Julio A. Guridy, President
Ray O'Connell, Vice President
Joseph Davis
Jeanette Eichenwald
Jeff Glazier
Cynthia Y. Mota
Peter Schweyer

Allentown City Council
435 Hamilton Street
Allentown, Pa. 18101
AllentownPa.Gov

Facebook: Allentown City Council

COUNCIL MEETING
January 2, 2013
COUNCIL CHAMBERS

Community and Economic Development Committee 6:45 PM

Bill 81 Repealer
Repealing Ordinance 15018, a supplemental appropriation of $50,000 in Enterprise Zone Funding, as the appropriation was already accounted for in the budget.

Council Meeting – 7:00 PM

1. Invocation
2. Pledge to the Flag
3. Roll Call
4. Courtesy of the Floor
5. Approval of Minutes: December 5 and December 19, 2012
6. Old Business
Election of President and Vice President
7. Communications
8. REPORTS FROM COMMITTEES:
Budget and Finance: Chairperson Schweyer
Public Safety: Chairperson Eichenwald
Community and Economic Development: Chairperson Davis
Parks and Recreation: Chairperson Mota
Public Works: Chairperson O'Connell
Human Resources, Administration and Appointments: Chairperson Glazier
Rules, Chambers, Intergovernmental Relations and Strategy: Chairperson Guridy

OTHER COMMITTEE REPORTS

Controller's Report

Managing Director's Report

9. APPOINTMENTS: None

10. ORDINANCES FOR FINAL PASSAGE:

Bill 81 Repealer
Repealing Ordinance 15018, a supplemental appropriation of $50,000 in Enterprise Zone Funding, as the appropriation was already accounted for in the budget

11. ORDINANCES FOR INTRODUCTION:

Bill 1 Street Vacation - Court Street
Providing for the vacation of City Hall Court from Linden Street south to its limit

Bill 2 Mack South Donation
Amending the 2012 General Fund Budget to provide for a supplemental appropriation of Twenty-five Thousand ($25,000.00) Dollars as a result of a Donation from Mack Trucks, to the City of Allentown Fire Department to Assist with the repairs to Mack South Fire station which was severely damaged as the result of hurricane Sandy.

Bill 3 Street Vacation
Providing for the vacation of S. 2ND Street from W. Montgomery Street to the north property line on 1751 Clyde Street

Bill 4 Street Vacation
East School Street from South Ellsworth Street to S. Filbert Street

12. CONSENT AGENDA:

CA-1 Appointment of Police Officers

13. RESOLUTIONS ON SECOND READING: None

14. RESOLUTIONS ON FIRST READING:

R 1 Liquor License Transfer
Transfer of a liquor license to 2805 Lehigh Street

R 2 Sale Mack South Fire Training Grounds
Authorizes the Administration to Sell a Portion of the City-owned Real Property located at 1902 Lehigh Street, Allentown, Pennsylvania

R3 Right of First Refusal
Authorizes the Administration to Execute a Right of First Refusal Agreement for the Sale of a Portion of the City-owned Real Property located at 1902 Lehigh Street, Allentown, Pennsylvania

R4 Contract Authorization
Authorizes the Administration to Enter Into a Five (5) Year Contract with Service Electric Telephone

15. NEW BUSINESS

16. GOOD AND WELFARE

17. ADJOURNED

Council meetings are held on the first and third Wednesday of each month beginning at 7:00 pm in Council Chambers. For copies of the agenda or meeting announcements, please visit our website at www.allentownpa.gov or contact the Clerk at Michael.Hanlon@allentownpa.gov to receive an email notice of the meetings.

ADMINISTRATION

ORDINANCE NO.

FILE OF CITY COUNCIL

BILL NO. 81 - 2012

December 5, 2012

AN ORDINANCE

Repealing Ordinance 15018, a supplemental appropriation of $50,000 in Enterprise Zone Funding, as the appropriation was already accounted for in the budget

BE IT ORDAINED BY THE COUNCIL OF THE CITY OF ALLENTOWN:

SECTION ONE: That City Council hereby repeals Ordinance 15018.

