

REGULAR SESSION ** ECONOMY BOROUGH COUNCIL ** NOVEMBER 24, 2009

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: Larry Googins, Arthur Mutschler, Audrey Mutschler, Donald Sivy, John C. Thomas, Ronald R. Rock

ABSENT: Renee Raymer – Prior Commitment

ALSO PRESENT: Mayor David N. Poling, Dale M. Fouse, Esq., Randy S. Kunkle, Borough Manager

HEAR THE PUBLIC:

Mr. Biega advised he was tape recording the meeting. Mr. Rock thanked him for asking and reported that tape recording is permitted by law.

Ray Kenny, 195 Sylvester Street, reported he is not satisfied with the collective decision on his zoning problem; reported he can afford to pursue this forever; feels Economy Borough can't afford it; thinks Council should go back and look at his complaint. Mr. Kenny reported rumors that Joe Luff is related to Mr. Rock. Mr. Rock reported he is not related to Joe Luff in any way at all; no relatives that live in Economy Borough; his relatives live in Pittsburgh, Michigan or Kansas.

Martha Fegan, 209 Park Hill Road, came before Council regarding the speed humps on Park Hill Road; feels this was done quickly to quiet the complaints of a few and the rest of the residents have to live with it; many people going over the speed humps lean on the horn in protest; trucks with trailers bang going over the speed humps; the complainer does not have a speed hump near his property and can get in his driveway without going over one; a lot of unsatisfied people. Mr. Rock reported this was a three year process; Council tried numerous solutions to solve the speeding problem; sixty people from Park Hill Road signed a petition. Mrs. Fegan feels Park Hill Road is not owned by the residents, it is owned by Economy Borough; this is a waste of gas, waste of brakes, hearing the beeps and bangs; was there a speeding problem, not just complaining; lived there 22 years, nobody has ever been hit; it is an opinion that people drive too fast; heard he wants the speed limit dropped to 15 MPH. Mr. Rock advised Council can not do that. Mrs. Mutschler asked if she got a post card. Mrs. Fegan reported she got the post card and sent it back that she would participate on the board; never heard anything. Mr. Rock reported 2-3 of the post cards were not signed by the residents who wanted to participate so we didn't know who to call. Mr. Kunkle reported that group consisted of up to five people; could not take everybody from the road. Mr. Rock reported this was not an overnight decision, a last resort; none of Council wanted to go into speed humps; felt it was the best solution; has gone over the speed humps 28-30 MPH and doesn't feel them. Mrs. Fegan reported it was an excessive solution; not sure five were needed.

Butch Thompson, First Street, asked the status of the vote on the request from Officers Creese and Orsini. Mr. Rock reported no vote has been taken yet; Council needed clarification. Mrs. Mutschler reported she has the clarification and would like an Executive Session to discuss it.

Jo Ann Borato, 2001 Conway Wallrose Road, reported apparently there is history regarding other issues with Economy Borough and payment under Title 10; she talked with Officers Creese and Orsini and all they are looking for is the 15 extra military days; the vacation days should be taken up with their union representative and Chief Harrington; understands from doing research and talking with people, the extra 15 days is discretionary under Pennsylvania Consolidated Statute 4102 which Bill 1266 amended; these two do not want to be tied to the Officer Heitzenrater controversy; this is a separate issue; is here advocating on their behalf; understands that 1266 was introduced and 4102 had the discretionary clause was not to impugn boroughs or townships who may have been in financial distress; if Council votes to pay the extra 15 days to these officers or any borough employee, thinks the process needs changed; needs to be clarified and something passed where the next time a borough employee is deployed it is brought to Councils attention so it is in the minutes what will be done, bookmarked, and made sure that is done; Council needs to say they will pay only if Economy Borough is financially capable of doing it; thinks if there is money to pay the 15 days it is the right and righteous thing to do; down the road every case should be looked at independent of each deployment and made public; maybe to offer support to that family as a resident; each case needs to be looked at independently and if Economy Borough is in a financial position to offer them the additional days as a debt of gratitude for putting their lives on the line; under Title 10 deployment thinks it should be paid.

Elizabeth Burns, 100 Stange Road, advised Mrs. Fegan she needs to go to her neighbors (this has been three years in the making) and tell them to come to every meeting to see what Council is doing and hold them accountable of what is going on.

Adam Klimkowski, 960 Conway Wallrose Road, reported that Joe Luff continues to trespass on his land; he and his neighbor filed police reports. Mr. Rock verified that he took his complaint to the police department; it is out of Council's hands; the chain of command is from the police, to the chief, to Public Safety Chairman. Mr. Klimkowski reported he is not unhappy with how it is handled; feels he should be terminated. Mr. Rock reported this is a personnel matter, he has made a police report and it will be handled through proper channels; this meeting is for the business of Economy Borough.

Elizabeth Burns, 100 Stange Road, wished to regurgitate the subject again. Mr. Rock reported if it is a personnel matter, a written complaint is to be filed with Mr. Kunkle, Borough Manager; if it is not handled by him properly, come to him as President of Council. Mrs. Burns reported the number of complaints since May has been enormous against one borough employee and nothing is being done; Mr. Kunkle knows of their dissatisfaction; need a more professional person in Economy Borough to be code enforcement officer; suggested Mr. Lodovico is a professional person.

Meagan Trimbur, 3225 Ridge Road Ext. asked for clarification that Mr. Luff needs a formal complaint to go on property. Mr. Rock advised unless he sees a situation like on Harmony Road that is very dangerous, as Mr. Thomas explained. Mrs. Trimbur agreed that every situation is different; he did not have a formal complaint to go on this mans property; she had a formal complaint; took two years to have something done; Council won't do anything with 199 Makers Road, a junk yard until there is a formal complaint; Mr. Klimkowski is fixing up his property trying to increase his property value; nothing has been done to the house next to her; he has not fixed it up; advised Mr. Fouse her attorney will be in contact with him in a few months; wants to know when something will be done with Mr. Luff; feels it is selective enforcement.

John Campbell, 123 Gross Drive, asked can the code enforcement officer go on property without a complaint, as stated in the past. Mr. Rock reported Mr. Luff and Mr. Tomaszewski have brought in thousands of dollars of

revenue through permits; this pays for their own salary; he is our code enforcement officer; Council wants him to be careful about what he does; if he is driving from one place to another and sees something, it is part of his job; if he did not follow a certain way, it will be rectified.

Adam Klimkowski, 960 Conway Wallrose Road, reported the item in question can not be seen at all from Conway Wallrose Road or the side street; can only see 90% if he trespasses; feels harassed.

Meagan Trimbur, 3225 Ridge Road Ext., felt it is a shame not all residents vote; they need to come to the meetings to see the Council working for Economy Borough; two people were voted in again who are not working for the residents.

Matt Morrone, 208 Foxglove, asked why Joe Luff worked on Veteran's Day; part time with a key; this is a multi million dollar business; can't not watch the employees; can't have a part time man with a key come in anytime he wants to; asked why he keeps going back after a resident gets a permit (i.e. shed); numbers from last week put his department in the red and Council wants to give him help and a raise. Mr. Rock reported Council did not give him help or a raise; will make the same amount for the third year; his facts are not true; Council cut the assistant, Mr. Tomaszewski is part time; Mr. Luff is part time and his salary is based on the number of credentials he has; part time with no paid benefits.

Francesco Morrone, 101 Short Cut Road, reported seeing Joe Luff in Baden Borough doing inspections. Mr. Rock reported he is a part time employee in Economy Borough and is permitted to go work somewhere else. Francesco Morrone reported it was with Economy Boroughs car in Baden. Mr. Rock asked Mr. Kunkle if Mr. Luff takes the Economy Borough car outside Economy Borough. Mr. Kunkle reported it is not to be taken to work in Baden. Francesco Morrone reported two weeks ago he was doing a job and Mr. Luff was just leaving the house he was entering with the borough car. Mr. Rock advised him to file a written complaint with Mr. Kunkle and it will be dealt with.

