

Peter Schweyer, President

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COUNCIL MEETING MINUTES
November 2, 2011
COUNCIL CHAMBERS - 7:30 PM

- 1. Invocation:** Mike Schlossberg
- 2. Pledge to the Flag**
- 3. Roll Call:** D'Amore, Donovan, Eichenwald, Guridy, O'Connell, Schlossberg, Schweyer
- 4. Courtesy of the Floor**

Lou Hershman stated that he was waiting for the Mayor. This morning the newspaper showed the unveiling the sketch of the \$100 million Hockey Arena Complex that will be financed by the wage taxes, the business taxes, and the license fee from the neighborhood improvement zone. Now, the mayor mentioned that it would not be enough and we might need additional taxes to pay for the bond issue that will be not only paying for the Arena Complex, but other businesses that could total \$280 million. This could take \$10 million annually to repay the bond issue. Where are we going to get this kind of money? You know we have to guarantee this bond issue. If you start taking city funds, it is going to come through Council, the guarantee. Has Council seen any financial report as to how many tax dollars will be forwarded to Harrisburg? The School District got a report and they were told that they were going to lose \$100,000 on this deal and one school board member told him that they may have to lay off one teacher or raise taxes. To pay this bond issue may take \$20 million and he thinks it is going to take \$10 million a year. He stated that Council has to summons the Mayor and ask these questions. People want an arena and want something for Allentown to bring Allentown back, but we have to see we are going to finance this thing and he thinks that they have to ask the Mayor and ACIDA to come and sit down with you and allow the public to speak. Nothing is being down. All we see is a nice model, but the problem is it is going to cost a lot of money. Someone has to do something about it. When the Mayor goes on his citywide tour with the sketch, he is not going to answer any questions about the financing. When you take tax dollars out of the budget, you have to raise taxes.

Mr. Donovan stated that he was a little surprised in reading the last two paragraphs. Going back about nine months when this first started and the initial discussions, (he is still for this project), he was quite clear to the Mayor about the need for information. In fact, he supported AEDC in spending some of the money that needed to be spent in order to do the research. He was very surprised by the lack of information in the PowerPoint that Council saw and what he saw at AEDC. He agrees that information around the final numbers, and understands that will not be the final numbers. He stated to Mr. Hershman that he understands development. It is fluid. He will tell him that AEDC members wanted to see more information and he wanted to see more information and was quite clear to the developers that he does not have enough information and yes, he was a little surprised about the last two paragraphs of the article.

Mr. Hershman stated that we are all concerned and the Council will have to go on record to guarantee the bond.

Mr. Schweyer stated that there has been no conversation about that and he appreciates Mr. Hershman speculating on the matter. There has been no conversation with any member of Council about a bond guarantee which he believes that all of them would oppose. He thanked Mr. Hershman.

5. Approval of Minutes: October 19, 2011

Minutes approved by Common Consent

6. Old Business

Mr. Bennington stated with the storm of epic proportion, he wanted to say that our city crews did a yeoman's and he wants to say that in public so that everyone knows that. They did a great job.

Mr. Schweyer stated that he could not agree with him more and thank you for bringing that up. He stated that he has something for old business. He asked if Mr. Young was there and stated that he will send him an email.

7. Communications: Budget Presentation

Mayor Pawlowski thanked Council for allowing him to present the Budget for 2012. As you know, it is a difficult year as it has been with the economy that they have at hand. The national economy has been hitting the country and across the state in a dramatic way and different from other municipalities that are struggling in a very difficult economic time. The budget that he has before them has number different challenges that they will be facing over the course of this year several of years. The economy continues to be in very slow recovery. Traditional tax revenues for 2012 are not growing. They have 2012 and continue to be a year of great financial challenges. The fiscal circumstances of many of our residences will have a very difficult time and would be hard to increase property taxes. 24 – 27 percent of our residents according to the latest census are at or below the poverty rate. Electric, chemical supplies and fuel rates continue to increase. They need the water, sewer and solid waste fund and will get to more details as he goes through the presentation. Allentown reported a 10.7 percent growth rate between 2000 and 2010 representing an increase of 11,400 persons. The city's workforce has been tremendous and done a great job. That workforce continues to provide our citizens of Allentown consistent, quality services with reduced resources to a larger resident population which speaks to the character and competency of our staff. The department heads are here and he would like to say thank you for all that you do. You do a tremendous job for an ever increasing population with reduced resources. Our opportunities: the city anticipates finishing 2011 with expenditures 1.2 million under budget and excluding any unforeseen reduction in revenue and ending cash balance of \$991,871. The general fund budgeted with a positive budget variance of \$537,666 and does not require the City of Allentown to utilize reserve fund balances. The budget calls for \$84,994 in spending and revenue \$84,942,000 in spending. There is no increase in real estate taxes and no change since 2005. The proposed budget estimates revenues for 2012. It does not include a full year of EIT ACT 205 receipts. This year as you know in the budget, they reduced the amount they thought they would anticipate for the end of the year. They have not had four full quarters and they anticipate four full quarters next year and that number in the budget reflects that. The capture of EIT escrow is about \$400,000 in revenue in 2012. The majority will go to the risk management fund. The state increased PMRS in 2011 and the MMO came down to \$2.5 million and as a result of successful labor agreements and negotiations with police and SEIU in 2010 the city will experience minimal salary growth in 2012. Some of the highlights with the budget maintains essential city services while reducing costs were appropriate and continues to fill open positions in the police department thanks to a federal grant that they received a few weeks ago. He stated that the city received another ten officers over \$2 million in federal grants combined with the funding they received last year and they received 18 of those 20 new positions to fill and they filled two of them from last year with some of the modifications they recently made to the civil service and having to do a list for those positions more rapidly and they hope to fill all of them