SECTION TWO: That this Ordinance will take effect ten (10) days after final passage.

SECTION THREE: That all Ordinances inconsistent with the above provisions are repealed to the extent of their inconsistency.

ORDINANCE NO.

BILL NO. 1 - 2013

January 2, 2013

AN ORDINANCE

Providing for the vacation of City Hall Court from Linden Street south to its limit in the Fifth Ward of the City of Allentown:

BE IT ORDAINED BY THE COUNCIL OF THE CITY OF ALLENTOWN:

SECTION 1. That City Hall Court, a twenty (20') foot wide street, from the southerly right-of-way line of Linden Street south to its limit, in the Fifth Ward of the City of Allentown be and the same is hereby vacated.

SECTION 2. That this ordinance shall not become effective until such time as a deed of easement for any existing utilities has been filed in the Lehigh County Office of the Recorder of Deeds which Easement shall be within the limits of the right-of-way lines of proposed vacated streets or as required by the affected utilities, if any.

SECTION 3. That if said deed of easement is not recorded within one year from the effective date of this Ordinance, then this Ordinance shall become null and void.

SECTION 4. Subject to the provisions set forth in Ordinance No. 12245, passed April 6, 1977.

SECTION 5. That all Ordinances inconsistent with the above provisions are repealed to the extent of their inconsistency.

ORDINANCE NO.

FILE OF CITY COUNCIL

BILL NO. 2 - 2013

January 2, 2013

Amending the 2012 General Fund Budget to provide for a supplemental appropriation of Twenty-five Thousand ($25,000.00) Dollars as a result of a Donation from Mack Trucks, to the City of Allentown Fire Department to Assist with the repairs to Mack South Fire station which was severely damaged as the result of hurricane Sandy.

BE IT ORDAINED BY THE COUNCIL OF THE CITY OF ALLENTOWN:

SECTION ONE: That City Council authorizes an increase to the unappropriated balance of the General Fund in the amount of Twenty-Five thousand ($25,000.00) Dollars reflecting receipt of donated funds.

SECTION TWO: That City Council authorizes a supplemental appropriation from the unappropriated balance of the General Fund in the following manner:

Risk Management:		
081-02-8001-0001-80	**Self Insured loss**	**$ 25,000.00**
Total		**$ 25,000.00**

SECTION THREE: That this Ordinance will take effect ten (10) days after final passage.

SECTION FOUR: That all Ordinances inconsistent with the above provisions are repealed to the extent of their inconsistency.

LEGISLATIVE TEMPLATE

- **What Department or bureau is Bill originating from? Where did the initiative for the bill originate?**

  Fire

- **Summary and Facts of the Bill**

  Donation received from Mack Trucks in the amount of $25,000 to assist with the repairs to Mack South Fire Station which was severly damaged during hurricane sandy.

- **Purpose – Please include the following in your explanation:**
  - **What does the Bill do – what are the specific goals/tasks the bill seek to accomplish**
  - **What are the Benefits of doing this/Down-side of doing this**
  - **How does this Bill related to the City's Vision/Mission/Priorities**

  This bill will re-allocate the funds donated from Mack trucks to the risk management account

- **Financial Impact – Please include the following in your explanation:**
  - **Cost (Initial and ongoing)**
  - **Benefits (initial and ongoing)**

  No initial or ongoing cost
  benefit: replacing funds from the risk account to repair the station

- **Funding Sources – Please include the following in your explanation:**
  - **If transferring funds, please make sure bill gives specific accounts; if appropriating funds from a grant list the agency awarding the grant.**

  Place funds into Risk Account # 081-02-8001-0001-80

- **Priority status/Deadlines, if any**

- **Why should Council unanimously support this bill?**

  Replace spent monies to the Risk fund

- **<u>Committee Action</u>**

- **<u>Public Comments</u>**

- **Body/Text of the Bill**

- AN ORDINANCE

-

- Amending the 2012 General Fund Budget to provide for a supplemental appropriation of Twenty-five Thousand ($25,000.00) Dollars as a result of a Donation from Mack Trucks, to the City of Allentown

Fire Department to Assist with the repairs to Mack South Fire station which was severely damaged as the result of hurricane Sandy.