Adam Klimkowski, 960 Conway Wallrose Road, reported he felt this is all politics, Mr. Luff left him alone prior to elections; has also seen him in the borough car other places doing things he should not be doing, from trespassing to doing other jobs.

Sal Boboth, 105 Timber Ridge Road, reported he thought the borough zoning officer/code enforcement officer had the right to go on people's property and not be charged with trespassing. Mr. Fouse reported he has always considered zoning officers as police officers because it is a government intrusion issue; has advised zoning officers if they have probable cause they can go look at, i.e. Klimkowski's house; what's the probable cause is the challenge; if he puts in a legal complaint we could advance and we will find out if there was probable cause; probable cause is a Constitutional standard that is generally applied to police officers whenever they are investigating a crime; we are investigating whether or not there is an alleged violation of the zoning ordinance.

Meagan Trimbur, 3225 Ridge Road Ext., asked if the picture she had was probable cause; was told she needed a formal complaint, was told by her attorney she does not need a formal complaint. Mr. Fouse reported you don't need a formal complaint, you need a probable cause; problem is interpretation.

Jo Ann Borato, 2001 Conway Wallrose Road, reported due to all the complaints about Joe Luff she has done investigation work regarding housing starts, remodeling, additions, etc.; Mr. Rock is correct, facts show his office is almost revenue neutral; which means he does not cost this borough. Mr. Thomas reported if Council didn't have any problems, the audience would not be sitting there; there has to be something, somewhere.

Ray Kenny, 195 Sylvester Street, reported two problems; Mr. Luff does a fine job on the new home construction; but does not do a fine job on the complaints.

Nick Gnarra, 116 First Street, asked if Council reconfirmed the numbers in the proposed 2010 Budget and to confirm the year end numbers. Mr. Googins reported the revenue and expenses have been looked into; discussed this with Mr. Gnarra; took his suggestions to adjust some of the figures and confirmed the year end number.

John Campbell, 123 Gross Drive, asked when the public can have a copy of the proposed 2010 Budget and a line by line budget. Mr. Rock advised it will be available for a 10 day public review period after the motion is made to adopt the preliminary budget. Mr. Googins verified with Mr. Fouse that the proposed 2010 Budget in the line item form must be made available to the public for review at the municipal building.

Matt Morrone, 208 Foxglove, asked why when questions are asked of Mr. Kunkle, Mr. Googins answers for him; he should answer his own questions. Mr. Rock advised the borough manager will always defer to a member of Council out of respect to the office. Mr. Googins reported he was under the impression Mr. Rock asked him the question.

PUBLIC HEARING – ZONING ORDINANCE AMANEDMENT- ADDING WIND TURBINES

Mr. Fouse reported this is the place and time set for the public hearing regarding the proposed zoning ordinance amendment as recommended by the Economy Borough Planning Commission; they are recommending the Wind Energy Ordinance; background would be that Economy Borough did not have language regarding wind energy systems in the past; if we don't adopt an ordinance of some sort, it is possible that our zoning ordinance could be challenged as being exclusionary, as not having a reference to something that is now a standard/more popular usage; other municipalities have considered the same kind of ordinance with regulated controls with usage; basically it provides that wind energy systems (wind mills) used for personal consumption would be recognized as a special exception in the RA, R-1, R-2, R-3, C-1 and Industrial Districts; this mean if someone wants to build such a system or locate a wind mill on their property, they have to make an application for a special exception, go before the Zoning Hearing Board and meet certain criteria in order for the Zoning Hearing Board to grant that use for that property; those criteria are set forth in this ordinance which has been advertised and reviewed; this ordinance comes from the Economy Borough Planning Commission; recommends approval of it and further authorize the engineer to make certain changes related to the Zoning Ordinance. Mr. Rock reported there are 28 criteria requirements to be met. Mr. Boboth asked if there is a cost to apply. Mr. Fouse reported the same cost as for any special exception. Mr. Fitzgerald asked if the wind turbine that Economy Borough has complies with the code. Mr. Fouse reported it is a non conforming use; it is something that has been located in Economy Borough before there were regulations; and in Pennsylvania boroughs have the authority to ignore their own ordinances on property they control; we are not doing that; the wind turbine was here before the ordinance was adopted. Jo Ann Borato asked if neighbors would be notified if someone applies. Mr. Fouse reported the Zoning Hearing Board would handle this; the Zoning Hearing Board remains independent of Council; if the Zoning Hearing Board makes a decision, Council could challenge it. Mrs. Borato

asked if a building permit is needed if a special exception is approved. Mr. Fouse reported a building permit would be a separate process from the special exception. Mrs. Borato asked if it would require a special certification for Joe Luff to inspect a wind mill. Mr. Kunkle reported no, there are requirements within the ordinance, such as the electrical operation of the turbine itself that have to be stamped by a certified electrician; the parts that need expertise are covered in the ordinance. Mrs. Borato asked if installers have to be certified in Pennsylvania. Mr. Kunkle reported there is a requirement in the ordinance. Mr. Thomas reported an engineering study must be done; there are 28 provisions. Mr. Fouse reported there are PUC regulations that apply as well. Mike Lucia asked if the one acre requirement has a location requirement where it has to be put. Mr. Sivy reported the ordinance is very specific with regards to placement; 9) the applicant shall provide a site specific wind assessment to document that the proposed location will be effective in provided adequate quality and quantities of wind. Mr. Sivy asked if someone can get a variance on the one acre requirement. Mr. Fouse reported this would be a request to the Zoning Hearing Board. Adam Klimkowski reported novelty wind mills that power 70 watt light bulbs are available and does not think they should have to apply and pay for a special exception. Mr. Rock reported this is for Wind Energy Systems that are tied into the grid. Mr. Fouse reported based on what Mr. Klimkowski described, it does not fit the description of a Wind Energy System as described in this ordinance. Mr. Mutschler does not see why a fence is needed. Mr. Blumling reported this is to protect kids from climbing the pole and getting killed by the propeller.

MOTION by Mrs. Mutschler, seconded by Mr. Thomas – to adopt Ordinance No. 423 amending Ordinance No. 417 adding definitions for Personal Wind Energy Systems, standards and criteria.

VOTE:

Yes – Mr. Googins, Mrs. Mutschler, Mr. Sivy, Mr. Thomas, Mr. Rock

No – Mr. Mutschler

Absent – Mrs. Raymer

MINUTES:

Mrs. Mutschler reported she has a problem with how the minutes have been changed. Mr. Rock reported the basic purpose of minutes is to provide legal proof of the official actions of the governing body and other officials; the names of citizens that appear officially and subject of their testimony is included; oral expressions of opinions, remarks or statements should not be included on a word by word basis; 3-4 minutes to expound on a point is fine, it is on record; anyone can tape the meetings if they want to; the minutes are expressed concerns and what the concern was; Council replies can be word by word; felt the minutes were way too much and not required. Mrs. Mutschler reported she wanted to do research and it is not in the minutes; will use the Right to Know Act and request a copy every meeting; feels there is viable information people would like to read when posted on the internet; the Special Meeting is only 2 sentences. Mr. Rock reported that is the way it's going to be; any one can bring a tape recorder and record the meetings. Mr. Rock reported he instructed the secretary that what Council says to pretty much put word by word. Mayor Poling reported the minutes don't have to be an encyclopedia, but the special meeting went for 2 hours 45 minutes; more detail is needed in the minutes. Mrs. Mutschler suggested a vote on the minutes. Mr. Rock advised anyone can bring a tape recorder and tape the meetings. Mrs. Mutschler reported she questioned Joe Luff's certificates; had a question; talked about him having a sewage certificate he got; outside, inside; wanted to research and it is not there; now has to listen to the tape; will not approve the minutes. Mr. Rock reported basically the minutes are to identify the person making the presentation and the subject matter; makes it easier; anyone can tape a meeting; recommends it if it is a concern of anyone here to bring a tape recorder, you will have your own copy. Mrs. Mutschler reported she will not buy a tape recorder; will request a copy of the tape for every meeting. Mayor Poling reported he does not have the time to listen to a tape; we are paying people in the office to do a job; maybe we should cut back

the office if it's too much work; can cut \$30,000 in the office. Mr. Rock reported the basic purpose of the minutes is to provide legal proof of the official actions of the borough; this is what is required of the minutes.