by the end of 2012. We continue to enhance the organization structure at Allentown Emergency Services. Increasing our EMT's by 8 and supervisors by 4 and adding one additional ambulance to our fleet. This change will improve services to our residents, increase revenues significantly and also reduce ambulance and calls from the fire department 7 percent. To better track this you will see in your budgets that they broke out EMS from the general fund into its own enterprise fund since they have revenues and expenses that are almost identical and the operation pays for itself. We want to track that and make sure that restructuring EMS with the EMTs and additional ambulance brings in the amount of revenue that projected so they broke it out in to a separate fund from the general fund. The city will give instruction on the new eastside fire station which will be a modern facility to provide quality fire protection to the residents of Allentown and the eastside neighborhoods. Finally, the risk management fund in 2012 also enhances payments into the city's risk management fund by increasing the amount of cost per employee from the attributing city departments from 7 percent to 9 percent and adds an additional \$300,000 to the risk management fund from the city's general fund. This is the breakdown of our revenues and as you can see the vast majority of our funds goes to fund public safety, fire police, EMS and they have a much smaller portion of the general fund that fund parks non-departmental about 10 percent, finance about 4 percent, managing director's office which includes IT about two percent, human resources about one percent, public works ten percent, community and economic development went down slightly. Personnel and benefits is about 77 percent of all our costs and most of the costs are fixed. The vast majority of other costs, services, materials and supplies, sundries and capital outlays are costs we have some control over. The vast majority of all our costs as you well know are personnel and benefits which is a fixed cost mostly by contractual arrangements. You will see the chart above with the audit report that they have been a tremendous job with reducing costs over the last several years. The only cost that has increase is police department because we were at a historic low of early retirements back in 2006. They hired over seventy officers and have additional officers and have now built into the budget as a result of federal grants that they have received competitively and he thanked the police chief and Danny Warg, they did a tremendous job in rebuilding that force and he stated that were no small tasks getting those grants. There were over 2500 applications nationwide from the funds and only 230 cities got funded and that was a tremendous job in getting those funds. Everything else remained flat. Building Standards and Safety went up a little bit and increased a few years back and increased in the amount of staff building standards and safety and public works was flat, health was flat or have gone down, parks is flat and they have done some bond issue and capital outlays are up slightly and our debt services have gone down slightly as well. There was a slight increase with some of the bond issues that they did last year. Still down dramatically from back in 2004 and 2005. Our overall staff positions, we cut costs on every level and greatly reduced the size of city government and staff. We are now down 926 staff projected in this budget and are down dramatically from 2009 when we were at 1,000. He stated that the city is lower than it has been in over 32 years. As far back he could go is 1980 budget book and the total staff count at that point was 949 and we have obviously grown tremendously since 1980 yet our staff is actually less so when he says they are doing more with less than are actually doing a lot more with a lot less and the city has less staff then it did 32 years ago. The 2012 general fund budget is a reduction from last year and a reduction of personnel cost of about \$5.2 million and \$4.6 of that is do to two factors, one they broke out EMS out of the general fund budget and they also broke out CDBG into their own separate page requested by the auditors. They broke out the federal funds to track separately. Service charges are down \$247,000, material supplies are up, capital outlays are down \$97,000 and sundries are down \$405 total is about \$5.8 and if you take out EMS and HUD as he suggested they are down to a difference of \$1.2 million. That is less than the budget for 2011. As you know, we have been investing in our capital projects and are a good thing. Our asset to debt ratio is high which means they have been investing in their infrastructure and has done it several times now in the last several years you can see that they are in much better shape then most municipalities across the state and the only one that is beating us is the City of Lancaster, but we are doing a tremendous in investing and improving our infrastructure and it pushes up our asset base compared to our overall debt. Our asset to debt ratio is in good shape. The 2012 budget is to continuing to invest an improve infrastructure and assets. We are putting \$1.8 million into the east side fire station and repairing the Union Street Bridge and we are repairing the South Albert Street Bridge and they are doing a number of miscellaneous bridge repairs, traffic signal modifications throughout the city, roof

replacements on several city buildings, police radio encryption and upgrades. This will be part two and will be funded last year and they have another almost \$650,000 for residential street repairs and he can safely say that they have done and improved residential streets in the last four years then they have in the last fifteen years in the City of Allentown. He stated that we have paved and replaced with our work crews who have done a tremendous job, almost 15 – 20 miles of roads. The total cost is about \$4 million and of course these funds will be matched by other state and federal dollars totaling about \$6 million and will be over a 50 percent match and that comes out to a total investment in our infrastructure in 2012 by \$10 million and most of those matches are on the bridges themselves. He stated that they are getting money from FEMA and money from PennDOT and some other state funding for bridges. All that comes out to about \$6 million and match about \$10 million in total investment in our capital infrastructure. Again, we have been doing a tremendous job and with your help we continue to improve our infrastructure and asset base and as you can see we are in much better shape than most municipalities across the Commonwealth. Taxes are flat and again, this year he is proposing several increases, the first one is water and sewer due to increase costs in materials and supplies, fuel and personnel, it is essential that the city slightly raise some of its user fees and he is proposing a five percent increase which comes out to the average household about .06 cents a day on the average for an average small consumer. He stated that he is also proposing that they increase because of this difficult economic time they have a rebate program now that is seldom used because of the limits they currently have. It is \$15,000 and under. If you make \$15,000 as a senior citizen you can get a sliding reduction in your water fees \$15,000 is the top end and you will have to make less than \$5,000 to not have to pay for water and sewer at all. He stated that he is proposing that they actually increase that rate and this will allow seniors with incomes with basically \$13,000 and \$30,000 to be eligible for the \$30,000 up to ten percent and it actually will increase as your income gets lower. Those with fixed incomes this will mitigate a good portion of the increase that we have for the senior citizens and those are the ones that are the most valuable in this particular economy. Even with these increases, we still are less in terms of cost with water and sewer than our surrounding municipalities. He stated that he has a chart that they can see and the city is at the bottom. Easton is double than what we are Coopersburg, Northampton, Salisbury, Whitehall, Coplay, South Whitehall, Upper Macungie, Bethlehem and with the increase then comes Allentown. The only one that will be less than us and not by much will be Whitehall Township, Lower Macungie and Emmaus. Whitehall is served by two sewer authorities. He stated that he is looking at a solid waste increase of about \$35. He stated that he handed out a sheet to Council and if they want to take a look at that. These are two budgets for solid waste for the next five years. The \$35 increase will come out to about 9 cents per day for the average household. This has not been increased in about four years and with the rising fuel and electric and other associated costs it's necessary to slightly raise this rate to cover increase expenses. It is interesting to note that the services that our residents receive for their solid waste dollars compared to other municipalities with higher costs. For example, our solid waste fund fee includes that the Allentown residents receive twice a week garbage pickup, weekly curbside recycling, pickup of major appliances, animal control, graffiti abatement, street sweeping, and administration and the management of the sweep program all are included in our solid waste budget. This increase should stabilize the solid waste disposal fee with no increases through 2015. If we keep the rate at 340, we start running deficits in 2014 and significant deficits in 2011. If we increase now slightly through 375, we actually run a positive cash flow through 2015 and we won't have to raise these rates for another four years. One of our biggest future challenges as you know is our pension. The unfunded liability for a fire and police pension plan is forcing the city's mandatory contributions to plans to rise substantially. In 2006, the contribution was just more than \$6 million, in 2012 that figure will double to \$12 million and in 2015 it will soar to \$20 million of which it will equate to 25 percent of the city's general fund expenses which is astonishing when you think about the cost that has incurred over the cost of the last couple of years as a result of early retirements and early buy-outs. It continues to grow exponentially and continuing in the foreseeable future. This is an obligation that the City of Allentown is intended to do everything that we can do to meet this obligation while still maintaining the fiscal health of the city and so throughout 2012, the administration will dedicate all energy and efforts they can muster to develop a solution. He stated that he and the finance director will present some alternatives in addressing this issue by the second quarter of 2012 to City Council and with their help they will tackle this problem and fix this problem, but as you can see by this chart, it has

been staggering. The cost continues to increase year after year. Any savings that they could have maintained have been basically absorbed by the increase of the MMO costs. The cumulative impact up to 2011 is about \$35.46 million that they have had in the city coffers if they did not have this massive impacted cost. They are looking at ways to address that and he will come back to Council. He stated that he spoke to many Council members about working with us with plans to address this issue and they will be addressing this issue in the early part of next year. He stated that they have the schedule that has been outlined. He stated that he will try to make as many meeting he can possibly and in conclusion the proposed 2012 budget program and services continues to austere and proven management of the services we seek to provide our great city. It will in fact meet the needs of the city and we will do so in reasonable financial parameters. This is a challenge shared by many municipal colleagues in the Commonwealth of Pennsylvania and the nation. He stated that the city has a far better future in front of us by virtue of the downtown redevelopment plans combined with our firm resolve to remedy our financial difficulties created by our police and fire pension situation. He stated that he strongly believes in 2012 Allentown will continue its journey to become a greater city in which people will desire to live, work, play and invest. He stated that he will take questions.