- BE IT ORDAINED BY THE COUNCIL OF THE CITY OF ALLENTOWN:
- SECTION ONE: That City Council authorizes an increase to the unappropriated balance of the General Fund in the amount of Twenty-Five thousand ($25,000.00) Dollars reflecting receipt of donated funds.
- SECTION TWO: That City Council authorizes a supplemental appropriation from the unappropriated balance of the General Fund in the following manner:

Risk Management:		
081-02-8001-0001-80	**Self Insured loss**	**$ 25,000.00**
Total		**$25,000.00**

- SECTION THREE: That this Ordinance will take effect ten (10) days after final passage.
- SECTION FOUR: That all Ordinances inconsistent with the above provisions are repealed to the extent of their inconsistency.

- **Exhibits**
- **Vote**

ORDINANCE NO.

BILL NO. 3 - 2013

January 2, 2013

AN ORDINANCE

Providing for the vacation of S. 2ND Street from W. Montgomery Street to the north property line on 1751 Clyde Street in the Nineteenth Ward of the City of Allentown:

BE IT ORDAINED BY THE COUNCIL OF THE CITY OF ALLENTOWN:

SECTION 1. That S. 2ND Street, a forty (40') foot wide street, from the northerly right-of-way line of W. Montgomery Street to a line that extends from point where the property line between 1751 Clyde Street and 138 W. Paoli Street intersects the east right-of-way line of S. 2ND Street to a point where the property line between 207 W. Montgomery Street and 213 W. Montgomery Street intersects the west right-of-way line of S. 2ND Street, in the nineteenth Ward of the City of Allentown be and the same is hereby vacated.

SECTION 2. That this ordinance shall not become effective until such time as a deed of easement for any existing utilities has been filed in the Lehigh County Office of the Recorder of Deeds which Easement shall be within the limits of the right-of-way lines of proposed vacated streets or as required by the affected utilities, if any.

SECTION 3. That if said deed of easement is not recorded within one year from the effective date of this Ordinance, then this Ordinance shall become null and void.

SECTION 4. Subject to the provisions set forth in Ordinance No. 12245, passed April 6, 1977.

SECTION 5. That all Ordinances inconsistent with the above provisions are repealed to the extent of their inconsistency.

ORDINANCE NO.

BILL NO. 4 - 2013

January 2, 2013

AN ORDINANCE

Providing for the vacation of E. School Street from S. Ellsworth Street to S. Filbert Street in the Fourteenth Ward of the City of Allentown:

BE IT ORDAINED BY THE COUNCIL OF THE CITY OF ALLENTOWN:

SECTION 1. That E. School Street, a sixteen (16') foot wide street, from the easterly right-of-way line of S. Ellsworth Street to west right-of-way line of S. Filbert Street, in the Fourteenth Ward of the City of Allentown be and the same is hereby vacated.

SECTION 2. That this ordinance shall not become effective until such time as a deed of easement for any existing utilities has been filed in the Lehigh County Office of the Recorder of Deeds which Easement shall be within the limits of the right-of-way lines of proposed vacated streets or as required by the affected utilities, if any.

SECTION 3. That if said deed of easement is not recorded within one year from the effective date of this Ordinance, then this Ordinance shall become null and void.

SECTION 4. Subject to the provisions set forth in Ordinance No. 12245, passed April 6, 1977.

SECTION 5. That all Ordinances inconsistent with the above provisions are repealed to the extent of their inconsistency.