MOTION by Mr. Mutschler seconded by Mr. Sivy – to approve the Minutes of the November 10, 2009, Regular Session of Council, as written.

VOTE:

Yes – Mr. Googins, Mr. Mutschler, Mr. Sivy, Mr. Thomas, Mr. Rock

No – Mrs. Mutschler

Absent – Mrs. Raymer

MOTION by Mr. Mutschler seconded by Mr. Googins, – to approve the Minutes of the November 17, 2009, Special Session of Council, as written.

VOTE:

Yes – Mr. Googins, Mr. Mutschler, Mr. Sivy, Mr. Rock

No – Mrs. Mutschler, Mr. Thomas

Absent – Mrs. Raymer

MAYOR'S REPORT:

Mayor Poling reported there will be discussion on the budget; he can see why the minutes are so short; looking at a tax increase.

Mayor Poling reported he received a complaint on Friday, (in the middle of the day), from the neighbor of Mr. Klimkowski, that Joe Luff was prowling on his property, driving behind his house; called screaming; advised him to go to see Randy. Mr. Kunkle reported he went to the police department. Mayor Poling verified with Mr. Kunkle that he did not come to the borough office to see him. Mr. Kunkle reported he never talked to either one of the two neighbors.

MANAGER'S REPORT:

1. Ordinance – Proposed Firearms: Mr. Kunkle reported he spoke with Mr. Thomas; this time of year with the holidays and hunting season, is a difficult time to get the group of 7 or 8 members together; attempted to arrange that meeting on more than one occasion; never able to get enough people there; Mr. Thomas decided to wait until after the first of the year to schedule the meeting; continues to be tabled.

2. Benefits Request from Officers Creese and Orsini: Mr. Kunkle reported this has been an Executive Session matter, just has it listed as an open item. Mrs. Mutschler reported this would be discussed in Executive Session.

3. Village of Bradford Park – Extension: Mr. Kunkle reported this is planned for across from the Road Department by Bradford Park Associates/Mike Cinker; it is a planned residential development/condominium that was approved under the old zoning ordinance, however, under the new ordinance it does not meet the acreage requirement; these plans are only good for so long before they expire, which will soon be the case of the Village of Bradford Park; Mr. Cinker is requesting an extension based on the economy and the amount of time and money he already invested in this project; the recommendation is to grant the extension. Mr. Fouse reported the developer relied upon the language and standards of the Economy Borough Ordinances at the time of the application; the application was granted; the law provides for the PRD to be in existence for a certain period of time; the market fell and things got bad; he invested a lot of money; an extension would be reasonable for a reasonable time period; original was for 3-4 years and expires December 31, 2009; recommends granting an extension of 3 years.

MOTION by Mr. Thomas, seconded by Mr. Googins – to authorize the extension of the PRD of Village of Bradford Park for three (3) years. CARRIED UNANIMOUSLY

4. 2010 Proposed Budget: Mr. Kunkle reported the Finance Committee looked at the year end projection; looked at historical numbers; received the Beaver County 2010 Assessment; it is possible or likely to be about \$100,000 off for 2010; looked to see what to cut or do for 2010 to remedy what the outcome might be for 2009; came up with 3 different plans; can increase the property tax \$20,000 based on the updated assessment for Economy Borough; next suggestion is to increase the Local Service Tax (LST) to \$52 which would bring in an additional \$42,000; next suggestion, eliminate a police car out of the General Fund Budget; this would allow for one police car paid for out of the Northern Lights New Car Fund; lastly, take \$100,000 out of the Capital Bond Fund to apply towards the bond payment; second option would look at property tax, instead of doing the aforementioned, would increase 1 mill of property tax; increase of 1 mill of property tax would bring in about \$110,000; an option to help close the gap; Plan B shows what would happen if both options were taken. Mayor Poling said he was confused; last Tuesday we were here until 10:30 PM and went over the budget line item by line item; now we are off \$100,000. Mr. Thomas reported as far as he is concerned that meeting was useless; because at the meeting we were close to settling the budget and now we are talking about raising the taxes; changing things around; even raise taxes 1 mill; asked the Finance Committee if they ever thought of looking ahead a few years; can't raise taxes and then raise taxes again in a few years; will be in the same spot again; need to look ahead 3 or 4 years and plan; the Finance Committee should have been looked into something like that; they know what the figures are, he does not; he did not get to see any of this; if would not have put something on the floor last week, he would not have seen it and it would have been out to the public; this is ridiculous; Council should be working as one; his complaint is we don't have a budget; want to raise taxes; want to change things around; what is his plan for the next 3-4 years. Mr. Googins reported it is up to this Council, not just the Finance Committee, to present the facts of what we have and where we stand and make recommendations based on those numbers; if Council, as a group, wants to raise taxes a greater amount to do what you are saying, nobody is stopping Council from doing that; all the committee is saying is there is a proposal here; the first one would be to not raise taxes next year except for the LST, not to raise property taxes to finance Economy Borough through 2010. Mr. Thomas reported we should be looking ahead. Mr. Googins does not disagree with his suggestion; to say it didn't occur, is not true; we are here to talk about it to see if Council wants to do that; talked about not raising property taxes next year; the Finance Committee went into the process with the determination to try to figure out a way to have a budget next year without a raise in property taxes; that is what the committee did and that is what this Council talked about doing; what Mr. Kunkle is saying is an added plan with a 1 mill property tax increase to show the gain we would have and not having to use so much of the fund balance to balance the budget; this is a recommendation; they are not saying this is going to happen; it is up to all of Council to decide what to do; these are the numbers in front of Council; what changed is the fact that when the committee looked at the end of year cash closer along with the borough secretary and the borough manager; all came out with an estimated end of year cash balance; the most pessimistic was \$475,000, estimate of cash at the end of the year; Plan A requires a fund balance of \$416,000; a

