

January 10, 2018

The Special Meeting of the Lehighon Borough Council was held in the Municipal Building on Wednesday, January 10, 2018. The meeting was held for budget and general purpose. The meeting was called to order at 5:30 p.m. by President Grant Hunsicker. Members in attendance were: Joe Flickinger, Darryl Arner, Autumn Abelovsky, Ryan Saunders, Lisa Perry, and Jared McEvoy. Officials in attendance were: Borough Manager Nicole Beckett, Borough Secretary Brenda Kreitz, Solicitor James Nanovic, Mayor Clark Ritter and Police Chief Brian Biechy.

Pledge of Allegiance

Approval of Minutes

Reorganization Meeting of January 2, 2018

Councilors Flickinger/Perry made the motions to approve and all were in favor with no question or objections.

Motion to approve the inter-municipal transfer of Liquor License#R-1074 for Lorenzo's Ristorante, Inc. Resolution R003-2018

Attorney Hartz spoke on behalf of Lorenzo's Ristorante. He said the Liquor Code requires either an ordinance or resolution to approve the inter-municipal transfer. Attorney Hartz prepared a resolution for council and read it.

Solicitor Nanovic said if no one has any comments then you close the hearing and vote on the transfer.

President Hunsicker asked if any one wished to comment and received none and closed the hearing.

Councilors McEvoy/Saunders made the motions to approve the transfer through Resolution R003-2018 and all were in favor with no questions or objections.

New Business

Nominations for Vice-President

Councilor Abelovsky nominated Joe Flickinger. Councilor Saunders nominated Darryl Arner. Councilors Flickinger/Arner made the motions to close nominations.

Roll call for Joe – yes- Councilors Abelovsky, Flickinger, Perry; no – Councilors McEvoy, Arner, Saunders and Hunsicker.

Councilor Flickinger asked Councilor Arner if he will actually fulfill the position wholeheartedly since Councilor Arner did not show up to the reorganization meeting and did not attempt to show up late. Councilor Arner said it was impossible for him to come to that meeting but will fulfill his duties as vice-president if appointed.

Roll call for Darryl – yes – Councilors Saunders, McEvoy, Arner, Hunsicker; no – Councilors Abelovsky, Flickinger and Perry.

Darryl is now vice-president.

The borough secretary said that Councilor Arner was President Pro-Tem. The solicitor said yes but he can't fill both positions so a nomination must be made for that position.

Councilor Perry nominated Councilor Flickinger for the position and he respectfully declined.

Councilors Flickinger nominated Councilor Perry for the position. President Hunsicker asked if there were any other nominations and if not for a motion to close the nominations.

Councilors Flickinger/Saunders made the motions to close the nominations and all were in favor with no questions or objections.

Appointment to Lehigh Canal Commission

Councilor Saunders said he will take the position.

Councilors Perry/McEvoy made the motions to appoint Ryan to the canal commission and all were in favor with 0 questions or objections.

Appointment to Library Board

Councilor Abelovsky said she would take the position.

Councilors Flickinger/Saunders made the motions to appoint Autumn to the library board and all were in favor with no questions or objections.

Appointment of Alternate for Tax Committee

Councilors Flickinger/Perry made the motions to appoint Councilor Arner as the alternate and all were in favor with no questions or objections.

Motion to adopt Resolution R004-2018 changing the voting delegates for the COG

Councilors Saunders/Abelovsky made the motions to adopt the resolution and all were in favor with no questions or objections.

The borough secretary asked to have the Addendum item done next.

Resolution R005-2018 for bituminous materials in small quantities approved before going on with the meeting.

Councilors Flickinger/Perry made the motions to approve the resolution and all were in favor with no questions.

Reopening of the 2018 Budget to reevaluate the millage rates

Councilor Abelovsky said she would start the discussion. Looking over the budget and millage rate for 2018. She listened to everything everyone had to say and understood the reasons behind the decision that was made. She looked into it further and the things that popped out to her were: Nicole always states that she feels we need to budget for long term capital items and many capital projects were discussed but none were put in to the 2018 budget. Councilor Abelovsky feels like we need to start somewhere. She doesn't want to be part of a council that talks about things for years and never gets anything done. Her suggestion would be to add a ½ mill increase to the General Fund for the purpose of long term planning. She also would like to have a ½ mill increase for the fire department as per Chief Mriss' request. Back in August of 2017 the fire department held their Strategic Planning meeting that was open to the public. It was announced at the council meeting a month or two prior and not a single sitting council member attended the meeting. Councilor Abelovsky said she was the only one there representing the public as a potential candidate for council. She felt anyone who would have attended the meeting and heard the 5-20 year plan of the fire department and the thought process that goes into the refurbishment and the replacement of equipment would know they don't ask for this money for no reason. Councilor Abelovsky doesn't understand why we are denying their request to have proper safety equipment and proper vehicles.

