

Council President Ronald R. Rock called the meeting to order at 7:00 PM in Council Chambers of the Economy Municipal Building to conduct business of general purposes.

PLEDGE OF ALLEGIANCE

ROLL CALL

PRESENT: Nick F. Gnarra, Jr., Larry Googins, Arthur O. Mutschler, Audrey Mutschler, Renee Raymer, Donald Sivy, Ronald R. Rock

ALSO PRESENT: Mayor David N. Poling (7:05), Randy S. Kunkle, Borough Manager

Mr. Rock advised that at this time, the normal order of business would change.

William Vescio, Sr., Bryon Funding, Inc., gave an update of the Police Pension Fund and the Non Uniformed Pension Fund for the fourth quarter 2006.

HEAR THE PUBLIC:

Jeff Emerick, 116 Emerick Drive, came to Council concerned about the outsourcing of the Earned Income Tax office to Central Tax Bureau of PA, Inc. with possible mandatory quarterly payments. Mr. Gnarra assured everyone that we are in a transition period; EIT will be due once a year on April 15th; Centax knows what Economy Borough's intent is and that Centax works for Economy Borough and follows Economy Borough's direction; Centax is the agent and the agent does not set the rules.

MINUTES:

Mayor Poling requested the following corrections: 1) Page 269 change "Mayor Poling verified...." To "Mayor Poling questioned that Verizon DSL is still in only certain portions of Economy Borough."; and 2) Page 271 eliminate "Mayor Poling stated the police were promised this money for training time to offset baby sitter and other expenses."

MOTION by Mr. Gnarra seconded by Mr. Sivy – to approve the Minutes of the January 9, 2007, Regular Session of Council as corrected. CARRIED UNANIMOUSLY

MAYOR'S REPORT:

Mayor Poling requested Council review ^{Feb. 27, 2007 - Corrected to read "off street"} ~~one sided~~ parking in neighboring communities for possible adoption in Economy Borough. Mrs. Raymer stated she has received more ordinances to review.

MANAGER'S REPORT:

1. Bond Interest payment: Mr. Kunkle advised the invoice for the bond interest payment due February 1st was not received until after the last meeting; approval is needed to make the payment in the amount of \$23,047.50. This will be addressed during the Finance Committee Report.

2. PSAB Spring Leadership Conference: Mr. Kunkle reported this annual conference focuses on legislative issues important to boroughs; issues concerning cable franchising (high speed access), contracting, the EMS tax, formulating state-wide policy, eminent domain, 2007 NIMS requirements, identify theft, storm water management, managing utilities, solid waste and other topics will be discussed; the conference is Sunday, March 18th through Tuesday, March 20th, at the Holiday Inn Harrisburg/Hershey; Room rate is \$92 + tax, single or double and must be mailed in by February 21st; conference registration, \$160 must be in by March 2nd; someone from Economy Borough should attend, gather as much information as possible and share it with everyone. Mr. Rock stated if Council does not attend, Mr. Kunkle should attend.

3. Road Dept. Antenna: Mr. Mutschler reported the antenna is up and working; would like to recommend some type of compensation to the Baden Volunteer Fire Department and to Ernie Sotirake for the hours of time and work they spent on this antenna. Mrs. Mutschler suggested thank you letters.

MOTION by Mrs. Mutschler, seconded by Mr. Mutschler – to authorize a one time donation to the Baden Volunteer Fire Department of \$100 and a one time check in the amount of \$200 to Ernie Sotirake, not setting a precedence. CARRIED UNANIMOUSLY

COMMITTEE REPORTS and OTHER BUSINESS:

PUBLIC SAFETY:

Mrs. Mutschler advised Sgt. Hartsell and Officers Foley, Farah and Carney were in attendance of the meeting to answer any questions concerning the proposed contract. Officer Foley explained that currently they have unlimited overtime and the proposed overtime opportunities (Article VIII Section 8.3) would be provided to each officer on a rotating basis in accordance to a policy set in place and agreed upon by both the chief of police and the police association; full time officers will be limited to one scheduled overtime shift worked in a pay period; when an overtime opportunity is provided to a full time officer, that officer will have one chance to take a pass on that shift without penalty; the next overtime shift offered after the pass must be worked or refused by that officer. If the officer does not respond to the request for overtime, that will be recorded as a pass or refusal; after each time an officer accepts a day or is given a refusal, that officer is then again available to take a pass on the next overtime opportunity in the next eligible pay period; after the list of full time officers is exhausted for the shift or pay period, part time officers may be used in their place; the healthcare program & disability insurance verbiage was changed "For retirees who do not have insurance coverage through a spouse or through coverage which has been provided by other employers, the Borough will pay two-thirds (2/3) of the costs of eye, dental and hospitalization insurance (if permitted by law) up to Medicare eligibility or for a ten year period after retirement, whichever is sooner." Mr. Sivy questioned the legality of discussing the proposed contract in open session of Council; stated he had questions he would like to ask in Executive Session.