\$60,000 difference; if every penny of the budget was spent next year, the balance at the end of the year would be \$60,000; history shows that is not what occurs in Economy Borough; Economy Borough usually ends up with up to \$500,000 at the end of the year; can't predict that; don't want to predict that; want to predict the worst case; the worst case with no property tax increase that Mr. Kunkle and the Finance Committee came up with is Plan A; it changed because the numbers were reviewed to see where we would be at the end of the year. Mr. Kunkle reported the other thing done was a letter to Council and within it was a letter from Council to the department heads; the letter to the department heads was saying that attached was the 2010 budget, know going it that it is very tight and that the following cuts may have to occur in order to balance; that is the main difference between last week and tonight; we are trying to close the gap before hand than getting into next year and then deciding what has to be cut; the letter provided that \$100,000 difference talked about tonight; that was intended to convey last week; we need to go into this budget as it was knowing there is a list of items that may have to be reduced during the year in order to make the budget balance; suggesting tonight if Council wants to proactively take care and balance that going into 2010, these are ways for it to be done; either have to go forward like it was last week, knowing additional cuts have to be made most likely, or look at one of the proposals. Mr. Googins disagreed that it was a waste of time going over the line items last week; the reason to do that is so everyone on Council knew what the line item budget of the different departments were and what was in the budget; that was done; that was needed for Council to see what each item and number was; during that period of time Council could have added or subtracted from those numbers; if added to those numbers, the proposals that Mr. Kunkle worked up would have changed even more because they would have required more fund balance at the end of the year; what was done proceeded what is here tonight; it was effective, Council went through it; likewise, things could have been found to cut that would have helped out; that is what Council went through last week, to see if Council all agreed with each line item number; what we are finished with is what Council decided last week; that is what we want in our budget. Mayor Poling stated at the meeting the budget was balanced and Mr. Googins wanted to pass the budget that night; heard a fund balance of eight hundred and some dollars Tuesday at the meeting and now we are at four seventy five. Mr. Googins reported the eight hundred thousand dollars was the fund balance at the end of October; this is what is projected at the end of December; \$475,000 estimated for December 31st; all the income expected to get less the expenses, which would be what is left at the end of December; this number is different every month; this is a Council effort, not an individual effort; it is up to all of Council to decide what to do. Mr. Rock reported Mr. Thomas mentioned last week that in 2002 taxes were raised and we knew we had a good plan for five years; has been on Council several years now; in 2007 he suggested having to start raising taxes half a mill or a mill; 2007, 2008, 2009; does not know why anyone is surprised. Mayor Poling reported he is; paying \$62.00 per month for sewage because of the projection of development; we are paying to maintain the taxes and now Council wants to raise them. Mr. Rock reported we did have a nice fund balance in 2007; every year it was chipped away; if people were listening in 2007 when he suggested raising half or one mill of taxes, didn't need to raise taxes, but it would have been a lot smarter and we wouldn't be in this position today. Mayor Poling reported he is talking Tuesday to Tuesday. Mrs. Mutschler reported the residents want to see something for their money, not just to balance the budget. Mr. Rock reported every year the expenditures got more than the revenues; every year the budget was balanced, but it got less and less; this year it's least. Mr. Thomas asked if Council thinks it's about time to change the way things are done. Mr. Rock reported things should have been changed in 2007. Mr. Thomas does not want to put it off and put it off. Mr. Rock reported there is only so much to do; Economy Borough provides services; in order to provide services, we need tax money; we are not a for profit business; all the people supply the money for the services of Economy Borough; that's the bottom line; if we want to continue providing services at a certain level, we need so much money; the fund balance is less and less; have not thought about raising taxes since 2002; the cost of things is simply higher than revenues; gas, bread, electricity, cable, telephone, car payments, etc. have gone up since 2002. Mrs. Mutschler reported that the flip flopped numbers for snow removal capital purchases and salt storage have not been corrected as she requested at last weeks meeting; when the proposed budget is ready for review by the public, will they get just the current figures or also the prior figures; went through the budget for hours and the expenditures for 2009 do not add up to the total listed; it is \$76,000 off. Mr. Kunkle requested which budget Mrs. Mutschler was looking at. Mrs. Mutschler reported the one from the beginning; Council made no changes; didn't talk about changes, so why is

the expenditure number changing; the total started out for 2009 at \$3,924,737.00; 2009 never changed, the budget never changed, why is it Plan A and Plan B is now down to \$3,848,264.00; this is \$76,000 off; when you add the totals per department, it totals up to bigger; why did that number change in 2009; it should have never changed; Council made no changes in 2009; concerned if the public sees the expenditures are lower in 2009 than what they really were; hi lited for two hours back and forth on this. Mayor Poling reported Council is getting a pay cut. Mrs. Mutschler asked how she can possibly vote yes when she can't get numbers right from Wednesday to Friday; asked if consideration has been made for two major contracts that are not settled. Mr. Thomas asked if the money was in there. Mr. Rock reported money was allotted for that. Mrs. Mutschler reported she heard there will be some new positions at the road department, an increase in staff; provided a copy of the proposed labor agreement; looking at changes and increases. Mr. Rock asked Mrs. Mutschler if that was the new labor agreement. Mrs. Mutschler reported it is what someone thought they were going to write/rewrite. Mr. Googins reported that is a piece of paper that the Road Committee was using to negotiate with the Teamsters Union; there is nothing approved; there is nothing voted for; there is nothing going on; doesn't know what game is being played. Mrs. Mutschler reported she is not playing a game. Mr. Googins reported that is a piece of paper used to negotiate with, just like pieces of paper Mrs. Mutschler has to negotiate with the police or whatever Mrs. Mutschler might be using; that is what they were looking at, that is what they were discussing; none of it is agreed to; none of that is proposed; none of that was brought to this Council; this will be talked about later tonight or at the next meeting, whenever Council wants to do it; what is Mrs. Mutschlers point. Mrs. Mutschler reported she has a contract that is proposed to them down there; not the other way around; they did not ask for this. Mr. Rock asked if this was from the Road Committee; that Mrs. Mutschler is not on the Road Committee. Mrs. Mutschler reported she is on Council. Mr. Googins reported when the Road Committee finishes, just like when she is finished with the police department, the committee will bring it to Council and discuss it and vote on it. Mrs. Mutschler reported she keep them updated the entire time. Mr. Googins reported so did they; this was only the last meeting; they have not talked about it yet. Mr. Rock reported if it was a concern she should have brought it to Mr. Mutschler. Mr. Googins asked why Mrs. Mutschler does not come to one of Council before a meeting instead of getting on a soap box; can answer the questions and address the public correctly if it is known about a head of time; had two weeks to do this; this will all come out once it is decided. Mr. Rock reported he has the two most recent proposals in front of him. Mrs. Mutschler reported Plan A expenditures in every area do not add up to the \$3,848,264.00 total listed; should be \$3,928,737.00; why did that number change. Mr. Rock reported this will be researched to see why that number is different. Mr. Kunkle reported that number should not have changed that number is in the Excel worksheet; the only time that number would change is if one of the other numbers would change; 2009 is not what he is working on; will have to look further to answer that question. Mrs. Mutschler asked before about the numbers flip flopped and they still are; could go crazy thinking the numbers don't jive; another question; saying they are going to eliminate a police car; budgeted is \$7,200; what is in the police car fund at Northern Lights. Mayor Poling reported that is in the Treasurer's Report; around \$34,000. Mr. Googins reported \$34,568 at the end of October. Mayor Poling asked if the payment has been received this year; that would take it up to \$42,000. Mr. Rock asked Councils wishes. Mr. Sivy clarified that Plan A increase in property tax revenue is anticipated or a fact that we would receive an increase in property tax revenue. Mr. Kunkle reported that is based on receiving the assessed value of Economy Borough property from the assessors office last week; every November we get a new assessed value of all the taxable properties in Economy Borough; it went up 1.4% which comes out to \$20,000 which was added; can count on that based on the latest numbers. Mr. Fouse reported much of this probably comes from reassessments. Mr. Kunkle reported reassessments, new construction and additions. Mr. Fouse reported there is always potential for someone to challenge their assessment; may be later in the year. Mr. Googins asked Council to look at the summary sheet; copies are being made. Mr. Sivy asked Mr. Googins to explain the increase in the LST; last year when proposed it was anticipated to bring in \$2-3,000; it is up to \$42,000. Mr. Googins reported the Local Service Tax (can be looked up at the state site) was changed with other different names; Act 7 in 2007 amended it; basically it can be up to \$52.00 (at \$1.00 per week) for individuals who work within the municipality; \$1.00 per week or \$52.00 per year; one of the rationales for that is if an employee is working within the municipality, whether they live within the municipality or not, they would contribute toward the service that the municipality provides; the tax is to be used up to 25% for