CITY OF ALLENTOWN

No. CA-1 **RESOLUTION** **R - 2012**

Introduced by the Administration on January 2, 2012

Police Officer Appointments

Resolved by the Council of the City of Allentown, That

WHEREAS, Council appoints the following, as Patrolmen, in the Department of Police, at a base salary of $46,856 per annum. All appointments are contingent upon the candidates receiving Police Civil Service Approval, passing physical and psychological examinations as stipulated in the Police Civil Service Rules and Regulations and obtaining and maintaining a valid state certification from the Pennsylvania Municipal Police Officers Education and Training Commission.

Ryan Alles
Quakertown, PA

Matthew Christman
Allentown, PA

Michael Vernotica
Bethlehem, PA

Michael Lovett
Harrisburg, PA

NOW, THEREFORE, BE IT RESOLVED that the Council of the City of Allentown, hereby authorizes the Mayor to appoint the above, as Patrolmen, in the Department of Police.

- **What Department or bureau is Bill originating from? Where did the initiative for the bill originate?**

  Police Department

- **Summary and Facts of the Bill**

  Hiring of four (4) Police Officers, as Patrolmen, in the Department of Police, at a base salary of $ 46,856 per annum. All appointments are contingent upon the candidate passing physical and psychological examinations as stipulated in the Police Civil Service Rules and Regulations and obtaining and maintaining a valid state certification from the Pennsylvania Municipal Police Officers Education and Training Commission.

- **Purpose – Please include the following in your explanation:**
  - **What does the Bill do – what are the specific goals/tasks the bill seek to accomplish**
  - **What are the Benefits of doing this/Down-side of doing this**
  - **How does this Bill related to the City's Vision/Mission/Priorities**

  Hiring of four (4) police officers:

  Ryan Alles - Quaktertown, PA
  Matthew Christman - Allentown, PA
  Michael Vernotica - Bethlehem, PA
  Michael Lovett - Harrisburg, PA

- **Financial Impact – Please include the following in your explanation:**
  - **Cost (Initial and ongoing)**
  - **Benefits (initial and ongoing)**

  Funded through COPS Hiring Grant

- **Funding Sources – Please include the following in your explanation:**
  - **If transferring funds, please make sure bill gives specific accounts; if appropriating funds from a grant list the agency awarding the grant.**

  Funded through COPS Hiring Grant from Department of Justice

- **Priority status/Deadlines, if any**

  As soon as practical

- **Why should Council unanimously support this bill?**

  Benefit City of Allentown with additional police presence

CITY OF ALLENTOWN

No. 1 ***RESOLUTION*** ***2013***

Introduced by City Council on January 2, 2013

Approving the Intermunicipal Transfer of LV Gaucho, Inc. License R-9239 at 3750 Hamilton Boulevard, S. Whitehall Township, Allentown, PA 18103 to 2805 Lehigh Street, Allentown, PA 18103

Resolved by the Council of the City of Allentown, That

WHEREAS, the Pennsylvania Liquor Code (47 P.S. Sec. 4-461 (b.3) provides for the intermunicipal transfer of certain liquor licenses, under circumstances that include approval of the transfer from the governing body of the receiving municipality; and

WHEREAS, the City of Allentown (the "City"), Lehigh County, has received an application from LV Gaucho, Inc. for the transfer of a liquor license from 3750 Hamilton Boulevard, Allentown, PA 18103 (South Whitehall Township) to LV Gaucho, Inc., 2805 Lehigh Street, City of Allentown, Lehigh County, and has held a public hearing to receive comments and recommendations of interested individuals; and

WHEREAS, the City Council of the City of Allentown does not find that the requested liquor license transfer would adversely affect the welfare, health, peace and morals of the City or its residents.

NOW, THEREFORE, BE IT RESOLVED the City Council of the City of Allentown, Lehigh County, Pennsylvania, hereby resolves as follows:

That the requested transfer of a Liquor License R-9239 from the LV Gaucho, Inc., 3750 Hamilton Boulevard, Allentown, PA 18103 (South Whitehall Township) to 2805 Lehigh Street, City of Allentown, Lehigh County, be approved.