Mr. Donovan thanked the Mayor and stated that he mentioned to Ms. Bowman and those members of the public that are already obtain this, on the federal government grant section which is FG1 and he knows how much the staff worked hard to put this together. There is a line item error where the sum of the positions on the program 0115 indicates \$178,000 when it was really 495 and then it would balances on what you transferred last year. He stated that he spent sometime with this today and do have a variety of questions and thinks the only point he wants to make is that he often said that they put a lot of effort on public safety, and on building and as the mayor mentioned in his presentation the city has become more and more of what it wasn't in terms of population and the various groups and people including you and I had conversations on how important it is and we need to be looking at programs that help us integrate even further. He stated that he would look to see what they could do in recreation, and he knows it is a strategic decision whether to put money into public safety versus putting money in recreation for the children. He stated that this is his last budget cycle and it is always been important to him and you were able to pull this together and he has a variety of questions he will bring up later and he is glad that the mayor stated that he would make as many meetings as he could.

Mayor Pawlowski stated that when you get to Parks and Recreation you may want to bring this up to Mr. Weitzel. He has done a tremendous job over the course of the last couple of years improving recreation opportunities for our youth throughout the city. He has some new initiative that he is trying to continue to enhance and with the modest amount that they have to work with he thinks that they have been doing a stellar job in dramatically, if you look at the numbers, increased over the course of the last several years. The amount of kids that are involved in summer youth programs, and the amount of kids that they have a basketball league for both kids and adults. We have a baseball league and we have been supporting our A-Youth. We increased the amount of opportunities that we have for our youth with less resources.

Mr. Donovan stated that his feelings as citizens of Allentown needs to put more resources, but the other strategic issue which he raised last year is that they have the Weed and Seed program which is funded partially by our funds and partially through federal funds.

Mayor Pawlowski stated that this year, it is all us.

Mr. Donovan stated that years ago there was a greater investment as a city in having the professional staff to work through the changes and the population changes and that was cutback in the 80s and 90s. He would love to see the city make more investments with individuals can make the members of the community better. He knows there are not a lot of resources and he has been advocating that small tax increases would chip away at that.

Mr. Guridy thanked the Mayor and stated that he is quiet happy to see there are no tax increases in this budget and we have not had one in a while. He stated that as chair of the Public Safety committee for the past year and they did very well especially the police department did a wonderful job in keeping us safe throughout the year. There are less police officers. He stated that five or six years ago before the exodus of the officers the crime rate stayed down and they were able to control the overtime and he thinks that was positive for the public safety and the police department as well as 9-1-1 has been doing. The camera had a positive input to make sure we keep crime down. The fire department he continuously encourage them to find a good contact that would be beneficial to our contract.

Mayor Pawlowski stated that he is diligently working on that.

Mr. Guridy stated that he sure he is. He stated that EMS is doing a wonderful job and he is happy to see that they will be on their own showing their own revenues and expenditures and their own department in a way. He stated that he is happy about that. The capital projects they need to continue to work on that and streets as well. There are some streets that have a lot of potholes and major streets. South 4th and Linden, we keep complaining about that and one day soon.

Mayor Pawlowski stated that they have been working on that. They have a very extensive plan. They look at the age of the streets and categorize them out and see which ones are the worst for replacements.

Mr. Guridy stated that he has seen some Alleyways that have been repaved and kudos to them. He stated that the solid waste increase and the water and know some of his colleagues have advocated increase in water department. He just wants to make sure that is the minimum you can increase.

Mayor Pawlowski stated that he Mr. Guridy looks at the rates and look at the Sewer Fund and you open to that page; we did not choose the minimum. If you look at the Sewer Fund even with the increase SF2 our revenues are \$16,518,000 and our expenses are \$16,499,000 and we wanted to shore up these fund to make sure that our revenues were exceeding our expenses. Even with the 5 percent increase our water fund not totally revenue neutral. It is \$15,462,000 versus \$15,749,000, but we are continuously trying to build the water system over the course of the last several years with LCA that revenue will start flowing in. He stated that reason he is confident with the 5 percent even though the revenues do not exceed the expenditures we will have some addition revenues coming in a couple years by several hundred thousand dollars. We picked the number that was the minimum that we needed to make sure that the funds stayed on top.

Mr. Guridy stated that he knows Mayor Pawlowski is working hard and there are tough economic times and a lot of people unemployed and they still have to pay the water and the electric and all the utilities and he wants to make sure that people are able to maintain their homes and stay in their homes and not increasing the real estate taxes was a good move and he stated that the Mayor mentioned that before as a possibility. He stated that this year, you were able to do something different. He thanked the Mayor and stated that he looks forward to discussing some of the other departments as they move through the process.

Mayor Pawlowski thanked Mr. Guridy for his assistance of the public safety committee and noted the great job the police department has been doing. He stated that he pulled up some numbers today. In the last five years, our overall crime rate has decreased by 31.82 percent. Homicides are down about 44 percent, dramatically down from five years ago and Part I crimes which are a staggering number, in 2006 they had about 7100 Part I crimes and they had about 3900 this year. That is most serious violent crime and that is a 54 percent drop. They are doing a tremendous job by rebuilding a force from the ground up and the more officers that we are able to bring on the success they will have.

Mr. Guridy stated that he thinks that now with the new 18 officers that are going to come, it is going to be even better for them, however, he must say that he feels that they did a wonderful job in the city and he thinks that

the new officers that came in and are very aggressive in fighting crime and he contributes that to the department. He stated that they should take a second and thinks that some people are talking about this whole issue with Allen High School and someone should continue to work on that.

Mayor Pawlowski stated that the chief and he and the finance director actually met with the superintendent a week ago and talked specifically about the issue and what they could do to work together to address that issue. He stated that he is not at liberty to talk about what the plan is, but can talk to him offline. He stated that he wants to keep confidence with them, but they are working on a plan and the superintendent is going to get back to them in a couple of weeks with a decision on that.

Mr. Guridy stated that the reason he brought this up because he does a radio show on a Spanish radio station and that is one of the biggest issues in our community and he get a lot of questions.

Mayor Pawlowski stated that he is on that same show on different days and he stated that Mr. Guridy is right.

Ms. Eichenwald thanked the Mayor for his presentation and stated that time has been critical, but she must say that she congratulates him for presenting a budget that is so austere and yet meets the needs of the city and she especially impress because all of the disasters that they suffered and she is so impressed by the way which the city has handled it and it has to impact the budget.

Mayor Pawlowski stated that it is impacting the budget, but not at the extent that we would anticipate.

Ms. Eichenwald stated that is attributed to the workforce.

Mayor Pawlowski stated that the impact won't be seen until the end of the year. If this becomes a very wintry November and December, it will have an impact on the budget. Right now in the budget, they have budgeted for these types of occasions.

Ms. Eichenwald stated that they have already gone through the hurricane.

Mayor Pawlowski stated that if the city has ten snowstorms with 15 to 20 inches of snow he is going to come back. Right now we are doing ok and it all depends on what happens at the rest of the season.