emergency services and the remainder used for what Council deems necessary; had kept it at \$10 for years; when it is \$10, \$5 goes to the school district; that brought in approximately \$5,000 to Economy Borough; about 1,000 people work in Economy Borough; if increased to \$52 still only \$5 goes to the school district, \$47 comes to the municipality; a revenue of \$47,000 compared to the \$5,000 for the past few years. Mr. Rock verified that approximately 1,000 people work in Economy Borough; the tax would affect more people who live outside Economy Borough; most of the residents work outside Economy Borough. Mr. Googins reported people who live in Economy Borough and work in another municipality would pay it to that municipality. Mr. Rock reported he pays it to the City of Pittsburgh. Mr. Fouse reported the Act that was passed in 2007 allowed us at that time to impose this tax up to \$52.00; Council choose to keep it at \$10; we have the wherewithal to go anywhere from \$10 to \$52. Everyone now has a copy of Proposal A. Mr. Googins reported this shows the revenues from Property Taxes and Act 511 Taxes together; non tax revenue; add up all the expenditures agreed to/looked at last Tuesday, General Government, Public Safety, Public Works, Parks & Recreation and Debt Service; the actual Debt Service Payment is \$237,100; suggested is to use less than 50% of the Capital Bond Fund (money received from the bond in 1994); can use for what the bond was applied for or used to pay off the fund balance; suggestion would be to take \$100,000 of that and pay \$100,000 on the debt service balance; the General Fund Balance of \$416,670 is the amount of money needed to be used out of the General Fund balance on December 31, 2009, to balance the budget on December 31, 2010; that is what is needed; pessimistic fund balance is \$475,000; this shows that we can get by with this budget next year and will not run out of money December 31, 2010; this shows we will only have \$60,000; that may not be enough; might not be what Council wants to end up with; historically we have always been much further ahead than that; because the line item budget is optimistic showing that our revenues are lower than expected and expenses are higher; we usually end up with a fund balance greater than that; this should assure (as best as can be figures) that we can get through 2010 with Proposal A; already talked about taking money from the Northern Lights Shopping Center New Car Fund; asked for more questions on Proposal A; Proposal B is exactly the same with a 1 mill property tax increase; if Council wants 2,3,4 mill increase, add \$110,000 per mill for the increase. Mr. Rock is concerned about planning ahead; does not want to debate this next year; suggests Council plan ahead and look for the future; next October/November won't be in this tight situation; things have been working out the last few years; this year did not work out. Mr. Googins reported the Finance Committee should continually review this process next year; have to keep ahead of it. Mr. Rock suggested the Finance Committee needs input from other members of Council; have Finance meetings after Council meetings to get more input; seems to be what he is hearing; whoever is on Finance next, be aware of that. Mayor Poling suggested sharpening our pens and making cuts. Mr. Googins reported that is the other option; if we go with the no property tax increase, just like Mayor Poling said, start sharpening our pencils January 1st so at the end of the year we have a fund balance greater than expected; find areas to be more efficient and smarter; save money, save expenses and find revenue. Mr. Rock asked Council wishes. Mayor Poling suggested a third party inspector. Mrs. Mutschler reminded Mayor Poling he is not Council unless there is a tie vote. Mr. Rock reported as the mayor he has an opinion. Mr. Sivy reported he does not like the increase in tax; asked if this is something that can be discussed further. Mr. Rock reported it can be discussed as long as Council wants to; a budget must be passed by December 31st. Mr. Fouse reported if Council is considering the LST, something has to be done sooner than that; like, now; suggested contacting the state now; anytime it is amended or increased, you have to give the state notice of that by way of an ordinance; the state advertises this themselves; they must have time to do this; it will appear on the state rolls; have to have it in to them by November 30th; this ordinance has not been advertised, so it can't be adopted tonight; we have been through this before; they may accept a proposed ordinance; but it better be passed by the next meeting, December 8th. Mr. Rock asked Councils wishes. Mr. Googins reported his personal opinion is that the residents of Economy Borough can not absorb a property tax increase this year; understand what Mr. Thomas is saying; does not disagree with what he is saying; with the economic situation in American and is sure it effects Economy Borough, would not support a property tax increase. Mr. Thomas reported he would not support a property tax increase either without a proposal or something set for the next 3-4 years; will not vote to raise taxes; if Council is going to raise taxes better have a good plan going forward for the next 4-5 years. Mr. Googins agreed; thinks at the beginning of next year this should be worked on; should also work on a Capital Improvement Plan looking into the next 4-5 years; including funding requirements for

2010 so we don't end up at the end of the year having to make final decision; will have an idea all along. Mr. Rock asked if the proposal is Plan A. Mr. Googins reported he would like to suggest Plan A as the proposed budget as stated in the summary of Plan A with no property tax increase, a LST increase up to \$52, the capital bond payment as listed, buying a police car from the Northern Lights Shopping Center New Car Fund. Mr. Rock verified that a police car will be purchased from the Northern Lights Shopping Center new Car Fund; possibly purchasing a second car by the end of 2010. Mr. Googins reported if we are in the financial condition at the end of next year and Chief Harrington still wants a second police car and this Council wants to approve that, then we would amend the budget. Mr. Rock reported he knows Mayor Poling is not for the LST tax; this affects the vast majority of people who don't live here. Mr. Googins reported he is not trying to talk anyone into it, but if we don't we will have to take \$42,000 and add that to our fund balance of \$416,670; just too close for an anticipated fund balance. Mayor Poling asked if the police car was taken out; suggested taking \$50,000 out of in house paving, keeping it at \$150,000 and eliminate raising the LST taxes; got the new paver now, should save a lot of money. Mr. Googins reported they did an analysis of paving Laurel Road and it did save 24% or \$8,000; it will take a lot of \$8,000 to make that up; the estimate that Mr. Fitzgerald, Mr. Kunkle and the engineer came up with to spend for paving is \$300,000 to maintain our roads for the next 15 years; anything less than \$300,000 in the paving project (ballpark figures) is falling behind; don't have \$300,000, left it at \$200,000. Mayor Poling reported he did not hear an actual road plan; what roads need done; we have the Nintendo device to tell us all this; never had a report on any roads in Economy Borough that are anticipated to be blacktopped; what can be patched/fixed; what the tar buggy can fill the cracks on; we need a plan instead of throwing a number out. Mr. Googins reported he is right, but to do a plan like that is large manpower. Mr. Mutschler reported plus the engineering. Mr. Googins reported in saying that, it needs to be done; looked at; talked about at past meetings; a road improvement plan, more than just what are we going to do this summer type plan; what are we going to do this summer and the next four or five years; the software that was acquired will help in doing that; again this is labor intensive to load all the data; not making excuses, just saying it does need to be done, at least in the near future we need to look at that and come up with a tentative plan and refine that plan as time goes on with more accurate data. Mr. Sivy verified with Mr. Kunkle that Laurel paving was one tenth mile at a cost of \$27,000; \$200,000 doesn't pave a lot; one or two years paving was cut. Mayor Poling reported Council spent it on other stuff; the paving never got cut; Council bought other stuff and didn't pave roads; paving never took a cut, ever. Mr. Googins reported paving took a cut every year since he has been on Council. Mayor Poling reported not a real cut, a pony cut. Mr. Rock reported Mayor Poling suggested this as an alternative to the LST Tax. Mr. Thomas asked if Mr. Fitzgerald put a list of roads together every year that needs repaired; does he have a list for 2010. Mr. Googins reported not put together yet; will be worked on; the reason is they are trying to anticipate how much money they will have this year to work with; and the second thing is the paver just purchased; changing over from contracted out to in house paving; the list put together every year is cut; the list of work Council wants done is cut because of other issues Council wants done; it was cut this year also; would prefer not to cut the paving any more; it is his opinion, the LST Tax is a user tax, a tax on people who work in Economy Borough and use Economy Borough services; does not tax retired people on fixed incomes, only people who make an income over \$12,000; anyone making less than \$12,000 does not have to pay this. Mr. Rock called for a motion.

MOTION by Mr. Googins, second by Mr. Mutschler - to authorize advertising the proposed 2010 Budget to be considered at the December 8, 2009, Plan A, with no tax increase.