Councilor Flickinger said to add on to Autumn's comments we cannot continue to take out of Power & Light. Superintendent Armbruster provided him with several of the large expenditures that are up coming. Truck #12 2006 Ford is already past the two year replacement time; \$230,000. Replace the substation transformers that were installed in 1978 with an approximate 40 year life span. Average cost, not counting engineering, rigging cost is \$800,000 alone. Estimated with the additional cost you're looking at \$2 million. Since we have all these schools Lonny is looking at reconductoring from Beaver Run Road to Gypsy Hill Road \$350,000. As of the treasurer's report November 2017 between the 3 accounts that we have in Light & Power Reserves \$2,472,387.10. That doesn't cover the things that we should be replacing this year. If any transformer or any of

our system goes down that is a catastrophic failure to out power and light system. Without that system we are not generating funds. You will be raising your taxes way more than ½ mill. When you break the stuff down Councilors Arner and Rehrig say it affects the elderly. Face it, day to day things affect everybody. Depending on the way we go it comes down to the cost of a box of cereal up to a happy meal. We can deal with it. Most people have a cell phone. It's a luxury but you have one. These are things we need. These funds if not put into our system; we have no system. Without this system the town is going under. We need to start looking to the future and we need to do it now. We can't keep taking from Power & Light over and over again. It is not sustainable. If this was a business, the business would fail.

Councilor Flickinger addressed Councilor Arner stating Councilor Arner was in business and if he runs this borough like he would run a business he would not be in business it would have failed long ago.

President Hunsicker asked how many transformers Lonny has for a backup right now. Councilor Flickinger did not know.

Councilor Abelovsky said as someone who ran for election she talked to a lot of people and while she can't represent everyone in this town the things that she heard the most was to see change happen; to see something tangible that the taxes are going toward. Examples are street paving of alleys, demolition of blighted properties. These are all things Nicole had on her list, the security systems that should be in our parks. Nicole has upgrade security system for borough hall but an integrated system throughout this town would not only be desired in this town but looked at highly by the residents. Autumn said the people told her they don't want their taxes to go up substantially but when she looked at what Nicole provided an average home of \$34,500 you're only asking for a \$34 increase with the ½ mill for the General Fund and a ½ mill for the fire department she is requesting. It comes out to \$2.87 a month. That's a box of cereal. She knows no one wants to be sitting on a council that raises taxes. She might be the most hated person in town tomorrow but the people have asked her to make change happen in this town. She feels that if we don't plan for change and take these steps we will never have any change occur. Two council members were replaced because people wanted change. If she doesn't represent those people by making these statements then she feels she is failing the people who voted for her. If any of you running in the next election and you go out and talk to the people you will hear the same things. It is hard to tell people you're going to raise taxes but at the same time they will see change and tangible differences.

Councilor Perry agreed with Autumn that if we raise taxes people want to see something happen for that increase and as long as we are making positive changes for the future she doesn't think anyone will look down on us for raising their taxes. \$34 isn't that much stretched out over a year.

Councilor Abelovsky said it's never easy but we can't get stuck in a rut which seems to be what has happened. She thinks it would be a huge deal if she was sitting here asking to raise taxes 3.75 mills.

Councilor McEvoy said he thinks we need to look at where our money is going and where our money is now and try to fit what we can in with what we have available. Maybe reevaluate it for next year and take a minimal increase and start that process but he feels before we raise taxes we really need to see where our money is going right now. Councilor Abelovsky asked when the budget meetings were going on in 2017 why wasn't that thought of. You approved the budget as it stood. Councilor McEvoy said no one brought up this conversation but now we are talking about it and looked into the budget and see things that we need to ask ourselves if we really need to spend this much money in certain areas.

He thinks we would be better off reserving the tax increase for another time and look at what we have available, see what we need, where we are spending it and make some adjustments, maybe look at the fire department's financial situation to see where those dollars are going and make changes for next year's budget. Councilor McEvoy made a motion to close the budget and collectively look at things for next year. We are already over charging for electric for the luxury of moving money around and not raising the taxes. If we need to raise taxes maybe we can look at raising the income tax so that everybody is paying the tax and not just the property owners.

Councilor Flickinger said to Councilor McEvoy that you're saying we need to look at where we are spending but you have sat on this council for two years now. Have you not looked at where we are spending? Councilor McEvoy said yes and that he has brought up a ton of instances. Councilor Flickinger said but some of the motions were made by you to hire, hire, hire. Councilor Flickinger agreed we need some personnel but that is one of our highest costs. So if you are saying we need to start looking at cutting costs are you saying we need to start firing people? Councilor McEvoy said no that is not what he is saying. Councilor Flickinger said but that is where some of your highest costs are. Councilor McEvoy said he would rather evaluate pensions and benefit programs that he feels we are over paying for.