Ms. Eichenwald stated that she is only committing on this because she feels that he did a wonderful job and is exceeding impressed with the personnel statistics and she wishes that the city could employ more people. The reality of the situation is that she congratulates the mayor and all the staff of the city for being able to run a complex, complicated organization with lower staff and producing good results. Do we want more police or do we want the streets cleaned more often, obviously, of course we would do that within the possibilities and the realm.

Mayor Pawlowski stated that he appreciates that and credited the staff and the managers. They do a tremendous job with limited resources, and go above and beyond the call of duty. He stated that he says this with all sincerity they are the greatest and do a tremendous job with difficult circumstances. They pull it off.

Ms Eichenwald stated that she is grateful and appreciative for all of the efforts. She stated that she knows that they will go over each individual budget and have an opportunity to ask many questions, but just as a starting point since Mr. Guridy was talking about the water and sewer increase she noticed that for people below the poverty level who are seniors there is a reduction, is there one for ones that are not seniors who are below the poverty level.

Mayor Pawlowski stated that there are not and it is based on the numbers. If you look at 20 - 25 percent of our population that is at or below the poverty line the numbers would be staggering and we looked at those who are more vulnerable. The senior citizens and reason why we picked senior citizens because they are on fixed incomes and on social security if you are making \$30,000 or less you probably don't have a pension and only have social security and it is very difficult in this economy especially in the last several years they did not have any CPI increase in social security. He stated that he can say that our costs have gone up. He stated that if you want us to look at that, we can look at that, but with the population he does not know if they could pull it off without losing a significant amount of money.

Ms. Eichenwald stated that she is not arguing against a deal for senior citizens. She stated that she is very much concerned about the younger people that are unemployed and who has children and even the slightest increase would be a difficult thing. She stated that she receives phone calls from members of the community who water is about to be shutoff.

Mayor Pawlowski stated that we try to make it as low as possible and still maintain the revenue that we need for operations and if you look at our levels they are lower than municipalities around us, except for a few and the service that we provide is stellar. He stated the staff, again, they seen reduction in staff over the course of the last couple of years. The amount is minimal and it comes out to about six cents a day and he would love to be able to say we will give free water and sewer to our residents, but we can't. For those who are the most critical and needy in our society who is on fixed income he is offering a proposed program for debate and discussion over the next couple of weeks. The program would address the most needy in our city. They are usually the ones that owns the homes and a good portion of the population that are at our below poverty are in rental units and that is usually absorb by the larger amount of units that you have and not a directed impact on costs as senior citizens in there own house.

Ms. Eichenwald stated that her next question is about the three years of deficits. How is that explained, compensated and dealt with in the budget.

Mayor Pawlowski stated that the budget reflect a positive carryover with the deficit. The deficit that we had if you remember we have been eating into our reserves and that is with the deficits. He stated that he started out with his administration back in 2006 with an \$8 million deficit in our capital reserves and we have built that up significantly in 2007 at a significant positive reserve fund and we have been eating into that in the last couple of years in this very difficult economy. We still have a positive cash flow reserve over \$3 million and we have eaten into that in this difficult economy. He stated that this budget does not propose to eat into that reserve in any way shape or form.

Ms Eichenwald stated that this needs further discussion and she knows tonight is not the time. At some point we need to have a discussion about risk management and the reserve funds.

Mayor Pawlowski stated that they proposed a various year budget, one that does not increase taxes, holds property taxes flat and the only way to do that is to increase revenue. As you go through the budget if you want to increase into those funds you even have to cut out programs or increase revenue. Those are the options.

Ms. Eichenwald stated that they will have more opportunity to discuss this, but thank you very much.

Mr. Donovan stated to Mr. Strathearn and the Mayor when he looks at the water/sewer rate two years ago and he and Mr. Schweyer proposed one four years ago, but we had one two years ago. He stated that what he would need when water and sewer comes is if he looks at the 2010 CAFR on an accrual basis as a business enterprise, the water fund had a large surplus while the sewer fund had a deficit and when he looks in 2010 on the water basis it was a \$600,000 surplus and the sewer fund was a very small surplus. One thing that they

need to talk about is the reconciliation between the two accounts. He stated that he does not want anyone coming to them saying well you raise the rates two years ago and look at that capital surplus.

Mayor Pawlowski stated that as Mr. Donovan knows that is on a modified accrual basis and this is based on cash basis and the numbers are going to be different because of the calculations that go into if you look into a modified accrual basis.

Mr. Donovan stated that he was a great champion in '06 or '07 when the Mayor came in and not only did you build the general fund back from the light borrowing, but you had a net surplus on an operating basis. What happened in the last three years is that our revenue forecasts were hit. He stated that the Mayor did a tremendous job and the staff did a tremendous job.

Mayor Pawlowski stated that it hit every municipality across the state and the country.

Mr. Donovan stated that he knows, but he was asking these questions in the summer of '08 in which they were asking at the time of the budget and there still was somewhat resistant that there will be a problem. One of the concerns that they do have and should be discussed in the last few weeks is the administrations revenue projections have not been hit in the last few years with no fault of their own. The economy has been bad. In looking at this again, he will have some questions because it will be a critical issue in meeting your projections again. If some of these important line items do not come to fruition then that will be a problem again. The budget for the last few years and you wanted to go in the fund balance a little last year and they wind up having a large deficit and the prior year before you had a surplus and they had a deficit. In order for the public to the upcoming budget, we need to solidify those projections.

Mayor Pawlowski stated that the revenue projection for each line item is fairly conservative and he reminded all of Council that the budget is an estimate. It is your best estimate of your expenditures and your anticipated revenues in the following year. We do our best to anticipate those. Even if you look at some of the deficits you had based on the overall amount of revenue you receive the overall percentage is extremely low and most private corporations would love to be off 1 or 2% or 3 or 4 %. The staff has done a tremendous job in this very difficult economy which continues to fluctuate almost on a daily basis trying to figure out where to hit the mark on some of these numbers. He stated that when you look at them you will see that the numbers are pretty conservative.

Mr. Donovan stated that there are two areas that would need explanations on when it comes to the license fees, you have some big jumps over this year in terms of building, plumbing, and electrical.

Mayor Pawlowski stated that they are anticipating the arena. It is based on some initial figures that we got for the construction of the arena.

Mr. Donovan stated that he figured it would be the arena. He thanked the Mayor and stated that he was going to mention something in public safety. He stated that he was concerned about the article about Allen High School and was going to ask his colleagues and still going to ask his colleagues that it is still important for them to hear from the Police Chief, the Acting Superintendent, and the Principal here. He stated that they would love to hear them and maybe some of the programs cannot be released to the public, it is time that we recognize that the city and school department is intertwined for the future of the city. He stated that given the stories coming out of Allen and other stories that come out of Rob which is in his neighborhood, it is time for us, the school administration, the police chief and the Mayor to sit down and brainstorm on what we could do.

Mr. O'Connell stated that they should invite the president and the vice president of the Allentown School Board at the meeting.

Mayor Pawlowski stated that they had initial discussion and does not want to commit them to the public since they have not committed to us. He stated that they had initial discussions and they were good discussions and we talked about how we could increase security within the high schools.

Mr. O'Connell stated that obviously it is a lot of concern and he thinks that it has to be a public forum for them to talk about the actions that will be proactively taken for the residents of the neighborhood. It is not only Allen High School, it spills out into the neighborhood as Mr. Donovan lives very close and he knows that the Mayor has been proactive and the police chief has also been proactive, but we need to sit down and address it.