Questions on the Motion: Mr. Thomas verified that as suggested by Mayor Poling, \$50,000 will not be taken out of paving. Mr. Sivy asked if there was \$25,000 that could be cut from the police department budget. Mayor Poling reported he could cut \$25,000 from the office real quick; Council already cut his secretary and his wages; when he sees spending changes he would sign off on it; where there is a situation with a road slide or an emergency and the money is needed, he would sign off on it; will not increase taxes because we are not accountable with spending; for the last three years, in house paving has been spent on the salt shed, tar buggy; the money is not being spent to pave roads and it should have been. Mr. Googins reported it is being used to

extend the life of the roads; the crack sealer (not a tar buggy) is used to extend the life of the roads so we don't have to pave them so often; this has been talked about over and over again; it is ok to disagree; that is the purpose of it; PennDOT agrees with it; their educators (LTAP) profess that that is the way to extend the life of your roads; does not look pretty with markings on the road, but it extends the life of the road; that is its purpose. Mayor Poling reported he is not saying cracks shouldn't be filled; instead of purchasing a piece of equipment, it could have been leased until the financial situation is better. Mr. Googins reported when this was looked at in every way, it was the opinion in facts, data and numbers shown, it was less expensive to purchase one over a period of time than to continue to spend for rental; to disagree is fine, but there are numbers that show the reason why. Mr. Mutschler reported every time they went to rent one it was not available; when they did get one, it broke down and it had to be sent back. Mr. Googins reported the \$5,500 monthly rental just didn't make sense. Mrs. Mutschler verified with Mr. Kunkle that the Laurel Road paving of one tenth mile for \$27,000 included materials, labor and truck rental. Mr. Googins reported milling was \$4,000, binder was \$11,904.75, wearing course was \$5,570.84, asphalt total was \$17,475.59, rental of tri axel was \$1,500 for the binder and \$787.50 for the wearing course, material totals \$23,763.09, estimated labor cost of \$1,643 for a total of \$25,406.09; the contracted bid was \$33,160; \$7,754.23 saved paving Laurel in house; will give a copy to Mrs. Mutschler. Mr. Thomas verified the vote was just to advertise. Mr. Sivy verified the vote was to advertise for public inspection.

ROLL CALL VOTE:

Mr. Googins – Yes

Mr. Mutschler – Yes

Mrs. Mutschler – No

Mrs. Raymer - Absent

Mr. Sivy – Yes

Mr. Thomas – Yes

Mr. Rock – Yes

5 Yes, 1 No, 1 Absent – Motion carried

MOTION by Mr. Googins, seconded by Mr. Mutschler – to authorize advertising an ordinance to increase the LST Tax from \$10.00 to \$52.00 and submit proposed ordinance to the state for their advertising purposes.

ROLL CALL VOTE:

Mr. Googins – Yes

Mr. Mutschler – Yes

Mrs. Mutschler – No

Mrs. Raymer - Absent

Mr. Sivy – Yes

Mr. Thomas – Yes

Mr. Rock – Yes

5 Yes, 1 No, 1 Absent – Motion carried

MOTION by Mr. Googins, seconded by Mr. Mutschler – to authorize advertising the property tax ordinance for 2010 at 14 mills.

Mr. Fouse reported that even though the tax ordinance is not increasing property taxes, it still must be advertised as done every year; the LST Tax ordinance has to go to the state; the Economy Borough local property tax ordinance does not. Mayor Poling asked what if he does not sign off on the ordinance. Mr. Googins reported this is an ordinance to maintain the property tax at 14 mills. Mr. Rock reported Mayor Poling is asking what will happen if he does not sign off on the LST. Mr. Fouse reported if he does not sign off on that, he has 10 days to veto. Mayor Poling reported that is what he is going to do. Mr. Fouse reported Mayor Poling has 10 days to consider that veto to submit something in writing to the borough secretary; Council would have to have another meeting to over ride that veto between December 8th and December 30th. Mayor Poling reported if you add the only's, sewage only went up \$2.00 per month, it's only \$62.00, gasoline only went up \$.40, bananas only went up \$.20; Rendell's only's with the proposed tax increase; when you start adding up all your only's, it has to stop somewhere. Mr. Rock reported Mayor Poling is right; not denying that; Economy Borough provides services; believes Economy Borough residents want to continue those services; they want roads, they want their roads maintained; they want the police force; talked with people who ask when Economy Borough is going to replace the retired police officer; they want public safety. Mayor Poling reported he is talking bare minimum tax increase; not going to hire a police officer and pave roads, just basically putting money in the budget, as far as roads, need to come up with a master plan; float a bond; need to know what we are doing. Mr. Rock reported back in the early 1990's Council (none of present Council) let the roads go and they had to float a bond; that gets to be something most municipalities try to avoid. Mr. Sivy asked what was that tax increase; to float a bond costs money. Mayor Poling reported there has been money the last three, four years, every year for contracted paving; how many miles were paved the last three, four years. Mr. Sivy reported Economy Borough is chipping away at it. Mayor Poling reported the roads should have been paved with the money in the budget. Mr. Sivy reported with the paver we can do more in house. Mr. Rock asked Mayor Poling to reconsider; we still have a few weeks; to look at the big picture; formally protest that you are not for this, but the bottom line is we have to move on and don't veto it; hopes he looks long and hard; he can be against it and make his point here that he is against it, but hopes basically so we can move on he would say he won't veto it; he is not for this; there any many things he has voted for, made his point that he is not for them, but for the good of Economy Borough and the good of Council let's move on. Mayor Poling reported it seems that Council is adamant to get it raised to \$52; it's a nuisance tax; should be wiped out not increased; to a person making \$14,000, \$52 is a lot of money. Mr. Rock reported some retirees work at the stadium making \$4-5,000, on social security and the City of Pittsburgh takes the \$52; he can live with it, but a lot of people he works with in the summer, older men and women that it hits. Mayor Poling reported it is a nuisance tax until something changes in the state. Mr. Fouse reported he personally agrees; consider that a good number of Economy Borough residents pay this nuisance tax to another municipality (in significant numbers); talking about Economy Borough residents who work in another municipality that he is very familiar with who are paying this nuisance tax; a lot more Economy Borough residents are paying that tax than those residents in that community that are working here; this is your classic nuisance tax, but in this circumstance it's really unfair to the Economy Borough residents. Mayor Poling reported once they gave the authority to raise it to \$52 the little municipalities jacked it up. Mr. Rock reported he has tried to explain this; Mayor Poling could make his point and make his stand and more on. Mr. Fouse reported it would be nice to have more businesses here; obviously Economy Borough could take advantage of that. Mr. Googins reported the state is strapped with all these nickel dime taxes that the legislature imposes on the residents of Economy Borough; do we want to be the only municipality to not charge and collect LST while our residents have to pay it to other municipalities; Council kept it while they could afford it; now we need the funds; Council only has two choices as he sees it; we are a multi million dollar business; we can't sell products to raise more money; we can't do anything with our marketing to change anything; we provide services; we went through the budget last meeting and could not find anything we wanted to cut; those are the services this Council wants to provide the residents of Economy Borough; that is the money to dedicate to it; that is the bottom line, which ever way we want to fund it; does not want to do it either, but we have to fund the budget; we have to have the income; his personal opinion is that the

residents of Economy Borough do not want to absorb a property tax increase and he does not want to propose it. Mayor Poling reported this shouldn't be an option; what he has seen over the last three years is spending; we should be decreasing taxes. Mr. Googins reported his point is well taken and they will be working on it in January. Mayor Poling reported he heard this January and the last January before; nothing gets done; certain department get froze; need real accountability on spending; not surprises that so and so gets card blanch vacation days or sick days cashed in; got to have accountability on spending before a tax increase. Mr. Sivy reported it should be mentioned that probably two thirds of the budget goes to payroll, pension and fixed contract. Mr. Thomas reported we are not the only borough; they are all the same. Mr. Sivy reported the point is those contracts are going up; can't keep cutting when the contracts are going up; not going to change that. Mr. Rock reported Ross Township just raised their LST up to \$52. they have shopping centers, Ross Park Mall; their tax base is unbelievable; they made the decision to up to \$52 also; the difference for them is amazing. Mayor Poling reported they have the retail; Economy Borough has a ghost town at Northern Lights. Mr. Thomas reported hopefully Northern Lights would take off in the next year or so.