Councilor Saunders said salary increases in the private sector are not given if the company does not have liquid assets at the end of the year; you don't get a cost of living increase because the business needs to function. We have a lot of maintenance, we have a lot of bills to pay as the borough. Councilor Flickinger said he knows this as he's been fighting it for the past 4 years. With the exception of 2 or 3 departments in this municipality there is no strategic planning for the future of this municipality. He and Nicole have had these conversations over and over again whether it is retention of employees to our buildings. We have been talking about the leak in council chambers for the past 4 years but all we talk about is transferring funds. If your expenses go up your income needs to go up. It is as simple as that. It doesn't mean you rob Peter to pay Paul.

Councilor Saunders asked if the electric is part of our income. Councilor Flickinger said once again with these reserves and the projects that need to be completed for this system if you do not have the projects completed the system fails then you can't transfer anything because you don't have any revenue. You setting yourself up for failure long term.

Nicole added that we are talking about capital projects and she looked at her memo showing the borough did do a lot of capital outlay projects from Light & Power beyond the transfers i.e. the new building, LED lighting, purchased \$400,000 plus in equipment, Lower Park project, relay replacements, the circuit upgrade project and land development projects. There have been things that beyond the General Fund transfer that have decreased the Capital Reserves from us doing all these projects. In the same token we do have a lengthy list of Capital Projects that need to occur. Councilor Flickinger said and that's what those funds should be allocated for. For that department so that it can stay up and running so if we do need to do small incremental transfers is one thing but to keep increasing it every year by \$100,000 plus is wrong. Nicole said in 2013 it was \$750,000 and as of 2017 it was \$1.1 million.

Councilor Abelovsky said that no matter what happens here tonight Councilor Arner had mentioned meeting with Nicole and Lisa to come up with a plan of action being you are on the finance committee. She asked Darryl if that is something that can be put into place sooner than later; or to be worked on and looked at sooner rather than later? Councilor Arner said he guesses.

Councilor Saunders asked what the probability of coming up with Councilor Arner's suggested rather than what is already on the budget. Are there any changes you feel you could bring to the table from that by looking into it a little closer with Councilor Perry? Councilor Arner said yes. Councilor Flickinger asked if any headway was made since saying you and Lisa would sit down with Nicole to discuss since last month. Darryl and Lisa said no. Darryl said he agrees with Jared to reevaluate our spending and things like that and wait till the beginning of the following year to see if we need to raise something then and keep the budget how it is.

Councilor Flickinger asked Nicole what her thoughts are on doing something similar for Public Works as is done for the fire department. Nicole said it would be feasible and good planning to come up with a Capital Reserves Policy and be sitting on Capital Reserves for these projects. That is just good practice. She said Autumn was absolutely correct in saying these are the things that Nicole has been saying for years and we need to be planning and looking out for the future and we need to make sure we are prepared. As the budget is structured right now we do not put away for Capital Reserves; 20 years ago we did but right now we do not. If you read her memos for the last 7 years they all say the same thing – Capital Reserves is a good practice. It is a policy decision of this board as to how you want to make that happen, what you want to allocate it towards and where you want it to go.

Councilors Flickinger/Abelovsky made a motion to raise taxes ½ mill for Capital Reserve for General Purpose and ½ mill for Capital Reserve for Fire Department Equipment Fund. Autumn asked Joe if he would be willing to rescind his motion and do them separately. He agreed and rescinded his motion.

Councilors Flickinger/Abelovsky made a motion to add ½ mill tax for Capital Reserve General Purpose and all were not in favor. Roll call: Yes – Councilors Abelovsky, Saunders, Perry, Flickinger; No – Councilors McEvoy, Arner, Hunsicker. Motion carried

Councilors Abelovsky/Perry made the motions to add ½ mill for Capital Reserve Fire Department Equipment Fund. Roll call: Yes – Councilors Abelovsky, Perry, Flickinger; No – Saunders, McEvoy, Arner, Hunsicker. Motion died.

Councilors Flickinger/Perry made the motions to re-advertise the Tax Levy Ordinance and 2018 Budget and all were in favor with no questions or objections.

Nicole had one additional item to discuss. There was a sewer problem at borough hall and council had approved the proposal and until it was all said and done the cost was a little under \$4,000 extra to complete all the work. There is a sewer line on the left side of the building that needs to be replaced. It is under the floor in the back room. It is deteriorated and sections are missing, the basement crawl space needs to be lined with silicone and plastic, there is a sewer gas smell coming out of the pipe that needs to be replaced, the floor needs to be removed/replaced. This proposal only came in today at a cost of \$5,680 from Joe Hutta that did the work to date.

Councilors Flickinger/Perry made the motion to accept the proposal for Joe Hutta and all were in favor with no questions or objections.

Adjournment

Motion to adjourn the meeting

Councilors Arner/Saunders made the motions to adjourn at 7:30 p.m. and all were in favor.

Brenda L. Kreitz
Borough Secretary