Contract discussion continued. *Mr. Googins questioned the officers on the 4 ½% pay raise stating that it was way above the cost of living percentage which was around 2 ¾%. Mr. Sivy →

MOTION by Mrs. Mutschler, seconded by Mr. Mutschler – to authorize the negotiated changes between Economy Borough and the Police Department Bargaining Unit be placed in the new Bargaining Agreement between said parties for 2007, 2008 and 2009, retroactive to January 1, 2007.

questioned the officers on paying 1% to 1 ½% of the premium of their health insurance if they →
Question on the motion: Mr. Gnarra stated that for clarification and for the record the motion should include the changes. Mrs. Mutschler read the following contract changes to be included in the motion:

wanted that much of an increase. *Feb. 27, 2007 - Corrected to insert * to *

2007 - Article IV - 4.5% rate increase

Article XIII - Bereavement - 4 days for the immediate family

Article XV – Vacation Eligibility pro-rated in accordance with number of months worked since last anniversary date if the required 1450 hours is not met; also, sell back of ten (10) earned but unused vacation days at 100%.

Article IV – Change 4th year patrolman (months 37-48) to 100%

2008 – *Article IV – 4% rate increase*

Article IV – Shift Differential – increase to \$0.60 for the evening shift

Article IX – Clothing allowance increase to \$575 with a maximum carryover of \$250.00 unused

2009 – *Article IV – 4% rate increase*

Article IX – Clothing Allowance increase to \$600 with a maximum carryover of \$250.00 unused

Article XI – Section 11.2 Verbiage “up to Medicare eligibility or for a ten year period after retirement, whichever is sooner.”

Roll Call Vote:

Mr. Gnarra – Yes

Mr. Googins – Yes

Mr. Mutschler – Yes

Mrs. Mutschler – Yes

Mrs. Raymer – No

Mr. Sivy – No

Mr. Rock – Yes

MOTION CARRIED – 5 Yes – 2 No vote.

Mrs. Mutschler reported she has talked with Chief Harrington regarding the tactical training issue and he would like to have the officers reimbursed for last year taken out of this years training budget; he understands it will reduce this years budget; unknown if it can be done at the end of this year; line items may need to be moved around; will have to work on it to see if it can be done; tactical training sessions were approximately 5 hours long.

MOTION by Mrs. Mutschler, seconded by Mrs. Raymer – to authorize the 2006 training from the 2007 training budget for approximately \$6,200 to compensate the officers for training they did in 2006.

Question on the motion. Mr. Googins stated to clarify what was told and was understood years back when he sat in the audience at meetings that this was going to be done on the officers own time; in 2005 the item was put in the budget for 2006 and suggested that the officers would be paid; since it was said Council would do this, in his mind it should continue; however, having said to the residents it would be done on your own time, it is not the understanding that the residents have; the understanding he had as a resident was that they just wanted to do it and wanted to do this on their own and now they are asking for taxpayers money; since it was put into 2006 budget and they are on the understanding that they most likely would receive it, supports paying it; this should be on a non precedent setting basis as this is not the understanding that he had. Mr. Rock stated the police did not put this in the budget, Chief Harrington requested it in the budget. Mr. Googins stated this year Council needs to discuss with the Public Safety Committee if this is a policy this Council wants to continue; this should be talked about ahead of time. Mrs. Mutschler stated they have had to use this training. Mr. Googins stated Council needs to address this evolution as to if Council wants to change the philosophy that this was originally set up as and the understanding that the residents have of it; this year Council should discuss if we want to change our philosophy, if we want to go ahead and have this as part of our police force, if we want to go ahead and subsidize it in the future, not just put it into a budgetary item and make them think they are going to get it. Mayor Poling stated to clarify that the training budget was \$9,000, Chief Harrington requested