ROLL CALL VOTE:

Mr. Googins – Yes

Mr. Mutschler – Yes

Mrs. Mutschler – Yes

Mrs. Raymer - Absent

Mr. Sivy – Yes

Mr. Thomas – Yes

Mr. Rock – Yes

6 Yes, 1 Absent – Motion carried

5. Salt/Cinders Contracts: Mr. Kunkle reported the salt requests were split between COSTARS (the state) and the COG due to the inconsistency of who has the lowest price; 1500 tons were placed with each; each required at least 60% of the order being filled; this year the COG price is \$63.95 and COSTARS is \$58.92; obviously Economy Borough will make the minimum purchase with the COG and the bulk from COSTARS; the low bid for cinders is \$10.50 from COG, not offered by the state; it is recommend that these prices be accepted and agreements entered into. Mr. Thomas reported they will not get any cheaper. Mr. Sivy reported Economy Borough has the option to go look, but in the past have not found any cheaper. Mayor Poling asked if there were any cleaner cinders; with all the black stuff it is going to look like Bagdad this winter; is there any other anti skid beside that black stuff; suggested sand; he gets it for \$8 per ton; Council can agree on this, but if there was another option; these cinders are nasty, especially when it dries up, the wind starts blowing and the homes get all black. Mr. Kunkle reported we could always try sand; would like to get an ok with this; if we could get a better option. Mayor Poling reported the people hate the cinders. Mr. Googins verified with Mr. Kunkle that there is no minimum on the anti skid. Mrs. Mutschler reported other municipalities are using beet juice and alcohol. Mr. Googins reported Monaca tried beet juice; trying to get numbers from Mario Leone, Borough Manager; they don't have an accurate account; it is still a cost, it is not free.

MOTION by Mr. Thomas, seconded by Mr. Sivy – to authorize the execution of the salt and cinder contracts from COG (Salt \$63.95 per ton, Cinders \$10.50 per ton) and COSTARS (Salt \$58.92 per ton).

CARRIED UNANIMOUSLY

6. Board/Commission Seats Expiring: Mr. Kunkle reported the following terms expire at the end of the year; Planning Commission – 4 year terms – Bob Sacco, Richard Hart; Zoning Hearing Board – 3 Year Term – David N. Lodovico; Municipal Authority – 5 Year Term – Rich Mattern; Recreation Board – 4 Year Terms – Audrey

Mutschler, Carl Protzman; as in the past, it's recommended these be authorized for advertisement. Mr. Rock reported Mr. Mutschler has brought up several times regarding Planning that possibly that if one or two of those members decide not to renew, that Council won't fill the positions; nine are on planning now; go down through attrition; if these two members want on ok. Mr. Rock asked if letters will be sent to the members for reappointment. Mrs. Mutschler asked why we are advertising; only the Recreation Board has open seats. Mr. Rock reported we advertise if there is an opening. Mr. Kunkle reported it has been done both ways in the past; quite awhile ago the approach was ask the people who are there first, and if they agree, then not advertise. Mrs. Mutschler reported Council is looking to cut and Planning meets the first; had no indication from the members that they did or did not want to be reappointed. Mr. Rock reported we could contact the current members to see if they want reappointed and go from there. Mr. Googins reported the EBMA would like it advertised as soon as we can. Mrs. Mutschler asked why. Mr. Kunkle reported Council appoints the member to the EBMA. Mrs. Mutschler reported Council appoints but has no control over them. Mr. Thomas reported when their term expires they can be removed or renewed. Mr. Kunkle reported every year one Authority appointment expires; during the Phase II Sewage Construction there was a lot of public interest in that project; when the public found out that so and so was just automatically renewed, nobody else had a chance to offer their services; that is when Council said we will advertise all expiring terms so we know who else is interested; however Council wishes to do this. Mr. Rock reported if the person was there and interested, Council gave them the priority. Mr. Googins reported to put one ad in for all four boards. Mrs. Mutschler reported if she picked up the paper and saw an ad for the Planning Commission, she would feel bad that someone is black balling her. Mr. Rock reported they are not being and they have to understand that; this is the fairest way to do it. Mr. Kunkle reported they would be notified before the ad appears. Mr. Thomas reported this would be the proper way to go.

MOTION by Mrs. Mutschler, seconded by Mr. Googins – to authorize the advertising for expiring boards and commissions. CARRIED UNANIMOUSLY

9:52 PM – Mayor Poling exits the meeting.

7. EBMA Subdivision: Mr. Kunkle reported this involves the Authorities desire to return property to residents that they took by eminent domain but no longer needed. Mr. Fouse reported because Council never acted upon this, it is deemed approved; Council may recall a discussion on this at a meeting; he advised due to the time line that had taken place and of Council not taking any action on the subdivision that it was deemed approved; the sewer authority would now like to have this in writing. Mr. Kunkle reported this is correct; the EBMA send a letter asking that this be confirmed. Mr. Fouse reported no problem, this is what was discussed; the EBMA is specifically requesting a letter from Council that the subdivision is deemed approved.

MOTION by Mr. Thomas, seconded by Mr. Mutschler – to authorize a letter confirming the Economy Borough Municipal Authority Scheel and Semak subdivisions are deemed approved. CARRIED UNANIMOUSLY

COMMITTEE REPORTS and OTHER BUSINESS:

PROPERTY and BUILDING:

Mr. Sivy requested Executive Session to discuss the Road Department contract negotiations, with no vote.

Mr. Sivy (for a resident) asked the process for faulty septic systems. Mr. Kunkle reported Economy Borough is responsible for on lot systems; we retain Daniel C. Baker from Beaver as our Sewage Enforcement Officer; if

someone has a complaint they should call the borough office and we will get in touch with Baker; they will assess the situation and tell the property owner what they feel needs to be done. Mr. Sivy reported they have access to sewage, they just haven't tapped into it; they have a failing septic system and have not tapped into the sewage system that runs right next door; they are definitely in violation. Mr. Kunkle reported there is not a mandatory tape required, however when they find out what it might take to fix their septic system they will tap in; they need to be put on notice by the Sewage Enforcement Officer that they have a failing system. Mr. Sivy will have them contact Mr. Kunkle.

Mr. Sivy reported another resident asked him if someone had water on in their residents, we should have some type of ordinance as other municipalities that they have mandatory refuse pick up; reported garbage is being thrown in the woods, around the house, dumping everywhere. Mr. Kunkle reported he thinks Mr. Sivy is referring to if Economy Borough had their own water authority and billed our customers, we would have leverage over them and could turn the water off if you don't pay your garbage bill; that is how another municipality does it; we would have to get Ambridge Water Authority to cooperate with that. Mr. Rock reported we do have a resident in Economy Borough who burns all their garbage including plastic containers; told the residents that complained, when they see it happening to call Mr. Thomas; and he will take care of it.

PUBLIC SAFETY:

Mrs. Mutschler requested Executive Session in regards to Officer Creese, Officer Orsini request and the police contract negotiations, with possible votes.

FINANCE COMMITTEE:

Mr. Googins reported Mrs. Raymer asked him to remind Mr. Thomas about the expenditures for the fire department that was talked about before; this is an administrative thing; basically stated the fire department needs to send in a report of expenditures before any more money can be budgeted. Mr. Thomas reported he did not follow through on it; he will get something for him.

ROAD DEPARTMENT: No Report

ORDINANCE and RECREATION:

Mr. Thomas reported a meeting of the committee was unable to be scheduled due to members being unavailable; this will be revisited in January, 2010.

PUBLIC UTILITIES

Mr. Googins reported the Ambridge Water Authority tank is not on line yet.

Mr. Googins reported Comcast will be going digital beginning on March 9, 2010; digital cable box or digital adapter for each television will be needed; advised everyone to read their letters from Comcast when they get them.

REPORTS:

SECRETARY: No Report

ENGINEER: No Report

SOLICITOR: No Report

MOTION by Mrs. Mutschler, seconded by Mr. Sivy – to enter into Executive Session to discuss the Road Department contract negotiations, Police Department contract negotiations, and Officer Creese, Officer Orsini request with possible votes. Time: 10:03 CARRIED UNANIMOUSLY

MOTION by Mr. Thomas , seconded by Mr. Sivy – to return to the regular order of business. Time: 11:21 PM CARRIED UNANIMOUSLY

Mr. Fouse reported during Executive Session Council talked about the Police Department contract and the Road Department contract negotiations and matters still pending; also discussed was Officers Creese and Orsini request with regard to vacation pay and military leave pay; from the discussions a motion is in order and for the record voiced the following motion:

MOTION by Mr. Thomas, seconded by Mr. Googins – that Council would be denying the request for vacation pay, but approving their request for fifteen additional military days pay for one year for each officer.