Mayor Pawlowski stated that he agrees with Mr. Donovan that the fate of the City rests on the School District and that the fate of the School District rest on the City and when one succeeds the other will. We cannot track the middle class back into the city if people don't feel that they have a school system that is adequate and safe.

Mr. Donovan stated that there has been a lot of research in urban areas now where cities around the country are recognized where they use to be separate and they still can be separate on an academic point of view and a social point of view because they are intertwined and cities are taken a proactive role and stated that he knows that the Mayor has worked with the superintendent, but it is important to work much more closely.

Mayor Pawlowski stated that in the school boards defense they have been proactive board. Jeff and Julie have been tremendous to work for in the course of last year. They are very concerned that they are going to losing jobs unfortunately. They are very concerned about what is happening and every time we wanted to sit down and work with them they worked with us and visa versa and don't believe there could be a better relationship from the administration of what they have with them right now. They have their challenges no doubt.

Mr. Schlossberg thanked the Mayor for the presentation. He stated that he looks forward to examining this a little closure as time goes on he does want to commend the mayor holding the line on spending and we learned that in the course of 2009 and 2010 general expenses of the City increased \$400,000 which when you consider rising pension costs, rising cost of fuel, electricity, rising personnel costs this is really quite remarkable and he is glad to see this budget continues to do that and glad to see that there are no property tax increase, water, sewer, and garbage fee increases are unfortunate and at least at his initial glance seems necessary. The one thing that he would add and looks forward to talking about is the state of the cities infrastructure in particular roads, water and sewer. We made investments, but it is clear that they are falling behind. That is not the fault of the administration. That is largely the fault of the state of the economy and where we are at with federal and state support. That is conversation that he is looking forward to having especially during the Public Works hearing. Have we reached a point that we are not investing in our water and sewer infrastructure is putting us in a position where they are losing money and sacrificing quality? That is the conversation that he is looking forward to having.

Mayor Pawlowski stated that they have invested over the course of the last couple of years. They had several bond issues to include the water system and the sewer system. They received a huge PennVest loan last year to increase efficiency with the water supply with electronic metering. They have been doing a tremendous job with little resources. We can do more. It all comes down to balance or borrowing more dollars, but we also have to pay for that increase borrowing, but compared to other systems across the state and obviously we have our challenges, but compared to other system, the city is actually in pretty good shape. If you compare our total assets to our total indebtedness we are far better position in most municipalities in the Commonwealth.

Mr. Schlossberg stated that he is not trying to say that they have not been investing they have been investing appropriately; he was just wondering how much more remains that they absolutely have to do.

Mayor Pawlowski stated that it depends on what the EPA comes up with tomorrow. A lot of it depends on federal and state regulations. Either for the DEP, EPA, or the Delaware River Commission and quite honestly that is a moving target sometimes. He stated that he received a memo today that he passed to the water department that says some regulations that would have cost significant dollars they have repealed and a lot of it depends on what the federal agencies imposes and it is must of unfunded mandates. The nitrate levels that are being required are sometimes if you look at what they are asking for is that we put water back into the river cleaner than we took it out of. It is costing us more to actually process that product than it costs to get it out of the ground. He stated that he hears what they are saying, but it is hard to come up with that number sometimes with the changes regulations and constant changing. We will do our best.

Mr. Guridy stated that he neglected to mention the fire police and Ken Laudenslager who is here and he has worked to help us in public safety and also needs to be recognized because he does a good job so he would like to publicly for the record recognize the work that they do and support them as well as any other organization in the city and community organizations groups that supports the city to maintain public safety. He stated that Ernie Atiyeh is there and is always involved in the president's group.

Ms. Eichenwald stated that they should also consider perhaps that they go to the school district. As a former school board member she would have been most please to have seen members of City Council, the administration, the city government come to the school board meeting. Rather than invite them to come here, it would be a wonderful gesture of support and interest saying that the city and the school district needs to work together and are one in effect that we go there.

Mr. Donovan stated that he has attended a number of school board members in his tenure, but he does teach on Thursday nights every semester. He stated that he still believe that they need to invite them here.

Mr. Schweyer stated that for the public that Mayor Pawlowski put on the projection a rather tamed PowerPoint. He stated that for the public they are reserving November 28th as a possible budget meeting, November 30th as a possible budget amendment meeting, as per the Rules that they passed that Mr. Schlossberg authored. They are reserving December 12th as a possible budget meeting and December 14th as a possible budget hearing. We are announcing that in case there is a chance that we need additional time for the public record. That does reflect the chances to the amendment process that Mr. Schlossberg had outlined and we have approved. He stated to Mayor Pawlowski that the array of questions that he has received here tonight reflects our desire to have these conversations in public. We did not just talk about the budget, but the school district and other things. He stated that he extends a warm welcome to the mayor and hopes that he will be able to make every budget hearing or at the very least be at the a majority. He stated to Mr. Bennington that they love him and he does an amazing job not only representing the people of Allentown, but representing the mayor.

Mayor Pawlowski stated that he has a couple that he has a conflict with, but knows he can try to make as many as he can.

Mr. Schweyer stated that they did ask that grants be nominated in the budget and the pulling out of the federal grants fund. There will be 18 more cops that are going to be funded, twenty in total. He believes through federal grants programs. He stated that as they look at numbers to see what they can theoretically move if Council were to do so, they actually know what they can move and what's programmed by federal and state money. He stated that the spreadsheet and the breakdown on how the funds are spent in the pie charts and graphs are very helpful since it is visual. He stated that he does not know if every resident realizes that they spent such a large portion on public safety, not only in the total funds, but our general funds. He stated that those are helpful and as we move forward and increase our transparency and communication with the public they might include those and create a web application for that otherwise it is a clear budget, not something from years past. It is a much better format and it would be easier for us to dissect. He stated to the public that

the committee schedule is in the back of the room and they will be advertised appropriately and all members of council are certainly welcome and encouraged to join them at the meetings.

8. REPORTS FROM COMMITTEES:

Budget and Finance: Chairperson Donovan

The Committee met last week and reviewed the CAFR. There is legislation on tonight's agenda and the monthly financials. They continue to talk about the EIT and pleased to see the reduction of the EIT. He stated that it will be \$2.5 million. On Wednesday, November 9th at 6:00 PM there will be a special meeting to review the Finance, Revenue, Risk Management and Debt Service budgets in Council Chambers. He stated that Todd Collins will brief council in the near future on the 250 celebration.

Public Safety: Chairperson Eichenwald

The Committee has not met since the last Council meeting; committee meetings are in abeyance until the budget is approved. On Monday, November 7th, there will be a special meeting to review the Public Safety Budgets commencing at 6:00 PM in Council Chambers – the review will include police, fire, 911 fund, and the EMS fund.

Community and Economic Development: Chairperson Guridy

The Committee met on October 24th. Council is scheduled to meet to review the CED budget on Monday, November 21 at 6:00 PM.

Mr. Schweyer stated that they had an overview and the CED department where they went through in the spirit of what they went through earlier.

Parks and Recreation: Chairperson Ray O'Connell

The Committee had its budget preview meeting on October 26th. On Monday, November 14 at 7:00 PM Council is scheduled to meet to review the Parks and Recreation, Trexler and Golf course budgets.