an additional \$10,000 to cover this training and the Council approved it in the budget. Mr. Gnarra stated there was a request put in, in writing to the Finance Committee for their proposed budget that they would like to see in the 2006 budget; the Finance Committee does not budget for any specific; i.e. they budget for a capital expenditure anticipating it would be for a vehicle, they don't have to use it on a vehicle; they budgeted the training dollars from 05 to 06 due to a surplus of funds rolling from one year to the next from a cash flow standpoint; felt this could be put into the budget and not have a problem; the key on any budget, and this is what caused the problem on this issue, is it was not brought up for a vote so Council could vote on it; any budgetary figure that is in the budget, in order for Council to spend it, has to be put to a vote to Council members and get a majority vote, say yes or no for it; if there was a majority vote not to spend it, it would not be spent; that is the concern on any budgetary item, that it be brought up so Council members have the right to say we want to do that or not; feels the tactical training that the officers do, even though it is tactical, does carry over and in reality it is a form of training that enhances your day to day job and that is why the Finance Committee, 2 years ago when the dollars were put in the budget, could afford it due to the surplus; the Finance Committee can either raise taxes, balance the budget, or if there is too much money, lower taxes; the dollars were requested and put there to help balance the budget properly; the problem was the day after the December Council meeting Council did not have a chance to vote on this and it could not be put into last years pay because Council did not act properly to vote on that type of cash expenditure; it was within the budget, but that doesn't mean Council has to spend it; it was part of balancing of the budget; Council needed to just say yes or no; this needs to get to Council timely so it can be done in advance; originally the intent was that it was totally voluntary, but as they evolved as a group, the training that they do does enhance their day to day and that is why we ought to vote for it; it falls under the training type of a vote and will not cause a problem, it is a reimbursement for their time. Mr. Googins stated he feels in the future Council needs to bring up items to be discussed, talk about it in the minutes, state that we have this in the budget and we are going to look at it and when it comes up, this would not occur.

ROLL CALL VOTE:

Mr. Googins – Yes
 Mr. Mutschler – Yes
 Mrs. Mutschler – Yes
 Mrs. Raymer – Yes
 Mr. Sivy – Yes
 Mr. Gnarra – Yes
 Mr. Rock – Yes

Motion CARRIED UNANIMOUSLY

ORDINANCE and RECREATION:

Mrs. Raymer reported there will be a ski trip on February 16, 2007; 2 Niagara Falls trips in March, 1 to New York and 1 an overnight trip to Canada; will double check on the need for passports to Canada.

Mrs. Raymer stated she has information from Dale Fouse regarding the liquor license transfer to discuss with the committee.

PUBLIC UTILITIES:

MOTION by Mr. Googins, seconded by Mr. Sivy – to appoint Dave A. Carlson to the 5 year term on the Economy Borough Municipal Authority, term expiring 2011. CARRIED UNANIMOUSLY

Mr. Rock requested Mr. Kunkle send thank you letters to Mr. Johnston and Mr. States for applying for the EBMA vacancy.

Mr. Googins reported the Ambridge Water Authority (AWA) has signed a developer's agreement with Traditions of America (TOA) which included construction of a new water tank on Conway Wallrose Road; TOA will give approximately \$80,000 up front money and \$581,000 up front tap in fees for a total of \$661,000; the estimated cost of the tank is \$940,000 after engineering; possible Fall 2007 construction.

Mr. Googins reported Mr. Sas will come in and give the annual EBMA operations financial briefing; also extended same invitation to the AWA, may be in a few months.

Mr. Googins reported the EBMA has requested Council approval of an increase in the board pay; requested increase is from \$45/month for each member to \$100 and from \$50/month for the chairman to \$125. Mr. Rock asked that this be tabled until Mr. Fouse is at the meeting and asked Mr. Kunkle to put it on the next agenda.

Mr. Googins reported he talked to AWA about Mr. Hopkins' request for water on Shaffer Road; assumed this is part of the AWA Capital Improvement Plan; talked with Mr. Huwar said they may get this within the next year; passed this information on to Mr. Hopkins.

Mayor Poling asked if utility company repairs to the road where they may have dug up can be regulated. Mr. Mutschler advised this is addressed by ordinance.

PROPERTY and BUILDING:

Mr. Sivy verified with Mr. Kunkle that the Jeep will go to the shop tomorrow regarding the ABS light.