CITY OF ALLENTOWN

No. R-2 **RESOLUTION** **- 2013**

Introduced by the Administration on January 2, 2013

Authorizes the Administration to Sell a Portion of the City-owned Real Property located at 1902 Lehigh Street, Allentown, Pennsylvania

Resolved by the Council of the City of Allentown, That

WHEREAS, the City owns the real estate with a property address of 1902 Lehigh Street, Allentown, Pennsylvania 18102, more particularly described at Lehigh County Property Identification Number (PIN) # 549680433515 1, known as the Mack Southside Fire Station, the adjacent firefighter training grounds ("the Training Grounds") and the parking lot located at the intersection of Lehigh and Vultee Streets in the City of Allentown (the "Parking Lot"); and

WHEREAS, the Training Grounds consists of approximately 2.4 acres and the Parking Lot contains approximately 14,633 square feet, as depicted in Exhibit "A" which is attached hereto and made a material part hereof; and

WHEREAS, Section 130.24 of the Administrative Code states that City owned real estate shall not be sold, conveyed or transferred without the prior authorization of City Council in the form of a Resolution adopted at a public meeting; and

WHEREAS, in consideration of the best interests of the City, City Council finds that the sale of the said property will generate revenue and reduce maintenance costs for the City; and

WHEREAS, Ordinance 14493 requires the Administration to commit ten (10%) percent of the proceeds of the sale of City owned real property toward the repayment of the Stabilization Fund Loan of 2006.

NOW, THEREFORE, BE IT RESOLVED that the Mayor is authorized to sell and convey that portion of the property located 1902 Lehigh Street, Allentown, Pennsylvania known as the Training Grounds and the Parking Lot and is further authorized to execute all documents necessary to effectuate such sale and to commit ten (10%) percent of the proceeds of such sale to the repayment of the Stabilization Fund Loan of 2006.

What Department or bureau is Bill originating from? Where did the initiative for the bill originate?

Managing Director. The initiative began with the Mayor's Office at the request of Health Network Laboratories (HNL) which is a for profit subsidiary of Lehigh Valley Hospital Network (LVHN).

- **Summary and Facts of the Bill**

Resolution authorizes the Administration to execute an ***Agreement of Sale*** with HNL for a portion of the City owned property located at 1902 Lehigh Street.

The portions of land to be sold are approximately 2.41 acres on north side of property known as the Fire Training Academy, and approximately 14,633 SF of parking lot (which is currently being leased to HNL) located on west side of property.

The purchase price is nine hundred and seventy eight thousand dollars ($978,000).

HNL plans on utilizing the property to expand its existing adjacent facility and operations.

The Mack Fire House would continue to operate as and where is. The Fire Training Academy would need to be relocated.

- **Purpose**

The resolution allows the Administration to enter into an Agreement of Sale with HNL to sell a portion of its property known as the Fire Training Academy and parking lot adjacent to HNL's existing operations.

The chief benefit would be to allow HNL to continue to operate and expand its operation at its current location; keep the laboratory and current employees in the city; and add this property and approximately 150-200 new jobs to the tax rolls.

This move also provides to the City the opportunity and funding to upgrade and consolidate its Public Safety Training facilities at the Police Training Academy.

Selling this property to HNL is consistent with City economic development efforts to retain taxable businesses; expand the number of employees working in the City; and demonstrate that the City is a business friendly environment.

- **Financial Impact**

  Cost Associated: The consolidation & upgrading of the Police Training Academy to include the Fire Training Academy would be covered by the $978,000 proceeds of the sale of this property, and a $295,000 Lehigh County Emergency Training Facilities Grant.

  Benefits Associate: In addition to the $978,000 purchase price, HNL will be placing this property back on the tax rolls and creating additional 150-200 jobs in the City. Both of these will yield additional annual tax revenue to the City, School District & County.

- **Funding Sources –** The consolidation & upgrading of the Police Training Academy to include the Fire Training Academy would be covered by the $978,000 proceeds of the sale of this property, and a $295,000 Lehigh County Emergency Training Facilities Grant.