Public Works: Chairperson Schlossberg

The Committee met on October 24th for a budget preview. Council is scheduled to meet to review the Public Works and accompanying budgets on Tuesday, November 22 at 6:00 PM in Council Chambers

Human Resources, Administration and Appointments: Chairperson D'Amore

The Committee has not met since the last meeting. Council is scheduled to meet to review the HR budget on Monday, November 14 at 6:00 PM.

Rules, Chambers, Intergovernmental Relations and Strategy: Chairperson Schweyer

The Committee has not met since the last meeting; a meeting will be set up in the near future to look at an amendment to council rules on filling vacancies.

Mr. Schweyer stated that Other Budget Meetings: On November 16, the Mayor, Managing Director, Controller, Solicitor's Office, Council will meet and review their budgets at 6:00 PM. Council has set aside additional meeting dates as needed.

Mr. O'Connell stated that the budget preview meeting that Mr. Schlossberg recommended was very informative and he thought that the departments did an excellent job. He stated that Mr. Schlossberg stated that the purpose was to break up the budget previews and be able to ask questions.

Mr. Schweyer stated that the posters on the wall are from the Community and Economic Development Department that did not use PowerPoint.

OTHER COMMITTEE REPORTS: None

Mr. Donovan stated that he would like to go into the AEDC meeting that he attended the day after the last council meeting. He stated that Council saw the same PowerPoint that the paper saw and TV station saw and reported on. He stated that AEDC saw the same report on Thursday morning and he was disappointed with it and it really did not provide information that he expected six or seven months ago. He stated that he would like to report there were other members of AEDC that felt the same way. We need more information in order to understand the whole process. I don't think anyone is saying that the project is not great, it is just that it is not enough information to be able to explain things on how it is working. AEDC spent some of its own money in order to do the original research and you should know that he actually pushed for that because he felt that this research should be done as part of the mayor talked about the hundred days. There will be an influx of money coming in from the public buying tickets and things and there is an outflow of money from operations as well as the bonding. The bonding is pretty much with risk which is low risks compared to other arena in the nation because of how the tax district is setup. There are still some operating issues and in the presentation to the media, there is a conservative forecast 120 days of activity part of which is hockey, 38 days and the rests are other types of entertainment functions. He stated that he asked the question of where breakeven 115 days or 50 days is and what kind of safety margin is it and they could not answer that. He stated that he was a little ornery because he felt those types of questions should begin to be answered. He stated that there are people as we are screaming for information stating we still need more and it is a good project with good professionals behind it and he feels quite strongly that there is more information that is needed.

Mr. Schweyer asked Ms. Eichenwald did she have a direct comment.

Mr. Eichenwald stated that she does. She stated that once upon a time they made it quite clear that we requested that the AEDC come here and talk to us about this project and the only thing that happened since was an executive session which they are allowed to have about property acquisition, but AEDC still has not been here. Now, it is a plan to create a new authority. They need to come. She asked Mr. Donovan to make an issue with this.

Mr. Donovan stated that he understands. He agrees and stated the he went to Scott Unger and asked and Ms. Hailstone has been giving briefings on Friday mornings, but we don't need to know anything, the public needs to know. It is not enough information.

Mr. Schweyer asked Mr. Hanlon to request as the Committee as a Whole to be chaired by the CED Chairperson and ask for ACIDA and AEDC.

Mr. Guridy stated that Housing Authority completed Phase I of Cumberland Gardens Rehabilitation Project that they have been doing and working forward to starting Phase II in the Cumberland Gardens Housing Projects. If you have not had a chance to drive through it, you see that we have rebuilt a brand new community center. If you have not had a chance, please go. Some of properties that rehabilitation are looking very nice and the major issue will be that they are transforming four and five bedrooms units into two and three which is what the demand is now.

Mr. Schweyer stated that with the Blighted Property Review Board it has been a while since they had anything and the Mayor has already exited. He stated to Mr. Bennington that Ms. Smethers has submitted the names of the folks for reappointment to the Blighted Property Review Board. Mr. Atiyeh's name was on there and there are some issues and a reminder to the administration that we need to have those reappointments to be done. He stated that he is staying on as the Council's representative and chair of the committee at least through the duration of 2011. He stated that if they can get those forwarded to us preferably by the end of the month.

CONTROLLER'S REPORT

Mr. Hoffman stated that as he said at the finance committee meeting and he thinks City Council should spend additional time understanding the revenue side of the budget. He stated going through the schedule and the 7 or 8 meetings and one meeting was shared a third of the time on revenue. That is half of the equation and the other half will be the expenditures that we spend 7/8 of our time on. Most of the unhappy surprises over the last few years have been on the revenue side and a couple on the expenditure side. He stated that he would want City Council just to understand each of those lines and assumptions that goes into those lines. If you understand the assumptions then you can decide for yourself right, wrong or indifferent. If you do not understand the assumptions then you really can't question or harder to question. He stated that there are oodles of details that the Finance Director can share with them. He stated that he is always unsure when they talk about grants. What grants are sure and what grants are unsure and what is the probability of receiving those grants and if we don't exactly what doesn't get done and what dollars don't get spent. You can start breaking that out. There are grants in the general fund. Are we one hundred percent sure we are getting it, signed sealed and delivered. What doesn't get done so when time progresses you might not need it. He stated that it is detail, detail.

Mr. Schweyer stated that they absolutely have to know that and that is why we are moving in that direction. It is very well taken.

9. APPOINTMENTS:

Mr. D'Amore asked if they could suspend the Rules to put an appointment on the agenda this evening. He put forward Sean Pressmann for the Council's appointee for the city's Aggregate Pension Board. He stated that it is always a pleasure to have an opportunity in place of Council in the name of a fellow citizen for appointment and/or approval to one of the city's boards. There is a greater honor when the person knows the charitable neighborhood, a great citizen, and a good friend. He asked if he could place Sean's name forward for Council's consideration.

Resolution passed, 7 – 0

10. ORDINANCES FOR FINAL PASSAGE:

Bill 68 Weed Seed Contribution

Amending the 2011 General Fund Budget to provide for a supplemental appropriation of Three Hundred (\$300.00) Dollars for the Allentown Boxing Gym as a result of a contribution from Councilperson Eichenwald.

Mr. Guridy stated that it was passed 2 – 0 and it is obviously a contribution from Ms. Eichenwald and we appreciate your contribution.

Mr. Schweyer reiterated Mr. Guridy's sentiments and it is much appreciated and maintains the spirit of what we discussed last year.

Ordinance passed, 7 – 0

Bill 69 Eastern Pa EMS Grant.doc

Amending the 2011 General Fund Budget to provide for a supplemental appropriation of Eight Thousand

Eighty-Seven Dollars and Nine Cents (\$8,087.09) as a result of two grants from the Eastern Pennsylvania EMS (Emergency Medical Services) Council to the City of Allentown Paramedics to enhance the readiness of our bureau's participation in the Regional Disaster Emergency Medical Services 'Strike Team'.

Mr. Guridy stated that this was before the Public Safety Committee and it was \$8,087.09 grant from Eastern Pennsylvania EMS Council and we forwarded favorably 2 – 0.