FINANCE COMMITTEE:

MOTION by Mr. Gnarra, seconded by Mr. Googins – to authorize the interest payment on the bond due February 1, 2007, in the amount of \$23,047.50 be paid. CARRIED UNANIMOUSLY

Mr. Gnarra reported the Central Tax Bureau has reported December, 2006 collections of \$3,467.28; need to verify if the AASD portion has been sent directly to AASD; the commission for December, 2006 is \$52.01; first month is profitable; have some PR issues to handle regarding the information sent to the residents through the mail. Mr. Rock stated he felt Centax dropped the ball; it was Centax's position to explain Centax; does not feel it was Mr. Kunkle's position to explain how Centax will collect our taxes; for him to say more would be to overstep his authority. Mr. Gnarra stated his concern was to get the information to the residents and that they understood it.

Mr. Gnarra stated the non organized employee wages would be addressed at this time. Mrs. Mutschler requested a copy of the recommendations. Mr. Rock moved on to the Road Department report while the copies were being made.

ROAD DEPARTMENT:

Mr. Mutschler reported Mr. Shoup and Mr. Fitzgerald are both looking into the condition of Shaffer Road.

Mr. Gnarra asked if we are experiencing any difficulty or problems getting to the new salt storage area since it has been moved to the back. Mr. Mutschler stated no problems.

Mr. Sivy reported Mr. Kunkle has worked very hard and his efforts have paid off as Economy Borough has received a loan in the amount of \$100,000 for 2% interest from the Department of Community and Economic Development. Mayor Poling asked what does a salt shed have to do with economic development. Mr. Gnarra stated the old site prevents Economy Borough from meeting DEP regulations so this can be considered economic development. Mr. Sivy stated this helps enhance and helps the development of the community. Mayor Poling asked about the \$100,000 loan and the budgeted \$100,000. Mr. Gnarra stated with the budget and the loan we should be able to, without any problems, meet the building cost obligations between what was budgeted, what was spent and the loan to get the salt shed erected and the road access to the road itself; this is an expensive capital project.

The meeting returned to the Finance Committee report:

Mr. Gnarra reported there was a change in the personal plan for Chief Harrington several months ago; and his contract will follow the same rate (plus 1%) of the police contract that was just approved for the upcoming year.

Mr. Gnarra reported the recommendation for Paul Uncapher is to keep him at the \$125.00 per month; Susan McGrady will be reviewed in mid year as she is a new hire (09/26/2006); Mr. Gnarra reviewed the recommendations of the Finance Committee for each non organized employee.

MOTION by Mr. Gnarra, seconded by Mr. Googins – to authorize the increase of the salary of the borough manager, Randy Kunkle, from \$52,000 to \$53,500, which is a 3% increase. CARRIED UNANIMOUSLY

MOTION by Mr. Gnarra, seconded by Mr. Sivy – to authorize the increase of the hourly rate of police custodian, Mary Sue Horton, from \$11.30 per hour to \$11.55 per hour. CARRIED UNANIMOUSLY

MOTION by Mr. Gnarra, seconded by Mr. Mutschler – to authorize the increase of the hourly rate of Sue Blum, Borough Secretary, from \$15.75 per hour to \$16.25 per hour. CARRIED UNANIMOUSLY

MOTION by Mr. Gnarra, seconded by Mr. Mutschler – to authorize the increase of the hourly rate of the custodian, Mark Custer, from \$9.25 per hour to \$9.50 per hour. CARRIED UNANIMOUSLY

MOTION by Mr. Gnarra, seconded by Mr. Sivy – to authorize the increase of the part time police officers from \$11.50/hour to \$12.00/hour plus increasing their clothing allowance by \$100. - CARRIED UNANIMOUSLY

MOTION by Mr. Gnarra, seconded by Mr. Sivy – that Paul Uncapher, Ray Tomaszewski, Joe Luff and Susan McGrady pay rates will continue as is, from 2006 to 2007. CARRIED UNANIMOUSLY

Mr. Gnarra advised all the above motions are retroactive to January 1, 2007.

Mr. Gnarra advised a committee needs to be set up to review the additional concerns of the part time police officers; the committee members will be Mr. Gnarra from the Finance Committee, Mrs. Mutschler from the Public Safety Committee, and Mr. Sivy as the third member of the committee; meeting date to be set.

REPORTS:

SECRETARY:

No Report

ENGINEER:

No Report

SOLICITOR:

No Report

ADJOURNMENT:

*MOTION by Mrs. Mutschler, seconded by Mr. Gnarra – to adjourn the meeting. Time: 9:57 PM
CARRIED UNANIMOUSLY*

Respectfully submitted,

Susan A. Blum
Borough Secretary
February 16, 2007

List of Bills attached to Minute Book