was already recorded.

Mr. Oswald questioned if we went to a four (4) car system would it make those cars last longer so over the long run we might save the Borough money. Chief Oxenreider said if we had four (4) cars, it would make it a three (3) year rotation instead of two (2). We put about 40,000 miles on each car a year. We would have a spare car with the fourth car. He was wondering if we could do a lease to own. A brief discussion ensued as to what cars we own and what happens when we retire a car. Mr. Oswald feels this is something we should look into. Officer Moyer has gone to the D.A.'s office and is doing detective work for us as well. He was approached by the County Detectives. The County is actually going to give us a car. The only thing is it will need to go into the Borough's name, be added to our insurance, and we maintain it. It would be a donation. That

BUSINESS (cont'd):

would be the fourth car. Mr. Wenrich said that means we can use that vehicle in any police matter or just when Officer Moyer is doing his detective work for the County. The Chief said it would be our car. Mr. Wenrich said if the County is offering we will take it. Chief Oxenreider said he will have to request that. Mr. Wenrich said if we don't take it some other municipality will. Chief Oxenreider said he can look into the leasing as well.

PUBLIC COMMENT:

There was no public comment.

ADJOURNMENT:

Mr. Butkus made a motion to adjourn at 8:24 p.m.

Respectfully submitted,

Regina M. Shade
Borough Secretary/Treasurer