Ordinance passed, 7 – 0

Bill 70 EMS Iron Pigs.doc

Amending the 2011 General Fund Budget to provide for a supplemental appropriation of Thirty Three Thousand, Two Hundred Twenty Three Dollars and Seventy Five Cents (\$33,223.75) as a result of payments from the Lehigh Valley IronPigs Baseball Team to the City of Allentown Paramedics for provisioning of on-site Emergency Medical Services during baseball games and other events at Coca-Cola park for 2011 baseball season.

Mr. Guridy stated that it went to Public Safety and is a supplemental appropriation \$33,223.75 for work that the EMS has done with Coca Cola Park with the 2011 and it may be another smaller grant or payment and they approved it 2 – 0.

Ordinance passed, 7 – 0

Bill 71 LVHN Grant.doc

Amending the 2011 General Fund Budget to provide for a supplemental appropriation of Four Hundred Seventy Five Thousand Seventy-Six Dollars and Twenty-One Cents (\$475,076.21) as a result of a grant from the Commonwealth of Pennsylvania to the City of Allentown in the form of a RACP pass through grant to Lehigh Valley Health Network.

Mr. Donovan stated that this is amending the 2011 General Fund Budget to provide for a supplemental appropriation \$475,076.21 as a result of a grant from the Commonwealth of Pennsylvania to the City of Allentown in City of Allentown in the form of a RACP pass through grant to Lehigh Valley Health Network. The funds were used for the construction of four clinics at the Lehigh Valley Hospital on 17th and Chew. He stated that he and Mr. Bennington were there and had a tour. They have a diabetes clinic and a couple others which will be very helpful within the City of Allentown and adds to our medical resources here along with St. Luke's and Sacred Heart and the reimbursements are ready to happen because the construction is complete.

Ordinance passed, 7 – 0

11. ORDINANCES FOR INTRODUCTION:

Bill 72 HARB Changes

Referred to CEDC

Amending the Historic District Ordinance, Article 1391, of the Codified Ordinances of the City of Allentown to clarify the composition of the Historical Architectural Review Board (HARB).

Bill 73 JACKSON ISR GRANT

Referred to Parks and Recreation

Amending the 2011 Capital Fund Budget to provide for a supplemental appropriation of Ninety-Nine Thousand (\$99,000.00) Dollars to provide for the receipt of a grant from the Pennsylvania Department of Community and Economic Development Industrial Sites Cleanup Fund Program. This grant will provide funding which will be used to assist with the development of the Jackson Street Community Park project.

Bill 74 Tree Vitalize Grant**Referred to Parks and Recreation**

Amending the 2011 General Fund Budget to provide for a supplemental appropriation of Twelve Thousand Five Hundred (\$12,500.00) Dollars to provide for the receipt of a grant from the County of Lehigh and the Pa Department of Conservation and Natural Resources. This grant will provide funding to purchase and install shade trees in the City at various locations.

Bill 75 Gurdy Donation**Referred to Parks and Recreation**

Amending the 2011 General Fund Budget to provide for a supplemental appropriation of Two Hundred (\$200.00) Dollars to provide for the receipt of a donation from Julio A. Gurdy. This funding will be used to purchase Shade Trees for the City Parks and Recreation Department.

Mr. Schweyer stated that the following Budget Bills are referred to their specific budget committee meetings – copies of the budget schedule are on the back table.

Bill 76 SWENTERPRISE

That an appropriation in the sum of Fifteen Million Seventy-One Thousand Two Hundred Four (\$15,071,204) Dollars is hereby made to the Solid Waste Fund as more fully detailed in Exhibit A, "City of Allentown 2012 Budget."

Bill 77 SWFEE

That Section 1131.02, Authorization of City Contractor(s); Scope of Work; Fee, Subsection (C), Municipal Waste and Recycling Fee, of the Codified Ordinances of the City of Allentown, be and the same is hereby amended establishing the Solid Waste Fee as Three Hundred seventy-Five (\$375) Dollars – an increase of \$35.

Bill 78 WATERFUND

That an appropriation in the sum of Fifteen Million Seven Hundred Forty-Nine Thousand Nine Hundred Seven (\$15,749,907) Dollars is hereby made to the Water Fund as more fully detailed in Exhibit A, "City of Allentown 2012 Budget."

Bill 79 WATERRATES

An Ordinance of the City of Allentown adopting the 2012 Water Rates – 5% increase.

Bill 80 SEWER FUND

That an appropriation in the sum of Sixteen Million Four Hundred Ninety-Nine Thousand One Hundred Seventy-five (\$16,499,175) Dollars is hereby made to the Sewer Fund as more fully detailed in Exhibit A, "City of Allentown 2011 Budget."

Bill 81 SEWER RATES

An Ordinance of the City of Allentown adopting the 2012 Water Rates – 5% increase.

Bill 82 LIQUIDFUELS

That an appropriation in the sum of Two Million One Hundred Forty-One Thousand One Hundred Fifty-Four (\$2,141,154) Dollars is hereby made to the Liquid Fuels Fund as more fully detailed in Exhibit A, "City of Allentown 2012 Budget."

Bill 83 TREXLER

That an appropriation in the sum of One Million Two Hundred Seventy-Five Thousand Four Hundred Twelve (\$1,275,412) Dollars is hereby made to the Trexler Fund as more fully detailed in Exhibit A, "City of Allentown 2012 Budget."

Bill 84 GOLFCOURSE

That an appropriation in the sum of One Million Three Hundred Fifty-One Thousand Two Hundred Seventy-Three (\$1,351,273) Dollars is hereby made to the Golf Course Fund as more fully detailed in Exhibit A, "City of Allentown 2012 Budget".

Bill 85 EQUIPMENT FUND

That an appropriation in the sum of One Million One Hundred Sixty-Six Thousand Two Hundred Thirty-Three (\$1,166,233) Dollars is hereby made to the Equipment Fund as more fully detailed in Exhibit A, "City of Allentown 2012 Budget."

Bill 86 RISK FUND

That an appropriation in the sum of Seventeen Million Five Hundred Thirty-Six Thousand Two Hundred Twenty-Eight (\$17,536,228) Dollars is hereby made to the Risk Management Fund as more fully detailed in Exhibit A, "City of Allentown 2012 Budget."

Bill 87 CAPPROJECTS

That an appropriation in the sum of Thirteen Million Seven Hundred Forty-Seven Thousand Six Hundred Eighty-One (\$13,747,681) Dollars is hereby made to the Capital Projects Fund as more fully detailed in Exhibit A, "City of Allentown 2012 Budget."

Bill 88 DEBT

SECTION ONE: That an appropriation in the sum of Seven Million Five Hundred Thousand Two Hundred Thirty-Eight (\$7,500,238) Dollars is hereby made to the Debt Obligation as more fully detailed in Exhibit A, "City of Allentown 2012 Budget."

Bill 89 E911

An Ordinance of the City of Allentown, County of Lehigh and Commonwealth of Pennsylvania, adopting the E 9-1-1 Fund Budget for 2012 of Two Million Seven Hundred Eighty-Five Thousand Eight Hundred Thirty-One (\$2,785,831) Dollars

Bill 90 EMS FUND

That an appropriation in the sum of Four Million Forty-Six Thousand Two Hundred Forty-Six (\$4,046,246) Dollars is hereby made to the EMS Fund as more fully detailed in Exhibit A, "City of Allentown 2012 Budget."