- **Priority status/Deadlines, if any –** HNL is anxious to proceed with their expansion. Should the Agreement of Sale not be executed in a timely manner, they will be acting on other options that include relocating their entire operations outside the City.

- **Why should Council unanimously support this bill?** It provides funds and opportunity to consolidate and upgrade City Public Safety Training facilities; retain taxable businesses; potential expand the number of employees working in the City; and demonstrate that the City is a business friendly environment.

CITY OF ALLENTOWN

No. R-3 **RESOLUTION** **- 2013**

Introduced by the Administration on , 2013

Authorizes the Administration to Execute a Right of First Refusal Agreement for the Sale of a Portion of the City-owned Real Property located at 1902 Lehigh Street, Allentown, Pennsylvania

Resolved by the Council of the City of Allentown, That

WHEREAS, the City owns the real estate with a property address of 1902 Lehigh Street, Allentown, Pennsylvania 18102, more particularly described at Lehigh County Property Identification Number (PIN) # 549680433515 1, known as the Mack Southside Fire Station (the "Fire Station"), as depicted in Exhibit "A" which is attached hereto and made a material part hereof; and

WHEREAS, Health Network Laboratories, L.P. ("HNL"), a taxable subsidiary of Lehigh Valley Health Network, conducts its business operations in facilities located adjacent to the Fire Station on Lehigh Street; and

WHEREAS, HNL may, at some future time, wish to expand its operations at this location within the City; and

WHEREAS, Section 130.24 of the Administrative Code states that City owned real estate shall not be sold, conveyed or transferred without the prior authorization of City Council in the form of a Resolution adopted at a public meeting; and

WHEREAS, City Council finds, in its judgment, that the grant of a right of first refusal to HNL to purchase the Fire Station at some future time, by written agreement, is in the best of the City; and

WHEREAS, Ordinance 14493 requires the Administration to commit ten (10%) percent of the proceeds of the sale of City owned real property toward the repayment of the Stabilization Fund Loan of 2006.

NOW, THEREFORE, BE IT RESOLVED that the Mayor is authorized to execute a written agreement granting Health Network Laboratories, L.P. a right of first refusal to purchase that portion of the property located 1902 Lehigh Street, Allentown, Pennsylvania known as the Fire Station, subject to certain terms and conditions, and is further authorized to commit ten (10%) percent of the consideration paid to the City by Health Network Laboratories, L.P. for the grant of said right of first refusal to the repayment of the Stabilization Fund Loan of 2006.

- **What Department or bureau is Bill originating from? Where did the initiative for the bill originate?**

  Managing Director: The initiative began with the Mayor's Office at the request of Health Network Laboratories (HNL) which is a for profit subsidiary of Lehigh Valley Hospital Network (LVHN).

- **Summary and Facts of the Bill**

  Resolution authorizes the Administration to execute a ***Right of First Refusal Agreement*** for the potential sale of City-owned Real Property located at 1902 Lehigh Street, better known as the Mack Firehouse property, with HNL.

- **Purpose**

  The resolution grants HLN the Right of First Refusal to purchase the Mack Firehouse property, in the event the City would decide within the next ten (10) years to sell and/or relocate the Mack Firehouse property adjacent to HNL.

  The resolution ensures that HNL will have rights to purchase the property at a competitive price, if and when the City sells the land in question.

  The resolution is only designed to provide HNL the right to purchase the parcel of land **before any other competing interest.**

  For this Right of First Refusal, HNL will pay the City ten thousand dollars ($10,000). This agreement terminates after ten (10) years.

  The chief benefit would be to allow HNL to continue to operate and expand its operation at its current location; keep the laboratory and current employees in the city; and add this property and new jobs to the tax rolls.

  There is no downside to this agreement as it would only be activated should the City decide to sell the property.

  Providing a right of first refusal to HNL is consistent with City's economic development efforts to retain taxable businesses; expand the number of employees working in the City; and demonstrate that the City is a business friendly environment.