ROLL CALL VOTE:

Mr. Googins – Yes

Mr. Mutschler – Yes

Mrs. Mutschler – No

Mrs. Raymer - Absent

Mr. Sivy – Yes

Mr. Thomas – Yes

Mr. Rock – Yes

5 Yes, 1 No, 1 Absent – Motion carried

HEAR THE PUBLIC II:

Mr. Rock opened the meeting up for items talked about tonight.

John Campbell, reported on the LST tax being raised from \$10 to \$52; worked 32 years construction; never in favor of this tax; had to go through a hassle to get a refund; used to come in and give Marie Hagg the \$10 so he did not have the hassle someplace else; does not think the tax is fair; Council should consider when someone from the public has substantial input during discussion, let it be heard, might figure differently with people; implementing tax from \$10 to \$52 and hoping to gain \$47,000; lived in Economy Borough for years; very

seldom if any have taxes been raised; everybody ran on a campaign that they were not going to raise taxes; at some point Council will have to make a decision whether or not to raise taxes; raise the taxes; would rather pay \$30 per year on property tax than the \$52; raise taxes ½ or ¼ this year to build the capital up to work with; if not next year Economy Borough will be in worse shape. Mr. Rock reported the majority of the Economy Borough residents are already paying the \$52; the people coming into Economy Borough to work will pay the \$52; when he worked at the Jr. High he paid \$10; went to Anthony Wayne and paid \$52; Highland School, \$52; Senior High, \$52; the majority of the people who work here do not live in Economy Borough; paying will be the people who work in Economy Borough and use our services. Mr. Sivy reported those same people are using our roads that we are paying taxes on; those same people out of Economy Borough working here are using our police department; he does not want to raise taxes; we are losing out on other people outside of Economy Borough. Mr. Campbell reported Council is proposing the LST from \$10 to \$52; if there is no gain or a drop in employment, no option to raise to \$75 because of the cap on it; if go to ¼ or ½ mill will start to get a steady income to get Economy Borough back in good financial shape; suggested consideration of better spending methods. Mr. Rock reported no spending, methods; watch what Council does.

George Fitzgerald, 189 Wallrose Hgts. Road, asked the term of the two union contracts being negotiated. Mr. Fouse advised these contracts are still in negotiations. Mr. Fitzgerald suggested one year contract terms; suggested Council hire a professional to negotiate the contracts. Mr. Fouse reported the FOP and the Teamsters have lawyers; once a municipal contract is in place, specific items are negotiated; when it gets more complex, lawyers get involved; if you get a lawyer from the beginning to the end would may pay up to \$7,000 or more; if an issue comes up that needs an answer, they call him and he talks to them about it; if it can't be agreed to, the lawyer on the other side gets involved. Mr. Kunkle reported an outside consultant (Vickie Beatty) has been hired in the past; when the occasion arises, we do have people. Mr. Fouse reported it was either for arbitration or going to arbitration. Mrs. Mutschler reported it was going there; arbitration was before she was on Council. Mr. Thomas reported he was on Council for that; Vickie Beatty was the mediator. Mr. Fitzgerald reported he was concerned Economy Borough has people just giving what the union wants. Mr. Rock reported he has worked with Mrs. Mutschler, Mr. Mutschler, Mr. Googins and Mr. Sivy; he has seen what they do. Mr. Sivy reported they are on the fourth or fifth meeting with the Road Committee. Mr. Fitzgerald asked why the mentality to max out the expenditures on the budget; suggested rewarding departments for not spending it all; has not seen the budget yet. Mr. Rock reported he has heard that statement before and has not seen that happen in the ten years he has been on Council. Mr. Fitzgerald asked if the Road Department budget for the entire year is over or under budget. Mr. Thomas reported they will be under budget. Mr. Rock reported there are fixed costs; has never seen buying indiscriminately; has seen wish lists, but never has been done. Mr. Fitzgerald asked if the department has to come to Council to purchase if the money is budgeted. Mr. Sivy reported the budget is a tool for Council not the department heads. Mr. Kunkle reported that as of today the police have approximately \$300,000 left in their budget; normally during the budget process, year after year, the Finance Committee recommends to the rest of Council that all remaining spending be very closely monitored; it is monitored year round; the Public Safety Committee is aware of what the police department and Chief Harrington is doing and what he has planned; a ten dollar box of pens does not take a lot of thinking on; 20-40 tires, the committee will be aware of; the purchase of a vehicle would be discussed with all of Council; this time of year, Council puts the word out to all department heads, no unnecessary spending, same everything you can; going into 2010 the same way; if it's not needed, don't buy it; if it's a want, you can't have it.

11:40 PM – Mr. Fouse exits the meeting.

Mr. Fitzgerald asked if there would be a carry over if not all the money was spent by each department. Mr. Kunkle reported in order to spend this the departments would have to go into the mode he is talking about; spend it in any way, shape or form; they are told they can't do that. Mr. Rock reported he heard that, but the facts don't show it. Mr. Fitzgerald reported he would rather see Council give a bonus if they don't spend all the money. Mr. Googins reported at the end of October 83% of the year; expenses at the end of October, Legislative – 83.1%; Executive/General Government – 82.5%; Public Safety – 76%; Fire Department – 76%;

Road Department – 74%; overall General Fund expenses 71.24%; we are not spending 100% of what is budgeted. Mr. Fitzgerald asked how much would be a carry over for 2010. Mr. Googins reported that is the number talked about all night; the total dollar figure we are anticipating in the fund balance on December 31st; have to project it; have to guess what we are going to bring in and spend out; went back and looked at the past three year history to see if they were all in line; the number is between \$475,000 to \$500,000 to carry Economy Borough through until the tax base starts to come back in; that is what that number is; that is what was talked about earlier; projected to have of a fund balance; need that fund balance required to be below what we expect to have. Mr. Fitzgerald asked if the \$76,000 mistake was found. Mr. Kunkle reported the difference between the two numbers is \$49,000; the reason for the difference is when Council received the third draft, dated October 20th; that particular document is on an Excel spreadsheet in his computer which he created; it is based on the official budget report; they are suppose to match up line for line; last year the police requested at the end of the budget process that the over time be split between over time and holiday pay; that was done in the official budget report Council receives every month; it was not done on his Excel spreadsheet; the October 20th version of the draft does not have holiday pay as a line item under the police department; it should be there; it was discovered after that draft was finished, but not included in the Excel version; all the drafts since then you will see holiday pay, \$49,000. Mrs. Mutschler reported that is not it; go back to the original one given to Council; she is going from the first one given out at the first meeting in November; the two column budget. Mr. Kunkle reported he did not put that report together. Mr. Googins reported he put that report together and it is only the 2009 budget. The secretary reported she double checked it while Council was in Executive Session and feels the problem is in the formula used in the Excel program for the grand total; all the sub totals are correct. Mr. Googins reported the current budget is what is concerned about; the other is a working sheet. Mrs. Mutschler is concerned what will be given to the public for review.

Ray Kenny, 195 Sylvester St., commended Council for not raising the millage; a good portion of the money coming in is from real estate and new houses; reported the people who buy at Liberty Hills may buy a home in New Sewickley Township instead of Economy Borough because the taxes are less; it's a no brainer. Mr. Googins asked what the New Sewickley Township millage is. The secretary reported 11.5 mills.

Jo Ann Borato, 2001 Conway Wallrose Road, wished everyone an Happy Thanksgiving; thanked Council for working hard for Economy Borough, knows it is not always easy; reported an old saying “if you can comprehend this, thank a teacher – if you can comprehend this in English, thank a soldier”; knows there are a couple that will thank Council tonight.

ADJOURNMENT:

***MOTION by Mr. Mutschler, seconded by Mrs. Mutschler – to adjourn the meeting. Time: 11:50 PM
CARRIED UNANIMOUSLY***

Respectfully submitted,

Susan A. Blum
Borough Secretary
December 8, 2009