Bill 91 GENERALFUND

That the following financial program is hereby adopted for the year 2012, and appropriations are made to the various departments as indicated in the section below and that the sum of Eighty-Four Million Nine Hundred Forty-Two Thousand Two Hundred Ninety-Eight (\$84,942,298) Dollars, net of a planned vacancy factor of One Million One Hundred Forty-Seven Thousand Four Hundred Seventy-Eight (\$1,147,478) Dollars, be hereby appropriated as follows:

To Non-Departmental Offices	1,636,358
Vacancy Factor	-1,147,478
To the General and Civic Expense	10,249,837
To the Department of Finance	3,333,579
To the Department of Human Resources	584,349
To the Department of Community and Economic Dev	6,645,052
To the Department of Parks and Recreation	1,333,411
To the Department of Public Works	8,369,610
To the Department of Police	33,051,555
To the Department of Fire	19,084,303
To the Managing Director	1,801,722

Bill 92 TAXRATE

That a tax for general revenue be levied for the fiscal year, beginning the first Monday of January, A.D., 2012, upon all real, personal and mixed property within the limits of the said City, taxable according to the laws of the State of Pennsylvania, the valuation of such property to be taken from the assessed valuation of the taxable property under the provisions of the law regulating the same, at the rate of Ten and Seventy-one Thousand Nine Hundred Seventy-nine Hundred Thousandth (10.71979) mills on improvements and Fifty and Thirty-eight Thousand Thirty-one Hundred Thousandth (50.38031) mills on land.

Bill 93 BROWNFIELDS RLF

Referred to CEDC

Amends the Revolving Loan Fund (008) in the 2011 Budget to provide for a supplemental appropriation of Six Hundred Sixteen Thousand Ninety-Eight Dollars and Eighty Cents (\$616,098.80) from a United States Environmental Protection Agency Brownfield Cleanup Revolving Loan Fund grant for expenses associated with the creation and implementation of a Brownfield Cleanup Revolving Loan Fund.

12. CONSENT AGENDA: None

13. RESOLUTIONS ON SECOND READING: None

14. RESOLUTIONS ON FIRST READING:

R56 Vacancies Final.DOC

Referred to Rules, Chambers, Intergovernmental and Strategy Committee

Amending Council Rules by adding a section on Filling Vacancies in Council, Controller and Mayor’s Office

R 57 Capital Program

Referred to Budget Meeting on Capital Projects

Adopts the Capital Improvements Program for 2012-2016

R 58 Mack Truck Signs

Referred to Public Works

MACK TRUCKS SIGN AGREEMENT

Authorizes the use of public right of way for signage on City owned property

15. NEW BUSINESS

Mr. Schweyer stated that under New Business is the election of their Vice President to fill the remainder of this year’s term. He stated to his knowledge and Mr. Hanlon correct him if he if wrong, they only received one letter of interest. He asked if they had a nomination of this person.

Mr. Donovan stated that it is a self-nomination.

Mr. Schweyer stated to Mr. Schlossberg that he will start by asking him if he had any comments.

Mr. Donovan stated that he wanted to recognize that Mr. O’Connell, Ms. Eichenwald and Mr. Guridy that he was hoping that perhaps one of them would have presented for it. He stated that he knows Ms. Eichenwald has been here for awhile and certainly, Mr. Guridy has been here and held the position before, but he also felt that Mr. O’Connell would have been a good candidate to be considered, but he knows that they have other duties to attend to.

Mr. Schlossberg stated that it is only for two months and this is only housekeeping in the event that Mr. Schweyer is not present for a meeting, he will take the lack of other nominations as a sign of faith in his ability

to fulfill this duty and as always know that assuming that the election is formalized shortly he will fulfill it to the best of his abilities and he will not let Council down or the members of the public.

Approval of the Vice President passed, 7 – 0

Mr. Schweyer congratulated Mr. Schlossberg on being the youngest person to serve on Council.

16. GOOD AND WELFARE

Mr. O'Connell stated that the Allen/Dieruff football game is this Saturday. Either Dieruff or Allen will get their first win of the season and he thinks it is going to be Allen.

Mr. D'Amore stated that even Mr. O'Connell's colleague Mr. Schlossberg that lives on the west end is wearing blue and grey. He stated that he joins Mr. O'Connell at the game at 2:00 PM. It is important that they do this because of the incidents at the schools they celebrate these young men that shows a lot of pride. It is not easy to overcome what these two groups of football players have. They have displayed a lot of character and they deserve our support. This is their opportunity to shine. They are winners already because they showed up. We own them a little support.

Mr. Schweyer stated to Mr. Bennington that he had a request for a street light to be looked at on the Intersection of St. George Street and Hamilton Street and one at Catalina and SW 17th Street. There is a pole there already. He stated that on the day of the snowstorm on Saturday, he was able to call the Chief and unfortunately he called the comp center and had a hard time getting through. He stated that he understands it was a mess. He stated that his question is and it is not a criticism when they called the overtime folks for street cleaning and removal, do we add comp center under those circumstances. He stated that they talked about before on the Recreation Board appointment for Mr. Snyder on the south side. He stated that he and Mr. O'Connell asked for it. He stated that he believes that Mr. Snyder's application is pending and talked to Mr. Weitzel as well. He stated that a guest for Invocation, they are starting a new policy and not everyone feels comfortable in presenting an invocation on Council and he struggles with it to be perfectly honest for reasons that are immensely personal and he is going to ask that if any member of Council would like to have someone who is not a current member of Council to give a guest Invocation, he would ask them to do that. It strikes him as a missed opportunity for them. He stated that no one the dais is of Muslim faith and it would be nice to have someone around Ramadan to be able to give a perspective of that. He stated that they will have the first standing in for him on the first meeting of December and if anyone has in the faith community that you would have to offer that to, please give it to Mr. Hanlon and we will schedule that person. The members of Council who routinely gives the Invocation do an amazing job and they certainly appreciate it. This is an opportunity to open it up to the public at large. He stated that the would be remised if they did not once again take a moment to remember Mr. Bob Wood for all of his service and very sincere and passionate support of the city. For a man that was certainly one of the wealthiest men that this city has and was one of the most down-to-earth and wonderful people that he got a chance to know. He stated that the city certainly misses him and they would be better off in the future if he were still with us. Our thoughts and sympathy goes out to his family and closest friends. The Halloween Parade was rescheduled due to the weather. It is Sunday at 2:00 PM and he welcomes everybody to come out.

Mr. O'Connell stated from the Mountainville group.

Mr. Bennington stated that he will look into that. He does not want to give the wrong answer.

Ms. Eichenwald suggested that City Council issue a Proclamation in memory of Mr. Robert Wood.

Mr. Donovan stated that the memorial service was actually today.

Mr. Guridy stated that he attended the memorial service and it was a very nice service. The Mayor attends as well. He stated that Mr. Wood helps the city a lot. He was on a lot of committees and he had a very important role. It is a great loss to the city.

Mr. Atiyeh stated that Mr. Wood was the co-chair of 250th Anniversary. He was an outstanding guy.

Mr. Guridy stated that he was one of the wealthiest man and the most humble man that he met in his life.

17. ADJOURNED: 9:11 PM

Council meetings are held on the first and third Wednesday of each month beginning at 7:30 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 hanlon@allentowncity.org to receive an email notice of the meetings.