- **Financial Impact**
  - Benefits Associated: For this Right of First Refusal HNL will pay the City ten thousand dollars ($10,000).
  - Costs Associated: There is no cost associate with this agreement

- **Funding Sources –** No funding sources are required

- **Priority status/Deadlines, if any –** This Right of First Refusal Agreement would be activated in conjunction with the City's Agreement of Sale with HNL for a portion of the land at 1902 Lehigh Street, known as the Fire Training Academy & Parking lot should HNL find it needs additional land to expand its current operations.

- **Why should Council unanimously support this bill?** Ten thousand dollars ($10,000) with no undesired risk; retain taxable businesses; potential expand the number of employees working in the City; and demonstrate that the City is a business friendly environment.

CITY OF ALLENTOWN

No. R-4 ***RESOLUTION*** ***R - 2012***

Introduced by the Administration on January 2, 2013

Authorizes the Administration to Enter Into a Five (5) Year Contract with Service Electric Telephone

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Resolved by the Council of the City of Allentown, That

WHEREAS, the City requires reliable and efficient telephone and long distance service to effectively serve the public; and

WHEREAS, proposals to provide telephone and long distance service were requested through RFP 2012-37; and

WHEREAS, Service Electric Telephone has offered a proposal that provides cost effective telephone and long distance service, in a reliable manner that also allows the flexibility for the City to enhance our telephone technology without penalty.

NOW, THEREFORE, BE IT RESOLVED that the Council of the City of Allentown approves a five (5) year contract for dial tone and long distance services and directs the Mayor to enter into an agreement with Service Electric Telephone on behalf of the City.

- **What Department or bureau is Bill originating from? Where did the initiative for the bill originate?**

  Communications Bureau

- **Summary and Facts of the Bill**

  The Administration is requesting to enter into a five year contract with Service Electric Telephone for dial tone and long distance service for all City owned telephone lines.

- **Purpose – Please include the following in your explanation:**
  - **What does the Bill do – what are the specific goals/tasks the bill seek to accomplish**
  - **What are the Benefits of doing this/Down-side of doing this**
  - **How does this Bill related to the City's Vision/Mission/Priorities**

  This resolution seeks to provide long term, efficient and cost effective telephone service for City users while also allowing us the flexibility to change and enhance our systems with technology. Dial Tone and Long Distance service was put out for bid in October, 2012 via RFP 2012-37. There were (3) respondents, (2) for Dial Tone and Long Distance and (1) for Long Distance only. Upon evaluation, it was determined that the response from Service Electric Telephone offered significant cost savings, equivalent or better services, networking advantages and the flexibility to change our telephone systems with advances in technology without penalty. These goals however, only become cost effective to the City and Service Electric Telephone with a five year commitment.

- **Financial Impact – Please include the following in your explanation:**
  - **Cost (Initial and ongoing)**
  - **Benefits (initial and ongoing)**

  By entering into a five year contract, the City will realize savings of approximately $45,000 per year (39% below our current telephone charges) and approximately $44,000 per year (35%) over the next closest bidder. The savings realized by signing a five year agreement vs. a two year agreement are approximately $15,000 per year.

  Note: The cost savings in the first year of the agreement are reduced by approximately $5,000 due to transition costs and fees from our incumbent providers.

- **Funding Sources – Please include the following in your explanation:**
  - **If transferring funds, please make sure bill gives specific accounts; if appropriating funds from a grant list the agency awarding the grant.**

Funding for this project is from budgeted 2013 General Fund monies for telephone service in the Communications 22 Account and will continue to be a budgeted expense for the term of the contract.

- **Priority status/Deadlines, if any**

  Our current contract with Verizon and Broadview have expired. The sooner that Service Electric Telephone is able to change out service, the sooner we will realize the cost saving noted above.

- **Why should Council unanimously support this bill?**

  Telephone service for the City is a necessity and simply the cost of doing business. This Resolution will allow the City to continue to provide efficient and reliable telephone service while realizing significant cost savings and techological advantages over the term of the contract.